Stock Code: 3557

Jia Wei Lifestyle, Inc.

2023
Annual Report

Market Observation Post System (MOPS):
http://mops.twse.com.tw

Corporate Website: http://www.jiaweils.com

Printed on April 19, 2024

I. Names, titles and contact info of Jia Wei's spokesperson and deputy spokesperson:

Spokesperson: Kelly Ko
Title: Chief Operating Officer and Chief Finance Officer
Tel: (02) 7733-5368
E-mail: kellyko@jiaweils.com
Deputy Spokesperson: Lori Lin
Title: Director of Corporate Governance
Tel: (02) 7733-5368
E-mail: lorilin@jiaweils.com

II. Addresses and telephone numbers of the headquarters, branches and plants:

Headquarters: 14F-4, No. 296, Section 4, Xinyi Road, Daan District, Taipei City
Tel: (02) 7733-5368

Plant: Liwang Revenue, Mingzhu Industrial Park, Heyuan City, Guangdong
Tel: 86 (762) 383-6329

Branches: None

III. Name, address, website and telephone number of stock transfer agency:

Name: Department of Stock Transfer Agency, Fubon Securities Co., Ltd.
Website: https://www.fubon.com
Address: 11F, No. 17, Xuchang Street, Zhongzheng District, Taipei City
Tel: (02) 2361-1300

IV. Names of the certified public accountants, name, address, website, telephone number of the accounting firm that certified the most recent annual financial report:

Names of the CPAs: Calvin Chen and Fangwen Lee
Name of the Firm: EY Taiwan
Website: https://www.ey.com/tw
Address: 17F, No. 2, Zhongzheng Third Road, Kaohsiung City
Tel: (07) 238-0011

V. Names of trading places where overseas securities are listed for trading and methods to inquire about overseas securities information: None.

VI. Corporate website: http://www.jiaweils.com

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Chapter 1 Letter to Shareholders

Dear Shareholders,

Business Results of the Previous Year

Business Plan Implementation Results and Budget Execution:

In 2023, JiaWei encountered several challenges in its primary market, the United States. These challenges included the impact of rising inflation and interest rates, which reduced consumer purchasing power. Additionally, customers adopted more conservative inventory procurement policies, leading to a slowdown in sales. To address these market conditions, JiaWei introduced competitively priced products to stimulate demand.

Despite these adverse effects, JiaWei managed to leverage its years of market experience and stabilize raw material prices. Consequently, the Company witnessed a counter-trend increase in gross profit margins. Operating profit margins and net profit margins were also maintained at a certain level. However, the decrease in revenue still had an impact on the overall profitability performance.

Financial Income and Expenditure: Unit: NT$ thousand

Item \ Year		2023	2022	Amount of increase/decrease	Percentage of change (%)
Financial revenue and expenditure	Net operating revenue	4,752,422	5,621,206	(868,784)	(15.46)
	Operating costs	2,916,970	3,604,763	(687,793)	(19.08)
	Net income (loss) before tax	502,048	725,630	(223,582)	(30.81)
	Net income (loss)	386,413	564,757	(178,344)	(31.58)
	Total comprehensive income for the period	363,889	602,287	(238,398)	(39.58)

Profitability:

Item \ Year		2023	2022
Profitability	Gross profit margin (%)	38.62	35.87
	Operating profit margin (%)	10.78	11.90
	Return on equity (%)	16.25	24.16
	Ratio of pretax income to paid-up capital (%)	62.52	90.36
	Net profit margin (%)	8.13	10.04
	Earnings per share (NT$)	4.81	7.03

Financial revenue and expenditure analysis and explanation of reason for profitability changes:

In 2023, factors such as inflationary pressure, a reduction in the purchasing power of consumer, conservative buying policy adopted by customers, and currency depreciation of the US dollar resulted in a simultaneous reduction in exchange gains. Despite the rebound in gross profit margins and comparable operating net profit margins to the previous year, the decline in revenue continued to impact the overall profit performance.

Research and Development: Unit: NT$ thousand

<table>
<tr><td>Item</td><td>2023</td><td>2022</td><td rowspan="4">In 2023, the Company continued to design trendy and aesthetically-pleasing houseware products by launching a variety of functional, fun and ingenious brand kitchenware, and by developing environmentally friendly raw materials and products that combine different materials to maintain its leading position as the pioneer</td></tr>
<tr><td>Research and development expenses</td><td>139,763</td><td>106,327</td></tr>
<tr><td>Turnover</td><td>4,752,422</td><td>5,621,206</td></tr>
<tr><td>Ratio of R&D expenses to operating revenue (%)</td><td>2.94%</td><td>1.89%</td></tr>
</table>

Summary of Business Plan of This Year

Business Strategy:

With the transformation of the global economy, the manufacture-centered economy is moving towards service economy, knowledge economy, creative economy, and eventually experience economy. The competitive edge of an industry does not depend solely on land, capital or labor, but the integration of knowledge, creativity, culture and character. Design is about more than design but something that connects life and culture, and the imagination about the relationship between design and life has also become more complex and diversified, contributing to changes in the "meaning of life and the value of consumption."

The houseware product industry is deeply intertwined with the population and economy, as well as a reflection of culture. We aim to enhance the quality of houseware products that bring positive experience in terms of sight and touch, while combining an elegant home environment with a refined taste that encourages a lifestyle centered on enjoyment.

Looking ahead to year 2024, external markets are expected to witness gradual clearance of excess inventory after the painful period of inventory adjustments. Major customers hold optimistic outlooks for the future retail market. Internally, JiaWei possesses leading design capabilities in the industry and offers key advantages in providing customers with end-to-end services from design, production, shipping, to localization. In addition to steady growth in existing tableware products, market penetration of kitchenware products is increasing year by year. Furthermore, the Company aims to increase customer retention by expanding operations in the United States and Vietnam, establishing physical logistics and diversified online marketing, and enhancing our service quality. Moreover, amidst the global ESG net-zero trend and escalating environmental protection and carbon reduction issues, there's a growing demand for eco-friendly products. Since 2019, JiaWei has introduced R-PET materials with circular economy benefits, leveraging industry-leading manufacturing processes and breakthroughs in R-PET production technology. Products have evolved from single-colored to printed decals, enabling excellent design aesthetics to be fully presented in eco-friendly materials, meeting market and customer demands. The usage of R-PET is growing annually, becoming a new mainstream in the market. In summary, the overall momentum for growth will continue, bringing operational growth to customers and the Company itself, and tangible progress in sustainable operations can be expected.

Expected Sales Volume and Basis:

The sales volume is based on the market demand and the orders the Company receives.

Significant production and sales policies:

The Company shall integrate operations, production and sales information and systems to meet the requirements for global multi-site business operations in the future, optimize the operation foundation, and consolidate strength for medium and long-term development.

The company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment.

The Company shall collect and pay attention to relevant information on changes in the external competitive environment, regulatory environment and overall operating environment at all times, and quickly develop necessary response measures to meet the Company's operational development needs.

In the future, all employees of the Company will continue to be diligent and conscientious while striving to enhance the Company’s competitiveness.

We aim to become an enterprise with sustainable operations and reward our shareholders with more profits.

Thank you again for your continuous support for the Company throughout the year!

Jacky Huang

Chairman of the Board

Chapter 2 Company Profile

I. Date of Incorporation: April 21, 2005

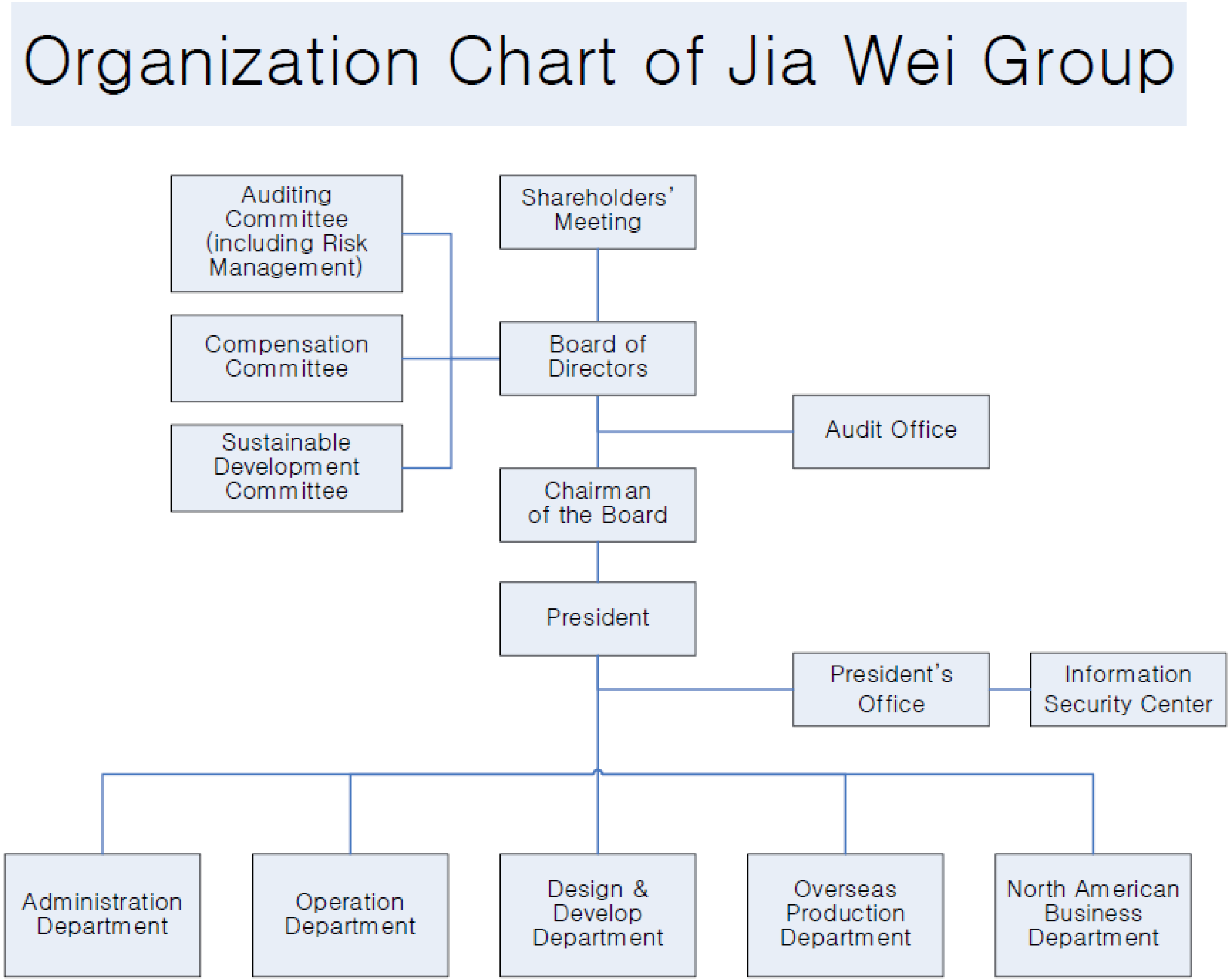
II. Company History

Apr. 2005	Gamma Optical Co., Ltd. established (currently known as Jia Wei Lifestyle, Inc.).
Mar. 2007	Obtained approval for the public issue of stock.
Apr. 2007	Gamma stock becomes listed on the emerging stock board.
Oct. 2007	Gamma obtains approval from Industrial Development Bureau of the Ministry of Economic Affairs to be listed on the stock market.
Feb. 2008	Gamma becomes listed on the stock market.
Sep. 2016	Gamma handles private placement of 72 million ordinary shares and brings in new investors.
Oct. 2016	Gamma holds complete re-election of Directors and Independent Directors and brings in a new business team.
Jul. 2018	Gamma sets foot in international housewares industry.
May. 2019	The Shareholders' Meeting passed the resolution of withdrawing from Nanzi Processing Export Zone, Kaohsiung, and moving the company to 14F-4, No. 296, Section 4, Xinyi Road, Daan District, Taipei City.
Aug. 2019	Gamma acquired distinguished houseware industry leaders Golden Star Ocean Ltd. and Achieve Goal Limited, whose houseware product design, sales and manufacturing skills and 30 years of customer relations greatly enhance Gamma's profitability and competitiveness, thereby helping Gamma to meet its corporate transformational objective. Gamma also acquired U.S.-based kitchenware product company Prepara, whose brand image, design patents and global channels helping Gamma to set brand management as Gamma's long-term, sustainable goal.
Oct. 2019	Changed the Company name to Jia Wei Lifestyle, Inc. by resolution on the Shareholders' Meeting.
Dec. 2020	Profits are made for 6 consecutive quarters after the merger and shareholders' equity is significantly enhanced. The merger has shown positive synergy, thereby winning the "2020 MAPECT Taiwan M&A Awards" organized by Taiwan Merger & Acquisitions and Private Equity Council and Business Today magazine. American kitchenware brand Prepara is nominated by The Chicago Athenaeum's "Good Design Awards 2020" and four of its products win the coveted "Good Design Awards".
Aug. 2021	Completed the first fundraising after the merger and acquisition transformation, and the paid-up capital after the capital increase exceeded NT$800 million. Gain the support and recognition of all parties and professional forward-looking investment legal persons for Jia Wei's operating results and future prospects.
Aug. 2023	The Board of Directors has resolved to invest in establishing a new subsidiary in Vietnam to construct a second production base, thereby expanding its operations and mitigating the operational risks associated with a single production base.

Chapter 3 Corporate Governance Report

I. Organization System

(I) Organization Structure



(II) Major Corporate Functions

Major Department	Functions
Audit Office	Assessing deficiencies in Jia Wei's internal control system, measuring operational efficiency, so as to ensure the continuous and effective implementation of the internal control system and assist managers in fulfilling their responsibilities. Conduct an independent assessment of the internal risk control system, submit audit reports and provide timely suggestions for improvement. Review the completeness of the design of the internal control system and the effectiveness of execution. Assist Management to dutifully fulfill their responsibilities.
President’s Office	Business strategic planning, project promotion, and survey and collection of industry information to formulate development strategies and operational goals for the Group. Management and supervision of legal affairs and intellectual property.
Operation Department	Integrating product demand and trends in the global market and planning marketing, pricing and supply chain management strategies to satisfy customer needs and to achieve operational goals. Plan the search for new customers and markets. Provide customer views during the design phase. Collect customer complaints and quality problems for review and improvement.
Design and Develop Department	Collecting, analyzing, and exploring global fashion trends of functional, fun, and ingenious houseware, and setting the tone for and implementing annual product design elements and series. Develop and introduce new techniques for the production processes of new products. Designing and developing new materials and modules.
Administration Department	Control budgeting for the Group and implement accounting systems. Compile, calculate and analyze financial reports and business management statements. Overall planning and utilization of funds. Implementation of tax planning and related projects. Release news concerning corporate governance. Facilitate the agenda for the Board meetings and Shareholders' Meetings and ensure the compliance of resolutions. Integrate Jia Wei's information management system and provide information structure and services to ensure information security. Management of human resources, control of safe working environment, services and health management for employees. Prioritize sustainable management and corporate social responsibility.
Overseas Production Department	Operation management of all factories, including planning production process, and management of materials, human resources, techniques, and shipping. Thus, product quality is guaranteed and the design and develop of modules is integrated. Plan and execute testing of the mass production of new products. Improvement of production process, enhancement of production efficiency, and promotion of automation.
North American Business Department	Promote the Group's brand and offer customer service.
Information Security Center	Responsible for planning, monitoring, implementing, and managing information security systems, overseeing information security policies, and resource allocation affairs.

II. Information on directors, president, vice president, assistant vice president, and leaders of various departments and branches

(I) Information on Directors

1. Directors

March 31, 2024; Unit: shares

Title	Nationality/Place of Incorporation	Name	Gender/ Age	Date Elected	Term of Office	Date First Elected	Shareholdings at Election		Shareholding Ratio		Spouse & Minor Children Shareholding		Shareholding by Nominees		Experience (Education)	Currently holding concurrent posts in Jia Wei and other companies	Executives , Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Hsin-Fu Investment Limited Representative: Jacky Huang	Male 61~70	2022.05.31	3 years	2022.05.31	1,100,000	1.37%	1,934,000	2.41%	-	-	-	-	Bachelor of International Trade, Feng Chia University General Manager of Hanying Co., Ltd. General Manager of Buochi Craft Agency	The Company: None Other companies: Director of Achieve Goal Limited (Note 1)	-	-	-	-
							-	-	-	-	-	-	-	-						
Director	Republic of China	Smart Investment Limited Representative: David Wu	Male 41~50	2022.05.31	3 years	2022.05.31	5,326,740	6.63%	10,345,034	12.88%	-	-	-	-	Studied at Chinese Culture University President of Widely Watched Limited	The Company: President Other companies: President of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) (Note 2)	-	-	-	-
							251,000	0.31%	158,000	0.20%	146,656	0.18%	10,345,034	12.88%						
Director	Republic of China	Hsin-Fu Investment Limited Representative: Li-Hua Wu	Female 51~60	2022.05.31	3 years	2022.05.31	1,100,000	1.37%	1,934,000	2.41%	-	-	-	-	Nan Ying Vocational High School Design Director of Widely Watched Limited	The Company: Design Director Other companies: Supervisor of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) (Note 3)	-	-	-	-
							1,563,044	1.95%	1,602,044	2.00%	-	-	8,952,294	11.15%						
Director	Republic of China	Smart Investment Limited Representative: Ray Hou	Male 61~70	2022.05.31	3 years	2022.05.31	5,326,740	6.63%	10,345,034	12.88%	-	-	-	-	Accounting Institute, National Cheng Kung University Partner and Accountant of Kaohsiung Office, EY Taiwan	The Company: None Other companies: Person in Charge of Ray Hou Accounting Firm (Note 4)	-	-	-	-
							-	-	-	-	-	-	-	-						

Independent Directors

March 31, 2024; Unit: shares

Title	Nationality/Place of Incorporation	Name	Gender/ Age	Date Elected	Term of Office	Date First Elected	Shareholdings at Election		Shareholding Ratio		Spouse & Minor Children Shareholding		Shareholding by Nominees		Experience (Education)	Currently holding concurrent posts in Jia Wei and other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Shou-Te Hsu	Male 61~70	2022.05.31	3 years	2022.05.31	-	-	-	-	-	-	-	-	PhD.in Finance, University of Alabama Professor, Head of Department, Vice Dean of School of Management, and Dean for Student Affairs, National Sun Yat-sen University President of Takming University of Science and Technology 9th Chief Director of Association of Private Universities and Colleges of Technology Director of Private School Staff Retirement Pension Severance Fund Management Committee Vice Chairman of Kaohsiung Red Cross Society	The Company: None Other companies: Independent Director of WAH LEE INDUSTRIAL CORP. (Note 5)	-	-	-	-

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality/Place of Incorporation</th><th rowspan="2">Name</th><th rowspan="2">Gender/ Age</th><th rowspan="2">Date Elected</th><th rowspan="2">Term of Office</th><th rowspan="2">Date First Elected</th><th colspan="2">Shareholdings at Election</th><th colspan="2">Shareholding Ratio</th><th colspan="2">Spouse & Minor Children Shareholding</th><th colspan="2">Shareholding by Nominees</th><th rowspan="2">Experience (Education)</th><th rowspan="2">Currently holding concurrent posts in Jia Wei and other companies</th><th colspan="3">Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship</th><th rowspan="2">Note</th></tr>
<tr><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Number of shares</th><th>Shareholding ratio</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Independent Director</td><td>Republic of China</td><td>Chin-Chou Hsu</td><td>Male 61~70</td><td>2022.05.31</td><td>3 years</td><td>2022.05.31</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>Department of Economics, National Taiwan University
Master of Economics, Department of Economics, National Taiwan University
Research Master, the Institute of Economics of Johns Hopkins University
Section Chief and Team Leader of the Monetary Affairs Bureau, Ministry of Finance
Vice President of Hua Chiao Commercial Bank
Counselor of the Ministry of Finance and Deputy Executive Secretary of National Development Fund, Executive Yuan
Director of General Planning Division, FSC
Deputy Director of the Insurance Bureau, FSC
Director of the International Business Division, FSC
Director of SinoPac Venture Capital Corporation
Taiwan Semiconductor Manufacturing Co., Ltd. Director
Vanguard International Semiconductor Corporation (VIS) Director
Director of Powerchip Technology Corporation
Director of Scinopharm Taiwan Ltd.
Director of Polaris Group
Director of FOCI FIBER OPTIC COMMUNICATIONS, INC.</td><td>The Company: None
Other companies: Independent Director of ALLIED CIRCUIT CO., LTD.</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

Note 1: Concurrently serving as Director of Golden Star Ocean Ltd., representative of Corporate Director of Tzeng Shyng Industries Corp., and Director of Jia Wei Lifestyle Vietnam Limited Company.

Note 2: Concurrently serving as President of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM), Director of Achieve Goal Limited, Director of Freshlink Product Development, LLC Manager, Director and Chairman of First Design Global, Inc, Director of Digital Solution Investments Limited, Director and Secretary of Smart Wealth Corp., representative of Smart Investment Limited, Director and Secretary of Treasure Plus Global Inc., and Director of Jia Wei Lifestyle Vietnam Limited Company.

Note 3: Concurrently serving as Supervisor of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM), Director of Mega Service Inc., Representative of Omega Investment Limited, Director of Hsin-Fu Investment Limited, Representative of Hsin-Fu Investment Limited, Representative of DA-FA Universal Investment Limited, and Director of Jia Wei Lifestyle Vietnam Limited Company.

Note 4: Concurrently serving as Independent director of JIYUAN PACKAGING HOLDINGS LIMITED, Independent director of T.Y.C. BROTHER INDUSTRIAL CO., LTD., Independent director of (UNITED FIBER OPTIC COMMUNICATION INC., Independent director of MOSPEC SEMICONDUCTOR CORP., Corporate director representative of E&R ENGINEERING CORPORATION), representative and director of Family Tree Limited

Note 5: Concurrently serving as Independent director of SOFT-WORLD INTERNATIONAL CORPORATION, Independent director of MYSON CENTURY, INC.

Note 6: Concurrently serving as Independent director of SOUTH CHINA INSURANCE CO. LTD.

Note 7: As an Audit Committee has been set up in accordance with applicable laws on June 17, 2011, the regulation pertaining to Supervisors is no longer applicable.

2. Substantial Shareholder(s) of the Corporate Shareholders:

As of March 31, 2024

Name of corporate shareholder	Substantial shareholder of the corporate shareholder and Shareholding ratio
Hsin-Fu Investment Limited	Li-Hua Wu : 99.9%, Wen-Xin Wu: 0.1%
Smart Investment Limited	David Wu: 30%, Yu-Xiang Wu: 35%, Pei-Yi Wu: 35%

3. Professional qualifications and independence of Independent Directors:

Criteria / Name	Professional qualifications and experience	Criteria for independence	Number of other publicly listed companies where he/she concurrently serving as independent director
Chairman Jacky Huang	§ Have experience in business, finance, operation judgment, crisis management, leadership and decision-making, international market perspective, etc. § Education, professional qualifications and experience: . Bachelor of International Trade, Feng Chia University . President of Hanying Co., Ltd. . President of Buochi Craft Agency § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% of the total number of issued shares of the Company or ranking in the top 10 in holdings. 2. Not a manager, director, spouse or immediate relative of shareholders with 1% shareholding or ranking in the top 10 in holdings of the Company or affiliated companies. 3. Neither a Director, Supervisor, or employee of a corporate shareholder that holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director of the Company. 4. If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person, neither a Director, Supervisor, or employee of that other company. 5. If the Chairperson, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses, neither a Director (or governor), Supervisor or employee of that other company or institution. 6. Not a Director, Supervisor, Manager or shareholder holding over 5% shares of special company or agency that has a financial or business relation with the Company. 7. Not a professional individual who, or an owner, partner, Director, Supervisor, or Officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$ 500,000, or a spouse thereof; 8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None

Criteria / Name	Professional qualifications and experience	Criteria for independence	Number of other publicly listed companies where he/she concurrently serving as independent director
Director David Wu	§ Have experience in business, operation and management, crisis management, leadership and decision-making, international market perspective, industry knowledge, manufacturing, etc. § Education, professional qualifications and experience: . Studied at Chinese Culture University . President of Widely Watched Limited § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Not a manager, spouse or immediate relative of shareholders with 1% shareholding or ranking in the top 10 in holdings of the Company or affiliated companies. 2. If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person, neither a Director, Supervisor, or employee of that other company. 3. Not a professional individual who, or an owner, partner, Director, Supervisor, or Officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$ 500,000, or a spouse thereof; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None
Director Li-Hua Wu	§ Have experience in business, operation and management, crisis management, leadership and decision-making, international market perspective, industry knowledge, creative design, etc. § Education, professional qualifications and experience: . Nan Ying Vocational High School . Design Director of Widely Watched Limited § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Not a manager, spouse or immediate relative of shareholders with 1% shareholding or ranking in the top 10 in holdings of the Company or affiliated companies. 2. If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person, neither a Director, Supervisor, or employee of that other company. 3. Not a professional individual who, or an owner, partner, Director, Supervisor, or Officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$ 500,000, or a spouse thereof; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None

Criteria / Name	Professional qualifications and experience	Criteria for independence	Number of other publicly listed companies where he/she concurrently serving as independent director
Director Ray Hou	§ Have experience in accounting and crisis management, and have passed the national examination required for CPAs with the Certificate of Professional and Technician. § Education, professional qualifications and experience: . Accounting Institute, National Cheng Kung University . Partner and Accountant of Kaohsiung Office, EY Taiwan § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% of the total number of issued shares of the Company or ranking in the top 10 in holdings. 2. Not a manager, director, spouse or immediate relative of shareholders with 1% shareholding or ranking in the top 10 in holdings of the Company or affiliated companies. 3. Neither a Director, Supervisor, or employee of a corporate shareholder that holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director of the Company. 4. If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person, neither a Director, Supervisor, or employee of that other company. 5. If the Chairperson, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses, neither a Director (or governor), Supervisor or employee of that other company or institution. 6. Not a Director, Supervisor, Manager or shareholder holding over 5% shares of special company or agency that has a financial or business relation with the Company. 7. Not a professional individual who, or an owner, partner, Director, Supervisor, or Officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$ 500,000, or a spouse thereof; 8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	4

Criteria / Name	Professional qualifications and experience	Criteria for independence	Number of other publicly listed companies where he/she concurrently serving as independent director
Independent Director Shou-Te Hsu	§ Convener of Jia Wei's Audit Committee and member of the Remuneration Committee §Professor and Head of Department of School of Management in National Sun Yat-sen University and President of Takming University of Science and Technology § Have more than 5 years of teaching experience in the business field in both private and public colleges, with expertise in management and accounting § Education, professional qualifications and experience: . PhD.in Finance, University of Alabama . Professor, Head of Department, Vice Dean of School of Management, and Dean for Student Affairs, National Sun Yat-sen University . President of Takming University of Science and Technology . 9th Chief Director of Association of Private Universities and Colleges of Technology . Director of Private School Staff Retirement Pension Severance Fund Management Committee . Vice Chairman of Kaohsiung Red Cross Society § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Comply with the conditions of independence as stipulated in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Company or its affiliated enterprises; Does not hold shares of the Company; Not being a director, supervisor or employee of a company having a particular relationship with the Company; Not a professional individual who, or an owner, partner, Director (governor), Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years, or a spouse thereof. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	3

Criteria / Name	Professional qualifications and experience	Criteria for independence	Number of other publicly listed companies where he/she concurrently serving as independent director
Independent Director Chin-Chou Hsu	§ Member of Jia Wei's Audit Committee and Remuneration Committee §Held various government positions in the financial field, such as Section Chief and Team Leader of the Monetary Affairs Bureau, Ministry of Finance and Deputy Director of the Insurance Bureau § Has more than 5 years of experience in business, finance, and operation and has expertise in economy and finance. § Education, professional qualifications and experience: . Department of Economics, National Taiwan University . Master of Economics, Department of Economics, National Taiwan University . Research Master, the Institute of Economics of Johns Hopkins University . Section Chief and Team Leader of the Monetary Affairs Bureau, Ministry of Finance . Vice President of Hua Chiao Commercial Bank . Counselor of the Ministry of Finance and Deputy Executive Secretary of National Development Fund, Executive Yuan . Director of General Planning Division, FSC . Deputy Director of the Insurance Bureau, FSC . Director of the International Business Division, FSC . Director of SinoPac Venture Capital Corporation . Taiwan Semiconductor Manufacturing Co., Ltd. Director . Vanguard International Semiconductor Corporation (VIS) Director . Director of Powerchip Technology Corporation . Director of Scinopharm Taiwan Ltd. . Director of Polaris Group . Director of FOCI FIBER OPTIC COMMUNICATIONS, INC. § Not under any of the circumstances stated in Article 30 of the Company Act.	1. Comply with the conditions of independence as stipulated in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Company or its affiliated enterprises; Does not hold shares of the Company; Not being a director, supervisor or employee of a company having a particular relationship with the Company; Not a professional individual who, or an owner, partner, Director (governor), Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years, or a spouse thereof. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	2

Note: As an Audit Committee has been set up in accordance with applicable laws on June 17, 2011, the regulation pertaining to Supervisors is no longer applicable.

4. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

Policy

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance assessment.

Objectives and Achievement

Among the Company's current 6 board members, Mr. Jacky Huang serves as the Chairman of the Board. He possesses experience in business, finance, operational management judgment, crisis handling, international perspectives, leadership decision-making, and relevant industry experience. David Wu has long been engaged in the household products industry and has many years of experience in industrial operation, crisis management, marketing, and manufacturing. One female director, Ms. Li-Hua Wu, takes advantage of her design and fashion aesthetics to grasp fashion trends, provides creativity and ideas, and help grasp market and customer needs. CPA Ray Hou used to be the Director of Ernst & Young's Kaohsiung Office. In addition, Shou-Te Hsu, professor and Head of Department of School of Management in National Sun Yat-sen University and President of Takming University of Science and Technology, became an Independent Director. The other Independent Director was Chin-Chou Hsu, who used to be Section Chief and Team Leader of the Monetary Affairs Bureau, Ministry of Finance and Deputy Director of the Insurance Bureau. The overall age structure is as follows: 1 person aged 41-50, 1 person aged 51-60, and 4 people aged 61-70. The Company will conduct a by-election for an Independent Director seat at the shareholders' meeting in 2024. The target candidate is a female with a background in finance and related fields. After the by-election, the total number of board members will be 7, achieving the following composition: 43% of board members with industry experience, 43% with a background in finance, 14% with accounting expertise, and 2 female board members. This composition aims to fulfill the diversity objectives of the Board in terms of professional skills, age structure, and gender representation.

Member \ Core Projects of Diversify	Basic Composition					Experience (Education)	Industry Experience/Professional Competence							
	Nationality	Gender	As An Employee of the Company	Age	Term Seniority of Independent Director		Ability to Make Judgments about Operations	Accounting and Financial Analysis Ability	Crisis Management Ability	International Market Perspective	Leadership Decision Ability	Knowledge of the Industry	Manufacturing	Creative Design
Chairman HSIN-FU INVESTMENT LIMITED Representative: Jacky Huang	Republic of China (Taiwan)	Male		61~70		Bachelor of International Trade, Feng Chia University President of Hanying Co., Ltd. President of Buochi Craft Agency	V	V	V	V	V	V		
Director SMART INVESTMENTS LIMITED Representative: David Wu	Republic of China (Taiwan)	Male	V	41~50		Studied at Chinese Culture University President of Widely Watched Limited	V		V	V	V	V	V	
Director HSIN-FU INVESTMENT LIMITED Representative: Li-Hua Wu	Republic of China (Taiwan)	Female	V	51~60		Nan Ying Vocational High School Design Director of Widely Watched Limited	V		V	V	V	V		V
Director SMART INVESTMENTS LIMITED Representative: Ray Hou	Republic of China (Taiwan)	Male		61~70		Accounting Institute, National Cheng Kung University Partner and Accountant of Kaohsiung Office, EY Taiwan		V	V	V	V			
Independent Director Shou-Te Hsu	Republic of China (Taiwan)	Male		61~70	Under 3 years	PhD.in Finance, University of Alabama Professor, Head of Department, Vice Dean of School of Management, and Dean for Student Affairs, National Sun Yat-sen University President of Takming University of Science and Technology 9th Chief Director of Association of Private Universities and Colleges of Technology Director of Private School Staff Retirement Pension Severance Fund Management Committee Vice Chairman of Kaohsiung Red Cross Society	V	V	V	V	V			
Independent Director Chin-Chou Hsu	Republic of China (Taiwan)	Male		61~70	Under 3 years	Department of Economics, National Taiwan University Master of Economics, Department of Economics, National Taiwan University Research Master, the Institute of Economics of Johns Hopkins University Section Chief and Team Leader of the Monetary Affairs Bureau, Ministry of Finance Vice President of Hua Chiao Commercial Bank Counselor of the Ministry of Finance and Deputy Executive Secretary of National Development Fund, Executive Yuan Director of General Planning Division, FSC Deputy Director of the Insurance Bureau, FSC Director of the International Business Division, FSC Director of SinoPac Venture Capital Corporation Director of Taiwan Semiconductor Manufacturing Co., Ltd. Vanguard International Semiconductor Corporation (VIS), Director Director of Powerchip Technology Corporation Director of Scinopharm Taiwan Ltd. Director of Polaris Group Director of FOCI FIBER OPTIC COMMUNICATIONS, INC.	V	V	V	V	V			

(2) Independence of the Board of Directors:

In case a candidates nomination system is adopted by the Company for election of the Directors in accordance with Article 192-1 of the Company Act and Article 13 of the Articles of Incorporation, the Shareholders' Meeting shall elect the Directors from among the nominees listed in the roster of Director candidates. The Company's 8th board of Directors currently consists of 6 Directors, including 2 Independent Directors, accounting for 33%; Please refer to this Annual Report (Pages 11~15) for their independence.

After reviewing the declarations, identity documents and insider declarations issued by directors, the directors and independent directors of the Company do not have any relationship between spouses or relatives within the second degree of kinship. None of the conditions specified in Article 26-3, Item 3 and Item 4 of the Securities and Exchange Act.

(II) President, Vice President, Assistant Managers, and Supervisors of Departments and Branches

As of March 31, 2024; unit: shares

Title	Nationality	Name	Gender	Date Elected	Shares Held		Shares held by spouse and minor children		Shareholding by Nominees		Experience (Education)	Currently Holding Concurrent Posts in the Company and Other Companies	Managers Who are Spouses or within Two Degrees of Kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	David Wu	Male	2020.04.01	158,000	0.20%	146,656	0.18%	10,345,034	12.88%	Studied at Chinese Culture University President of Widely Watched Limited	General Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) (Note 1)	-	-	-	-
Design Director	Republic of China (Taiwan)	Li-Hua Wu	Female	2021.06.01	1,602,044	2.00%	-	-	8,952,294	11.15%	Nan Ying Vocational High School Design Director of Widely Watched Limited	Supervisor of Zheng Xing Plastic Product (Heyuan) Co., Ltd. (Note 2)	-	-	-	-
Vice President of Sales	Republic of China (Taiwan)	Danny Cheng	Male	2019.12.12	15,100	0.02%	-	-	-	-	MBA, University of Auckland School of Business, New Zealand CEO of Grand Bonanza Enterprise Inc.	Director and Secretary of First Design Global, Inc. (Note 3)	-	-	-	-
Chief Operating Officer and Chief Finance Officer	Republic of China (Taiwan)	Kelly Ko	Female	2005.06.01	327,000	0.41%	-	-	-	-	Bachelor of Accounting, Tunghai University Manager of Audit Department, KPMG Taiwan Accounting Deputy Section Supervisor, Walsin Technology Co., Ltd.	Golden Insurance Brokers Ltd. Independent Directors (Note 4)	-	-	-	-
President Office Executive Assistant	Republic of China (Taiwan)	Zeco Chen	Male	2019.05.02	15,000	0.02%	-	-	-	-	Master degree, Institute of financial management, Kaohsiung First University of Science and Technology Bachelor's Degree, Accounting Department, Fu Jen Catholic University Strategy Officer, Jinzhifu Asset Management Corporation Senior Vice President, Department of Capital Market, Hong Yuan Securities Co., Ltd. Special Assistant of Chairman of Pu Yuan Biotech Co., Ltd.	Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) (Note 5)	-	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shares Held		Shares held by spouse and minor children		Shareholding by Nominees		Experience (Education)	Currently Holding Concurrent Posts in the Company and Other Companies	Managers Who are Spouses or within Two Degrees of Kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Financial Department	Republic of China (Taiwan)	Pei-Ching Liao	Female	2018.11.05	146,965	0.18%	-	-	-	-	Comprehensive Domestic Service of Tainan Domestic Service School	Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM) Chairman (Note 5)	-	-	-	-
Associate Manager of President's Office	Republic of China (Taiwan)	Zhi-Hang Zhang	Male	2019.08.13	-	-	-	-	-	-	Science, Information Technology Department of Yuan Dong Business School Yujing Business Electrical Engineering Department Engineer of TZENG SHYNG INDUSTRIES CORP.	Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) Chairman (Note 6)	-	-	-	-
Director of Corporate Governance (Note 8)	Republic of China (Taiwan)	Lori Lin	Female	2023.05.05	20,000	0.02%	-	-	-	-	Bachelor of Accounting, Tunghai University Specialist of Audit Department, KPMG Taiwan Accounting Officer, ASE TEST, INC.	None	-	-	-	-

Note 1: Concurrently serving as President of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM), Director of Achieve Goal Limited, Freshlink Product Development, LLC Manager, Director and Chairman of First Design Global, Inc., Director of Digital Solution Investments Limited, Director and Secretary of Smart Wealth Corp., Representative of Smart Investment Limited, Director and Secretary of Treasure Plus Global Inc., and Director of Jia Wei Lifestyle Vietnam Limited Company.

Note 2: Concurrently serving as Supervisor of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM), Director of Mega Service Inc., Representative of Omega Investments Co., Ltd., Director of Hsin-Fu Investment Limited, Representative of Hsin-Fu Investment Limited, Representative of DA-FA Universal Investment Limited, and Director of Jia Wei Lifestyle Vietnam Limited Company.

Note 3: Concurrently serving as Director and Secretary of Wide United International Limited

Note 4: Concurrently serving as Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP) and Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)

Note 5: Concurrently serving as Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM), Freshlink Product Development, LLC Manager, Director of First Design Global, Inc., Representative of Corporate Supervisor of Quark Industrial Co. Ltd., and resigned on Apr. 12, 2024.

Note 6: Concurrently serving as Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)

Note 7: Concurrently serving as Director of Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)

Note 8: The board of directors approved the establishment on May 5, 2023.

(III) Where the Chairperson of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None.

III. Remuneration Paid to Directors, President, and Vice Presidents in the Most Recent Fiscal Year

1. Remuneration paid to Directors (including Independent Directors)

Unit: NT$ thousand

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Received from An Invested
		Base Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)(Note 1)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay and Pension (F)		Employee Compensations (G) (Note 1)						
																Jia Wei		All companies in the consolidated financial statements				
		Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Cash Amount	Share Amount	Cash Amount	Share Amount	Jia Wei	All companies in the consolidated financial statements	
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-	10,682	10,682	-	-	10,682 2.764%	10,682 2.764%	-	-	-	-	-	-	-	-	10,682 2.764%	10,682 2.764%	None
	Representative: Jacky Huang (Note 4)	2,430	2,430	-	-	-	-	45	45	2,475 0.641%	2,475 0.641%	-	-	-	-	-	-	-	-	2,475 0.641%	2,475 0.641%	None
Director	SMART INVESTMENTS LIMITED	-	-	-	-	10,682	10,682	-	-	10,682 2.764%	10,682 2.764%	-	-	-	-	-	-	-	-	10,682 2.764%	10,682 2.764%	None
	Representative: David Wu	-	-	-	-	-	-	45	45	45 0.012%	45 0.012%	10,172	10,172	108	108	5,341	-	5,341	-	15,666 4.054%	15,666 4.054%	None
Director	HSIN-FU INVESTMENT LIMITED	-	-	-	-	(Note2)	(Note2)	-	-	(Note2)	(Note2)	-	-	-	-	-	-	-	-	(Note2)	(Note2)	None
	Representative: Li-Hua Wu	-	-	-	-	-	-	45	45	45 0.012%	45 0.012%	9,865	9,865	108	108	5,341	-	5,341	-	15,359 3.975%	15,359 3.975%	None
Director	SMART INVESTMENTS LIMITED	-	-	-	-	(Note3)	(Note 3)	-	-	(Note 3)	(Note 3)	-	-	-	-	-	-	-	-	(Note 3)	(Note 3)	None
	Representative: Ray Hou	1,200	1,200	-	-	-	-	45	45	1,245 0.322%	1,245 0.322%	-	-	-	-	-	-	-	-	1,245 0.322%	1,245 0.322%	None
Independent Director	Shou-Te Hsu	1,200	1,200	-	-	-	-	40	40	1,240 0.321%	1,240 0.321%	-	-	-	-	-	-	-	-	1,240 0.321%	1,240 0.321%	None
Independent Director	Chin-Chou Hsu	1,200	1,200	-	-	-	-	40	40	1,240 0.321%	1,240 0.321%	-	-	-	-	-	-	-	-	1,240 0.321%	1,240 0.321%	None

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Received from An Invested
		Base Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)(Note 1)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay and Pension (F)		Employee Compensations (G) (Note 1)						
		Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei		All companies in the consolidated financial statements		Jia Wei	All companies in the consolidated financial statements	
																Cash Amount	Share Amount	Cash Amount	Share Amount			
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-	(Note2)	(Note2)	-	-	(Note2)	(Note2)	-	-	-	-	-	-	-	-	(Note2)	(Note2)	None
	Representative: Vincent Chen (Note 5)	1,806	1,806	-	-	-	-	20	20	1,826	1,826	-	-	-	-	-	-	-	-	1,826	1,826	None
										0.473%	0.473%									0.473%	0.473%	
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-	(Note2)	(Note2)	-	-	(Note2)	(Note2)	-	-	-	-	-	-	-	-	(Note2)	(Note2)	None
	Representative: Hau-Min Chu (Note 6)	478	478	-	-	-	-	5	5	483	483	-	-	-	-	-	-	-	-	483	483	
										0.125%	0.125%									0.125%	0.125%	

Note 1: The 15th meeting of the 8th Board of Directors convened on March 8, 2024 approved the appropriation of employees' compensations and Directors' remuneration for 2023. However, the employees' compensations (to be distributed in cash) of NT$21,363,999 and Directors' remuneration (to be distributed in cash) of NT$21,363,999 will be submitted to the Audit Committee and the Board of Directors' meeting for resolution, and are therefore listed as estimates.

Note 2: The representative was appointed by Corporate Director Hsin-Fu Investment Limited, therefore the Directors' remuneration is no longer disclosed to avoid duplication.

Note 3: The representative was appointed by Corporate Director Smart Investment Limited, therefore the Directors' remuneration is no longer disclosed to avoid duplication.

Note 4: Resigned as an Independent Director of the Company on July 24, 2023, and was elected as the Chairman of the Company by the Board of Directors on August 1st, 2023.

Note 5: Resigned on June 20, 2023.

Note 6: Elected as the Chairman of the Company by the Board of Directors on June 20, 2023, and resigned on Aug. 1st, 2023.

Note 7: Please state the policy, system, standards and structure of Directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc. (Please refer to this Annual Report Pages 26~27))

Note 8: Unless disclosed in the table above, remuneration received in the most recent fiscal year by the Directors for providing services (e.g. serving as a non-employee consultant to the parent company/all companies in the consolidated financial statements/reinvestment companies, etc.): None.

Note 9: As an Audit Committee had been set up in accordance with applicable laws on June 17, 2011, the regulation pertaining to Supervisors is no longer applicable.

2. Remuneration of the President and Vice President

Unit: NT$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and Special Discretionary Allowance etc. (C)		Employee Compensations (D) (Note)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)（％）		Compensation Received from An Invested Company Other Than A Subsidiary or the Parent Company
		Jia Wei	All companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei		All companies in the consolidated financial statements		Jia Wei	All companies in the consolidated financial statements	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
President	David Wu	5,446	5,446	108	108	4,726	4,726	5,341	-	5,341	-	15,621 4.043％	15,621 4.043％	None
Design Director	Li-Hua Wu	5,139	5,139	108	108	4,726	4,726	5,341	-	5,341	-	15,314 3.963％	15,314 3.963％	None
Vice President of Sales	Danny Cheng	2,625	2,625	108	108	786	786	630	-	630	-	4,149 1.074％	4,149 1.074％	None
Chief Operating Officer and Chief Finance Officer	Kelly Ko	2,413	2,413	108	108	1,134	1,134	1,134	-	1,134	-	4,789 1.239％	4,789 1.239％	None

Note: The 15th meeting of the 8th Board of Directors convened on March 8, 2024 approved the appropriation of employees' compensations and Directors' remuneration for 2023. However, the employees' compensations (to be distributed in cash) of NT$21,363,999 and Directors' remuneration (to be distributed in cash) of NT$21,363,999 will be submitted to the Audit Committee and the Board of Directors' meeting for resolution, and are therefore listed as estimates.

3. Names of Managerial Officers who Received Employees' Remuneration and Distribution Results:

Unit: NT$ thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Share Amount</th><th>Cash Amount</th><th>Total</th><th>Proportion to Net Income (%)</th></tr>
<tr><td rowspan="8">Manager</td><td>President</td><td>David Wu</td><td rowspan="8">-</td><td rowspan="8">13,644</td><td rowspan="8">13,644</td><td rowspan="8">3.53</td></tr>
<tr><td>Design Director</td><td>Li-Hua Wu</td></tr>
<tr><td>Vice President of Sales</td><td>Danny Cheng</td></tr>
<tr><td>Chief Operating Officer and Chief Finance Officer</td><td>Kelly Ko</td></tr>
<tr><td>President Office Executive Assistant</td><td>Zeco Chen (Note2)</td></tr>
<tr><td>Financial Department</td><td>Pei-Ching Liao</td></tr>
<tr><td>Associate Manager of President's Office</td><td>Zhi-Hang Zhang</td></tr>
<tr><td>Director of Corporate Governance</td><td>Lori Lin</td></tr>
</table>

Note1: The 15th meeting of the 8th Board of Directors convened on March 8, 2024 approved the appropriation of employees' compensations and Directors' remuneration for 2023. However, the employees' compensations (to be distributed in cash) of NT$21,363,999 and Directors' remuneration (to be distributed in cash) of NT$21,363,999 will be submitted to the Audit Committee and the Board of Directors' meeting for resolution, and are therefore listed as estimates.

Note2: Resigned on Apr. 12, 2024

4. Separately compare the analysis of the percentage of the total remuneration paid to Directors, President, and Vice Presidents of Jia Wei and the companies of the consolidated financial statements in the after-tax net profit stated in the parent company-only or individual financial statements in the last two years; then explain the remuneration policy, standards, and packages, the procedures for determining remuneration, and the correlation with business performance and future risks:

(1) The percentage of the total remuneration paid to Directors, President, and Vice Presidents of Jia Wei and the companies of the consolidated financial statements in the after-tax net profit stated in the parent company-only or individual financial statements in the last two years:

Year / Title	2023		2022	
	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements
Director	7.75%	7.75%	7.08%	7.08%
President and Vice Presidents	10.32%	10.32%	7.79%	7.79%

(2) The Company’s policy, system, standard, and structure of remuneration to Independent Directors, and the correlation between duties, risk, and time input with the amount of remuneration:

A. The Company’s policy, system, standard, and structure of remuneration:

(a) According to Articles of Incorporation: The Company shall pay remuneration to the Directors provided they have performed their duties, regardless of the Company's profit and loss, and their remuneration shall be determined depending on their participation in the Company's operation and their distribution values, and shall not be higher than the highest salary standard of the same industry. Additionally, if there is any profit in the year (i.e. profit before tax before deduction of remuneration allocated to employees and Directors), Jia Wei shall allocate no higher than 5% of the profit as Directors' remuneration.

(b) Independent Directors and Directors who do not concurrently serve as managers: They receive fixed compensation on a monthly basis, regardless of the Company's operating profit or loss, and are not involved in the distribution of Director remuneration.

(c) Directors who concurrently serve as managers: According to the " Managers Remuneration Management Measures" of the Company, remuneration includes salary, bonuses, and employee benefits. Salaries are determined based on the individual's education and experience, professional capabilities, responsibilities, level of involvement in the Company’s operations, and contributions, in accordance with the Company's salary range for respective positions and levels. Additionally, in accordance with the company's Articles of Incorporation, if the Company generates profits in a fiscal year, a minimum of 3% will be allocated for employee benefits. Bonuses and employee benefits for managers are determined based on individual performance achievements, and the basis for remuneration distribution calculations includes financial indicators (such as revenue achievement, gross profit contribution, cost reduction rate, development of environmentally friendly products, and new market expansion) and non-financial indicators (implementation of sustainable corporate responsibility projects, talent development, employee retention plans, quality and risk management, compliance of the law, etc.).

(d) The remuneration for Directors and managers undergoes careful evaluation and is subject to review by the Remuneration Committee and approval by the Board of Directors.

B. Correlation between operational performance and future risks:

(a) The aforementioned remuneration takes into full consideration the Directors' professional capabilities, level of involvement in operations, responsibilities, as well as the Company's operational objectives and financial condition.

(b) The Company makes significant operational decisions after weighing various risk factors. The performance of these decisions is reflected in the profitability, thereby influencing the remuneration of Directors and managers.

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

The Board of Directors convened 8 meetings in the most recent fiscal year. The attendance of Directors was as follows:

Title	Name	Attendance in person	Attendance by proxy	Percentage of attendance in person (%) (Note 1)	Note
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Jacky Huang	4	-	100%	Appointed as Chairman of the Board after the 10th election of the 8th Board of Directors on Aug.1, 2023.
Director	Smart Investment Limited Representative: David Wu	8	-	100%	Newly-elected on May 31, 2022.
Director	HSIN-FU INVESTMENT LIMITED Representative: Li-Hua Wu	8	-	100%	Newly-elected on May 31, 2022.
Director	Smart Investment Limited Representative: Ray Hou	8	-	100%	Newly-elected on May 31, 2022.
Independent Director	Shou-Te Hsu	7	-	87.5%	Newly-elected on May 31, 2022.
Independent Director	Chin-Chou Hsu	8	-	100%	Newly-elected on May 31, 2022.
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Vincent Chen	3	-	100%	Appointed as Chairman of the Board after the 10th election of the 8th Board of Directors on May 31, 2022. Resigned on June 20, 2023.
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Hau-Min Chu	1	-	100%	Appointed as Chairman of the Board after the 10th election of the 8th Board of Directors on June 20, 2023. Resigned on Aug. 1, 2023.
Independent Director	Jacky Huang	4	-	100%	Resigned on July 24, 2023.

Other required disclosures:

I. (I) Matters specified in Article 14-3 of the Securities and Exchange Act:

Date of the Board of Directors (Period)	Proposal Details	Opinions of all Independent Directors	Jia Wei's actions in response to the opinions of Independent Directors
January 5, 2023 (6th meeting of the 8th Board)	The 2022 year-end bonus distribution plan for managers.	Resolution approved as it was proposed.	Handled according to resolution of the Board of Directors.
	Approval of the appointment and removal of the non-compete clause for President.		
	Approval of the appointment and removal of the non-compete clause for Managers		
Mar. 24, 2023 (7th meeting of the 8th Board)	Appropriation of Directors' remuneration and employee compensation for 2022.		
	Assessment of the independence and suitability of certified accountants and public fees for appointment and service for 2023.		
	The list of non-assurance services was expected to be provided by the accounting firm and its		

	affiliates.		
	Hiring internal audit director.		
June 20, 2023 (9th meeting of the 8th Board)	Determining the remuneration of the Chairman.		
Aug. 1, 2023 (10th meeting of the 8th Board)	Determining the remuneration of the Chairman.		
Aug. 11, 2023 (11th meeting of the 8th Board)	Investment in establishing a new subsidiary in Vietnam		
	Investment plan for establishing a manufacturing plant in Vietnam		
	Revision of "Internal Control System" and "Internal Audit System"		
	Registration with the Ministry of Economic Affairs for custodian of company seals		
	Approval of Director appointments for significant subsidiaries		
	Distribution plan of Directors' remuneration for 2022.		
	Distribution plan of employee compensation for 2022.		
Nov. 10, 2023 (13th meeting of the 8th Board)	Acquisition of right-of-use assets from related parties.		

(II) Other resolutions by the Board of Directors involving objections or expressed reservations by Independent Directors that were recorded or stated in writing: None.

II. Where a Director recuse himself or herself from a proposal in which he/she has a personal interest, the name of the Director, the content of proposal, the reason for recusal and the results of the voting should be stated:

Date of the Board of Directors (Period)	Proposal Details	Name of Director	Reasons for recusal of voting due to conflicts of interest
January 5, 2023 (6th meeting of the 8th Board)	The 2022 year-end bonus distribution plan for managers.	Chairman of the Board, Vincent Chen Director David Wu, Director Li-Hua Wu, Director Ray Hou	Recused due to conflicts of interest and did not vote on the case.
	Approval of the appointment and removal of the non-compete clause for President.	Director David Wu	
	Approval of the appointment and removal of the non-compete clause for Managers	Director Li-Hua Wu	
June 20, 2023 (9th meeting of the 8th Board)	Election of the Chairman.	Director Hau-Min Chu	
Aug. 1, 2023 (10th meeting of the 8th Board)	Election of the Chairman.	Director Jacky Huang	
Aug. 11, 2023 (11th meeting of the 8th Board)	Distribution plan of Directors' remuneration for 2022.	Chairman of the Board, Jacky Huang Director David Wu, Director Li-Hua Wu, Director Ray Hou	
	Distribution plan of employee compensation for 2022.	Director David Wu, Director Li-Hua Wu	
Nov. 10, 2023 (13th meeting of the 8th Board)	Acquisition of right-of-use assets from related parties.	Director David Wu, Director Ray Hou	

III. Information on the Board of Directors' self-evaluation (or peer evaluation), including evaluation cycle, period, scope, method, and contents:

Jia Wei's Board of Directors has amended the "Self-Evaluation or Peer Evaluation of the Board of Directors" on August 12, 2020 to build a performance evaluation system for the Board of Directors and to enhance the functions of the Board's operations. Performance evaluation of the Board of Directors is conducted at least once every year, and self-evaluation from Board members will be conducted in the first quarter (Q1) of the following year, and the results will be submitted to the Board of Directors meeting for review and improvement. Evaluation items include aspects on level of participation in operations, awareness of Director's duties, professionalism, continued studies and internal control, and the evaluation is carried out in a questionnaire format. Besides the Board of Directors as a whole and individual Directors, functional committees are also included in the evaluation.

The performance evaluation of the Board of Directors and functional committees for 2023 was carried out in the first quarter of 2024 and submitted to the Board meeting on March 8, 2024.

Implementation of evaluation for the Board of Directors:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Content of Evaluation
Once a year	From January 1, 2023 to December 31, 2023	Board of Directors Individual Board members Functional committee: Auditing Committee (including Risk Management), Compensation Committee, Sustainability Committee	Internal self-evaluation of the Board of Directors Self-evaluation of the Board of Directors or corporate governance evaluation results	(1) Performance evaluation of the Board of Directors: includes level of participation in Jia Wei's operations, enhancement of the Board's decision-making quality, composition, and structure, election and continuing studies, and internal control and more. (2) Performance evaluation of individual Board members: includes alignment with Jia Wei's goals and missions, awareness of a Director's duties, level of participation in Jia Wei's operations, management and communications of internal relationships, professionalism and continuing studies of Directors, and internal control etc. (3) Performance evaluation of functional committees: includes level of participation in Jia Wei's operations, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.

IV. Targets for strengthening the functions of the Board of Directors (such as establishing an Audit Committee and enhancing information transparency) in the current and the most recent fiscal year and the evaluation of execution process:

Jia Wei set up an Audit Committee, a Compensation Committee, and a Sustainability Committee on June 17, 2011, December 27, 2011, and May 5, 2023 respectively, pursuant to relevant regulations and operational needs. The aforementioned committees consist of more than half Independent Directors in principle and have assisted the Board of Directors in fulfilling its duties. The Company also incorporates risk management into the responsibilities of the Audit Committee. Meanwhile, financial and operational information is disclosed at the Market Observation Post System (MOPS) to provide information transparency.

Note 1: (1) If any Director/Supervisor resigns before the end of the year, the resignation date shall be specified in the Note column. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the number of actual attendance during the term of service.

(2) If any Director/Supervisor is elected before the end of the year, the incoming and outgoing Director/ Supervisor shall be listed accordingly, and the Note column shall indicate whether the status of a Director/Supervisor is "outgoing," "incoming," or "re-elected," and the date of election. Actual attendance rate (%) shall be calculated using the number of Board meetings convened and actual attendance during the term of office.

Note 2: As an Audit Committee has been set up in accordance with applicable laws on June 17, 2011, the regulation pertaining to Supervisors is no longer applicable.

(II) Operations of the Audit Committee

The Audit Committee aims at maintaining the quality and integrity of the Board of Directors in its monitoring of Jia Wei's accounting, auditing, financial report procedures, and financial control.

The tasks of the Audit Committee mainly include the following:

◎Establishing or revising the internal control system.

◎Assessing the effectiveness of the internal control system.

◎Establishing or revising the handling procedures for obtaining or disposing of assets, engaging in derivatives trading, giving capital loans to others, endorsement, or offering guarantee:

◎Matters involving Directors' self-interest.

◎Major assets or derivatives transactions.

◎Significant capital loans, providing endorsements/guarantees.

◎Fundraising, issuance or private placement of marketable securities.

◎Appointment and dismissal of finance manager, accounting manager, and head of internal audit.

◎Appointment, dismissal, and compensation of CPAs.

◎Evaluation of the qualifications, independence, and performance of the CPAs.

◎Review of financial reports

◎Legal compliance.

◎Risk management

The Audit Committee convened 5 meetings in the most recent fiscal year and the attendance of Independent Directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Percentage of attendance in person (%)(Note)	Note
Independent Director	Shou-Te Hsu	4	-	80%	Newly-elected on May 31, 2022.
Independent Director	Chin-Chou Hsu	5	-	100%	Newly-elected on May 31, 2022.
Independent Director	Jacky Huang	3	-	100%	Re-elected and reappointed on May 31, 2022. Resigned on July 24, 2023.

Other required disclosures:

I. In case of one of the following circumstances on the operation of the Audit Committee, the date, session, and proposal content of the Audit Committee meeting, independent directors' dissenting opinions, qualified opinions or major proposals, the resolution result of the Audit Committee meeting, and the handling of the opinions of the Audit Committee by the Corporation shall be stated.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Date of the Audit Committee meeting (Period)	Proposal Details	Independent Directors' dissenting opinions, qualified opinions or major proposals	Resolution of the Audit Committee	Jia Wei's actions in response to the opinions of the Audit Committee
March 24, 2023 (5th meeting of the 6th-term)	Appropriation of Directors' remuneration and employee compensation for 2022	None	After the Chairman has asked all members in attendance for opinion, the proposal was approved in a resolution without dissent.	Submitted to the Board of Directors meeting for resolution and handled in accordance to the resolution of the Board.
	Review of the 2022Parent Company Only Financial Report, Consolidated Financial Report, and Business Report.			
	Review of the 2022Statement of Internal Control System.			
	Assessment of the independence and suitability of certified accountants and public fees for appointment and service for 2023.			
	The list of non-assurance services was expected to be provided by the accounting firm and its affiliates.			
	Hiring internal audit director.			
August 11, 2023 (7th meeting of the 6th-term)	Investment in establishing a new subsidiary in Vietnam			
	Investment plan for establishing a manufacturing plant in Vietnam			
	Revision of "Internal Control System" and "Internal Audit System"			
	Registration with the Ministry of Economic Affairs for custodian of company seals			
Nov. 10, 2023 (8th meeting of the 6th-term)	Internal Audit Plan of the Internal Control System of 2024.			
	Acquisition of right-of-use assets from related parties.			

(II) Any resolution disapproved by the Audit Committee but approved by more than two-thirds of all Directors: None.

II. Where an independent director recuses himself or herself from a proposal in which he/she has a personal interest, the name of the independent director, the content of proposal, the reason for recusal and the results of the voting should be stated: None.

III. Communication between the Independent Directors, Internal Audit Director and CPAs (It shall include the major matters, methods and results of communication on the company's financial and business status):

Jia Wei's internal audit director communicates the results of audit report with Independent Directors regularly and reports the internal audit reports to the Audit Committee and the Board meetings on a quarterly basis. Jia Wei's internal audit supervisor shall also report any special situations to Independent Directors in a timely manner, if any. In addition, the internal audit director also submits verification report and follow-up reports to the Audit Committee for review on a monthly basis.

Jia Wei's CPAs discuss the status and trend of future legal amendments or financial matters with the Audit Committee at regular meetings held at least once a quarter.

Communication among Independent Directors, internal audit supervisors, and CPAs in 2023:

Date	Communication with internal audit supervisors	Communication with CPAs	Communication status
January 5, 2023	Internal audit report from October 1, 2022 to Nov. 30, 2022	-	Good
March 24, 2023	Internal audit report from Dec. 1, 2022 to February 28, 2023 2022 Statement of Internal Control System.	Review of the 2022 Parent Company Only Financial Report, Consolidated Financial Report	
May 5, 2023	Internal audit report from March 1, 2023 to March 31, 2023	Consolidated financial report for the first quarter of 2023	
August 11, 2023	Internal audit report from April 1, 2023 to June 30, 2023	Consolidated financial report for the second quarter of 2023	
Nov. 10, 2023	Internal audit report from July 1, 2023 to September 30, 2023 Internal audit plan of the Internal Control System of 2024	Consolidated financial report for the third quarter of 2023	

Note: (1) If an Independent Director resigns before the end of the year, the resignation date shall be specified in the Note column. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the number of actual attendance during the term of service.

(2) If an independent director is elected before the end of the year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected", and the date of election. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended in person during their term of office.

(III) Operations of corporate governance and discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE /TPEx Listed Companies?	V		Jia Wei has established the "Corporate Governance Best Practice Principles" on November 11, 2014 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. In compliance with legal requirements and based on actual circumstances, revisions were made and disclosed on the Market Observation Post System and Jia Wei's website.	No material discrepancy
II. Shareholding structure and shareholders' equity (I) Did the company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the internal procedure? (II) Has the company maintained the list of substantial shareholders and ultimate controllers of the substantial shareholders? (III) Has the company established and implemented risks control and firewall mechanisms among its affiliated companies?	V V V		(I) Jia Wei has appointed a spokesperson and dedicated personnel to handle shareholders' proposals, doubts, disputes, and litigation matters based on the "Regulations Governing the Management of the Spokesperson System" and the "Operational Procedures for Handling Material Inside Information." (II) Jia Wei has always maintained the shareholding status of Directors, managers, and top 5% shareholders, and disclosed the status of shareholding in accordance with laws and regulations. (III) Jia Wei has established the "Regulations Governing the Transaction between Enterprise Group and Related Parties" and the "Regulations Governing the Management of Transactions by Subsidiaries" to carry out risk controls and firewall mechanisms among affiliated companies.	No material discrepancy

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
(IV) Has the company established an internal regulation which prohibits its employees to engage in any transactions of marketable securities with any information that is not disclosed in the market?	V		(IV) Jia Wei has designated "Prevention Management of Insider Trading" in the "Internal Control System", and specified the stock trading control measures taken by insiders from the date they become aware of the company's financial statements or related results in the "Corporate Governance Best Practice Principles" also including (but not limited to) Directors shall not trade their shares during the blackout period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial reports. The afore-mentioned internal regulations, notification of board meeting dates, and blackout periods prior to the announcement of quarterly financial reports have been disclosed on the official website.	
III. Organization and responsibilities of the Board of Directors				
(I) Has the Board of Directors drafted a diversity policy for its members and specific management objectives and implemented them?	V		(I) Please refer to this Annual Report (Pages 16~18) for diversity policies, objectives and achievements among the members of the Board of Directors of the Company, which have been disclosed at Jia Wei's website.	(I) No material discrepancy
(II) In addition to establishing Compensation Committee and Audit Committee in accordance with laws, would the company voluntarily set up other functional committees?	V		(II) In addition to Compensation Committee and Audit Committee, on May 5, 2023, Jia Wei established a Sustainability Development Committee, serving as the driving force for the Company's sustainability initiatives. Its objectives include promoting environmental sustainability (E), upholding social welfare (S), and implementing corporate governance (G). The Committee regularly reports its achievements and future plans to the Board of Directors.	(II) No material discrepancy
(III) Does the company establish performance assessment	V		(III) Jia Wei has established the performance assessment	(III) No material discrepancy

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
measures and methods of Board of Directors, conduct performance assessment regularly every year, submit the performance assessment result to the Board of Directors and use as reference for individual director pay and nomination of successor?			measures of the Board of Directors. Performance assessment is conducted each year accordingly, and the results of which are used as reference for the selection of individual Directors. Please refer to Pages 30-31 in this Annual Report and the company website for the performance evaluation results of the Board of Directors in 2023.	
(IV) Does the Company regularly evaluate the independence of the CPA?	V		(IV) Aside from requesting CPAs to provide "Declaration of Independence "and "Audit Quality Indexes (AQIs), Jia Wei assesses the independence of CPAs regularly (once a year) based on the "Measures for Assessment of the Independence of the CPAs". Please see Note 1 for the evaluation items. Besides, the suitability of CPAs is assessed based on AQIs provided to ensure their auditing experience is superior to that of their peers and that their firms possess better professional support and quality control support than the industry standard. Jia Wei will also enhance digital review and its internal quality review procedures. The 2023 and 2024 CPA professional fees and assessment of the independence and suitability of CPAs have been approved by resolutions in the Audit Committee and the Board of Directors meeting separately in meetings convened on March 24, 2023 and Jan. 15, 2024 respectively..	(IV) No material discrepancy

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
IV. Does the TWSE/TPEx Listed Companies assign competent corporate governance personnel of proper numbers and appoint governance head taking charge of corporate governance and other affairs (including but not limited to providing data required by the Director, supervisor for execution of business, assisting the Director, Supervisors in complying with laws and decrees, handling relevant matters of Meetings of the Board of Directors and Shareholders' Meeting, and making minute books of the Meetings of the Board of Directors and Shareholders' Meeting according to law)?	V		Jia Wei has appointed dedicated unit and personnel to in charge of corporate governance, as well as a corporate governance supervisor to oversee matters related to corporate governance. Please see Note 2 for the status of relevant implementation and continuing studies in 2023.	No material discrepancy
V. Has the company established channels for communication with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), maintained the stakeholder section at Jia Wei's website, and appropriately responded to the major CSR issues that stakeholders were concerned with?	V		Jia Wei has good communication channels for shareholders, banks, creditors, employees, customers, and suppliers. We respect and maintain their legal rights and interests. In addition, the stakeholder section is set up at Jia Wei's website. Jia Wei has appointed dedicated personnel to respond to the major CSR issues that stakeholders are concerned with via telephone and mail.	No material discrepancy
VI. Has the company delegated a professional shareholder service agency to handle shareholders' meeting?	V		Jia Wei authorizes Fubon Securities Co., Ltd. to handle affairs of Shareholders' Meeting.	No material discrepancy
VII. Information Disclosure (I) Does the company establish a website to disclose information on finance and corporate governance? (II) Has the company adopted other methods of information disclosure (such as establishing an English language website, delegating personnel to collect and disclose company information, executing spokesperson system, and uploading recordings of investor conferences	 V V		(I) Jia Wei has established a website to disclose information on financial operations and corporate governance. Website: http://www.jiaweils.com. (II) Jia Wei has established an English language website, designated personnel to be responsible for information disclosure and collection, and implemented the "Spokesperson System Management Regulations" and the “Operational Procedures for Handling Material Inside Information.” Jia Wei	(I) No material discrepancy (II) No material discrepancy

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
on the official websites)? (III) Does the company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		 V	has also disclosed information about investor conferences on the official website. (III) Jia Wei has not announced and declared annual financial report within two months from the end of financial year, except for the first, second and third quarter financial report and operation situation of each month before the specified deadline.	 (III) There is no material discrepancy except that the annual financial report has not been announced within two months after the end of financial year.
VIII. Has the company provided other information that facilitates the understanding of the corporate governance practices (including but not limited to the rights and interests of employees, the rights of employers, investor relations, supplier partnership, stakeholders' rights, Directors' continuing education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase liability insurance for Director)?	V		(1) Employee rights: Jia Wei has established related personnel rules and implemented a pension system to arrange employee group insurance and health checkups. Jia Wei also pays attention to the protection of employees' legal rights according to regulations and laws. (2) Employee care: Jia Wei has established the Employee Welfare Committee to subsidize employees' festival bonuses and various allowances. Jia Wei has a good relationship with employees through providing a welfare system and good education and training system. (3) Investor relations: Appoint a spokesperson and dedicated personnel to handle shareholder proposals, questions or disputes. (4) Supplier relations: Jia Wei has dedicated connection with supplier to maintain good relationship. (5) Stakeholders' rights: Stakeholders may communicate and advise with Jia Wei to maintain the legal rights and interests. (6) Directors' continuing studies: Jia Wei actively encourages continuing education for Directors. Please refer to the Market Observation Post System (MOPS) for details.	No material discrepancy

Evaluation items	Operations			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.
	Yes	No	Summary	
			(7) Implementation of risk management policies and risk measurement standards: To strengthen the Company’s risk management system, enhance risk management functions, and achieve the purpose of sustainable operation, the Board of Directors passed the "Risk Management Policy and Procedures" and risk appetite standards on January 5, 2023. Risk management has been incorporated into the responsibilities of the Audit Committee. Through a comprehensive risk management framework, various risks that may affect the achievement of corporate objectives will be managed. Risk management will be integrated into operational activities and daily management processes to achieve the Company's goals, improve management efficiency, provide reliable information, and allocate resources effectively. For more information on risk management policies, organizational structures, procedures, and operations in 2023, please refer to the Company's website. (8) Implementation of customer policies: The company actively responds to customer needs and deepens customer relationship. (9) Purchase liability insurance for Directors: Jia Wei has stipulated the regulations for the purchase of liability insurance for Directors, and has purchased liability insurance for the Directors since September 17, 2007. The insurance policy is renewed before the insurance policy expires.	

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">IX. Please state the improved situation concerning the corporate governance evaluation result published in recent years of corporate governance center of TWSE and raise priority strengthening matters and measures concerning the ones not improved:
For the 2023 Corporate Governance Evaluation (the 10th), the Company was ranked in the top 36%-50% of TWSE/TPEx listed companies. Moving forward, we will continue to enhance information transparency and promote ESG-related policies such as conducting greenhouse gas inventories, energy conservation and carbon reduction initiatives, and obtaining external validations like ISO certification. These efforts aim to deliver environmental benefits to society, customers, and ourselves, and to actualize sustainable development within the Company.</td></tr>
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Note 1: Items on the CPA Independence Evaluation

Item	Content of Evaluation
1	The CPA has no direct or significant indirect financial interest with Jia Wei.
2	There is no financing or guarantee between the CPA and Jia Wei or any of Jia Wei's Directors.
3	The CPA does not have close business relationships or potential employment with Jia Wei.
4	The CPA is not hired by the consignor or the audit company for a regular job with regular salary or serving as a director or a controller.
5	The CPA is not a director or managers of Jia Wei during the current or most recent two years, and does not have significant influence on the audits.
6	There is no kinship relationship between the CPA and any of Jia Wei's directors, supervisors, or personnel who have a significant influence on the audits.
7	The CPA does not provide non-audit services for Jia Wei that could have a direct impact on the audits.
8	The CPA does not hold stocks or other securities either publicly issued by Jia Wei or through an intermediary.
9	The CPA does not hold a position of Jia Wei's defender or coordinate on behalf of Jia Wei regarding conflicts with other third parties.
10	Has the CPA recused him/herself from accepting the case if his/her service or him/herself has a direct or material indirect relationship with or interest in the matter concerned that may affect his/her fairness and independence?
11	The CPA is not involved in the management competence of Jia Wei as to make decisions.
12	The CPA has not provided audit services to Jia Wei for seven consecutive years.
13	There is no acceptance of gifts or special offers of great value from Jia Wei's directors, supervisors, managers or major shareholders.
14	The CPA does not have disciplinary records from the disciplinary committee for the past two years.

Note 2: Implementation of the corporate governance affairs in 2022 is as follows:

(1) Provided information required for the Directors to fulfill their duties and arranged for their continuing studies.

(2) Facilitated the agenda for the Board meetings and Shareholders' Meetings and the compliance of resolutions.

(3) Drafted the agenda for the Board of Directors and Audit Committee meetings and notified Directors 7 days prior to meetings and provided information on the meetings. Provided prior reminder of recusal when the resolution constituted a conflict of interests, and completed the meeting minutes within 20 days after each meeting.

(4) Handled the pre-registration of the Shareholders' Meeting in accordance with the law; prepared the Notice of Meeting, the Meeting Handbook, and the minutes to the Shareholders' Meeting within the statutory period, and handled revisions to Jia Wei's registry when amendments are made to its rules or during re-elections of Directors.

(5) Status of Continuing Studies:

Course Date	Organizer	Course Name	Training Hours
10/26/2023~ 10/27/2023	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Development Class [Southern Region] - Carbon Governance and Sustainable Ecosystem	9
12/12/2023	Accounting Research and Development Foundation	Latest Developments in "ESG Sustainability" and "Financial Report Self-Compilation": Policy Development and Practical Internal Control Management	6
12/15/2023	Corporate Operating and Sustainable Development Association	Practical Compliance with Board Regulations and Legal Responsibilities of Directors and Supervisors: Case Studies and Legal Responsibilities	3

(IV) Organization, responsibilities, and operations of the Compensation Committee

The "Compensation Committee" exists to assist the Board of Directors in executing and evaluation the Company's overall remuneration and welfare policies, as well as directors' and managers' remuneration.

1. Profiles of the Members of the Compensation Committee

As of March 31, 2024

Identity	Name	Professional qualifications and experience (Criteria)	Criteria for independence	Number of other public companies where the individual concurrently serves as a member of the Compensation Committee
Convener (Independent Director)	Chin-Chou Hsu	Please refer to Pages 8-10, 14-15, and 19 of this Annual Report for information on Directors.	Please refer to Pages 14-15 and 19 of this Annual Report for independence of Directors.	1
Independent Director	Shou-Te Hsu			3
Remuneration Committee Member	Wang Hui-Chin	§Have experience in business, finance, crisis management, and international market perspective, etc. §Education, professional qualifications and experience: ．EMBA, National Cheng Kung University ．Executive Assistant to the Chairman of TQ OPTOELECTRONICS CO., LTD. ．Director of Operations, ASTRAZENECA TAIWAN LIMITED ．Director of Operations, LOTUS PHARMACEUTICAL CO., LTD. §Not under any of the circumstances stated in Article 30 of the Company Act.	Comply with the conditions of independence as stipulated in Article 3 of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange,” including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Company or its affiliated enterprises; Not being a Director, Supervisor or employee of a company having a particular relationship with the Company; Not a professional individual who, or an owner, partner, Director (governor), Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years, or a spouse thereof.	None

2. Information on the operations of the Compensation Committee

Jia Wei's Compensation Committee consists of three members.

Term of the current committee: from June 20, 2022 to May 30, 2025, the Compensation Committee has convened 6 meetings in the most recent year. The attendance of the members are as follows:

Title	Name	Attendance in person	Attendance by proxy	Percentage of attendance in person (%) (Note)	Note
Independent Director	Chin-Chou Hsu	6	-	100%	Reappointed on June 20, 2022
Independent Director	Shou-Te Hsu	5	-	83%	Newly-elected on June 20, 2022
Independent Director	Jacky Huang	4	-	100%	Reappointed on June 20, 2022. Resigned on July 24, 2023.
Remuneration Committee Member	Wang Hui-Chin	-	-	-	Appointed as Remuneration Committee Member on Oct. 19, 2023.

Other required disclosures:

<table>
<tr><th>Compensation Committee meeting date (Period)</th><th>Proposal Details</th><th>Compensation Committee Resolution</th><th>Jia Wei's treatment of the Compensation Committee's opinion</th></tr>
<tr><td rowspan="4">January 5, 2023 (2nd meeting of the 6th-term)</td><td>The 2022 year-end bonus distribution plan for managers.</td><td rowspan="7">After the Chairman has asked all members in attendance for opinion, the proposal was approved in a resolution without dissent.</td><td rowspan="7">Submitted to the Board of Directors meeting for resolution and handled in accordance to the resolution of the Board.</td></tr>
<tr><td>Distribution plan of employee compensation for 2021.</td></tr>
<tr><td>Approval of the appointment and removal of the non-compete clause for President of its subsidiary.</td></tr>
<tr><td>Approval of the appointment and removal of the non-compete clause for Managers of its subsidiary.</td></tr>
<tr><td rowspan="3">March 24, 2023 (3rd meeting of the 6th-term)</td><td>Appropriation of Directors' remuneration and employee compensation for 2022.</td></tr>
<tr><td>Revision of “Articles of Incorporation”</td></tr>
<tr><td>Establishment of "Remuneration Management Regulations for Managers"</td></tr>
</table>

May 5, 2023 (4th meeting of the 6th-term)	Establishment of Corporate Governance Officer		
June 20, 2023 (5th meeting of the 6th-term)	Determining the remuneration of the Chairman		
Aug. 1, 2023 (6th meeting of the 6th-term)	Determining the remuneration of the Chairman		
Aug. 11, 2023 (7th meeting of the 6th-term)	Appointment of Directors for important subsidiaries		
	Distribution plan of Directors' remuneration for 2022.		
	Distribution plan of employee compensation for 2022.		

I. If the Board of Directors refuses to adopt or amend a recommendation of the Compensation Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and Jia Wei's response to the Compensation Committee's opinion (e.g., if the compensations approved by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

II. If there is any member who opposes or has reservations to the resolution of the Compensation Committee and there is a record or a written statement for it, that record or statement should contain the date of the Board Meeting, the term of the fiscal year, the content of the proposal, and opinions of all members and the follow-up treatments: None.

Note: (1) Where members of the Remuneration Committee resign before the end of the year, the date of resignation shall be indicated in the Remarks column. Actual presence rate (%) shall be calculated by the number of Remuneration Committee meetings convened and times of actual presence during the term of service.

(2) If any member was re-elected before the end of the year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the member's status is "Outgoing", "Incoming" or "Re-elected", and the date of re-election. Actual attendance rate (%) shall be calculated using the number of Compensation Committee meetings convened and actual attendance during the term of service.

(V) 1. State of Sustainable Development and Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company set up a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is in charge by senior management authorized by the Board of Directors, and the supervision state of the Board of Directors?	V		On May 5th, 2023, the Board of Directors resolved to establish the "Sustainability Development Committee" and approved the "Organization Regulations of the Sustainability Development Committee." This committee serves as the driving force for the Company's sustainability initiatives, with the purpose of developing environmental sustainability (E), upholding social welfare (S), and implementing corporate governance (G). Its responsibilities include formulating sustainability development policies, management guidelines, or promotion plans; monitoring, reviewing and revising of implementation progress; compiling and issuing sustainability reports; regularly reporting to the Board of Directors; and handling other matters as decided by the Board of Directors. Committee members include Independent Director Shou-Te Hsu(chairman), Independent Director Chin-Chou Hsu, and Chairman Jacky Huang. This committee is responsible for planning, coordinating, allocating, and managing sustainability development initiatives, as well as handling meeting-related matters. Each department is represented by its highest-ranking executive and one designated staff member. They collaborate with the committee's initiatives or meeting outcomes and oversee the execution of relevant tasks within their respective departments. They also compile reports on progress and results for submission to the committee, track effectiveness of implementation, and ensure the implementation of sustainability development strategies. In 2023, the "Sustainability Development Committee" convened one meeting, which included the following agenda items: (1) election of Independent Director Shou-Te Hsu as the convener and chairman of the committee; (2) issuance of the 2022 sustainability report; (3) direction of sustainability development initiatives. Additionally, on January 15, 2024, a report on the status of sustainability development	No material discrepancy

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th><th></th></tr>
<tr><td></td><td></td><td></td><td>was presented to the Board of Directors. The Board assessed and reviewed the progress of relevant strategies and urged the management team to make adjustments as necessary, providing recommendations when needed.</td><td></td></tr>
<tr><td>II. Has the company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?</td><td>V</td><td></td><td>The Board of Directors of the Company has approved the "Risk Management Policy and Procedures" along with risk appetite standards. Risk management has been incorporated into the responsibilities of the Audit Committee.
The risk assessment is mainly based on the operating base in Taiwan. Through discussions among various departments, Jia Wei identifies major risk issues related to the environment, society, and corporate governance. Risk items are then identified through risk identification, analyzed to determine whether it is within the acceptable range (risk tolerance) and countermeasures are proposed.
Risk evaluation result and the countermeasures are as follows:
Environment
<table>
<tr><th>Evaluation items</th><th>Description</th></tr>
<tr><td>Global uncertainties</td><td>1.Diversification of Supply Chains: Reduce reliance on a single region or country and establish diversified supply chains to mitigate the impact of wars or geopolitical events on production and supply.
2.Risk Management: Establish a risk management mechanism to regularly assess and monitor international risks, and develop response measures to address potential crises.
3.Enhance Crisis Response Capabilities: Establish a crisis response plan, including emergency evacuation plans, communication systems, and data backups, to ensure business</td></tr>
</table></td><td>No material discrepancy</td></tr>
</table>

<table>
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<tr><td></td><td></td><td></td><td>

	continuity during crises. 4.Collaboration with government: Actively engage in dialogue with government agencies to obtain information and support regarding the international situation, and comply with relevant laws and regulations.
Global inflation	Stay abreast of market changes and make timely adjustment as needed
Changes in important domestic and international policies and laws	The management team is constantly informed of relevant information and promptly formulates necessary response measures to meet the operational needs of the Company. They also seek external specialist advice on law and accounting to mitigate the impact on the Company's operations.

Social

Evaluation items	Description
Occupational safety	The Management Division of Jia Wei's Administration Department implements the protection of the working environment and personal safety of employees in accordance with relevant laws and internal regulations. Please refer to Pages 104-105 in this Annual Report.
Product safety	1.Jia Wei provides products that have been under strict testing, responds to customer needs in a timely manner to ensure the quality of customer service, strengthens ties with customers. 2.Jia Wei has insured product liability insurance of USD 10 million (insurance certificate No. JCL0504262/2023-350) so as to transfer the risk of commodity liability, reduce property losses

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<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>and improve product safety.</td></tr>
<tr><td>Global epidemic</td><td>In compliance with legal regulations, JiaWei implemented home quarantine and remote work arrangements as required by regulations.</td></tr>
</table>
Corporate Governance
<table>
<tr><th>Evaluation items</th><th>Description</th></tr>
<tr><td>Strategic risk (industry concentration)</td><td>Diversification of customers includes various types such as mass markets, supermarkets, department stores, and kitchenware specialty stores. Through a combination of customers from diverse backgrounds, we aim to balance the potential impact of economic cycles.</td></tr>
<tr><td>Interest rate risk</td><td>1. Stay vigilant of interest rate fluctuations and continuously invest ESG resources to enhance the Company's competitiveness. This can help negotiate more favorable interest rates with financial institutions, thereby reducing costs.
2. Take necessary response measures or leverage various fundraising tools to mitigate the impact of interest rate changes on the Company's profit and loss.</td></tr>
<tr><td>Foreign exchange risk</td><td>Adopt natural hedging and increase the frequency of currency exchanges to mitigate the impact of exchange rate fluctuations.</td></tr>
<tr><td>Sales concentration risk</td><td>We will continue to actively pursue orders from other top global retailers to effectively reduce dependence on a single customer.</td></tr>
<tr><td>Stakeholder communication</td><td>1. We pursue sustainable development and ensure transparent and effective multi-directional communication channels with stakeholders to understand their needs and expectations from the Company. Relevant</td></tr>
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Item	Implementation Status				Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary		
				departments handle and respond to stakeholders' inquiries, fostering positive interactions which serve as vital input for drafting sustainable development policies and operations. This approach aims to create mutually beneficial relationships. 2. JiaWei continues to enhance sustainable development initiatives by conducting greenhouse gas inventories, waste statistics, waste reduction efforts, energy conservation, carbon reduction, community care, and other measures.	
			Social economy, and legal compliance:	I. Legal Compliance: 1.Establish governance structures and implement internal control mechanisms to ensure that all personnel and operations of the Company adhere to relevant legal regulations. 2.Seek legal or expert opinions in advance for significant decision-making. 3.Conduct educational training to strengthen personnel's understanding of legal compliance and concepts of internal control. 4.Implement appropriate incentive measures. II. Intellectual Property Management: 1.Apply for patents or trademarks to protect the Company's rights and interests.	
			Information security risks	I. External Risks: 1.Implement third-party verification mechanisms to periodically verify the reliability of system and network security. 2.Continuously invest in security measures to enhance system and network protection. 3.Strengthen backup policies and data protection for off-site backups to ensure	

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<tr><td></td><td></td><td></td><td><table><tr><td></td><td>system restoration feasibility.
II. Internal Risks:
1.Deny access from insecure IP connections.
2. Require system vendors to comply with the Company's security policies and propose improvement plans.
III. Technological Changes:
Adapt to changes in laws and technology in a timely manner, adjusting the content of information security maintenance to prevent unauthorized access, use, control, disclosure, destruction, alteration, or other infringements on information systems or information. This ensures confidentiality, integrity, and availability.</td></tr></table></td><td></td></tr>
<tr><td>III. Environmental Issues
(I) Has the company established a suitable environmental management system based on the characteristics of its industry?

(II) Has the company committed to improving the efficiency of various resources and utilizing renewable materials that have reduced environmental impact?</td><td>V

V</td><td></td><td>(I) 1. Jia Wei has established a suitable environmental management system based on the characteristics of the industry.
2. The Company initiated greenhouse gas inventories following ISO 14064-1 standards and has promoted energy conservation and carbon reduction policies among colleagues in 2023.
(II) Jia Wei engages in production and manufacturing of green power (hydraulic) products, strives to develop products that meet environmental protection trends and continues to improve the development and production technology of green materials and recycled materials to bring more green benefits for both customers and Jia Wei. Up to now, Jia Wei has launched a variety of products with plastic reduction or weight reduction, such as the Ecoluxe series which</td><td>No material discrepancy</td></tr>
</table>

Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			use R-PET as the raw materials. R-PET is made from regenerated polyester fiber using recycled plastic bottles, which can save energy by about 65%~80% compared with using virgin polyester fiber. That is, about 60% ~ 75% of carbon dioxide emissions is reduced. Every time R-PET material is recycled, it，By investing in a new factory in Vietnam and establishing a specialized production line for R-PET environmentally friendly materials, the Company aims to not only enhance its operational capacity but also effectively reduce environmental impact. Upholding its mission and belief in environmental protection, JiaWei continues to monitor and record carbon emissions, water usage, and waste generation. It seeks to improve resource efficiency through measures such as upgrading production equipment, recycling of packaging materials, promoting paperless operations, establishing online showrooms, phasing out energy-consuming appliances in offices, installing solar water heating systems in employee dormitories, implementing waste sorting and recycling programs, water conservation, and promoting energy-saving practices like turning off lights when not in use. Additionally, the Company encourages employees to commute by bicycles, public transportation, or carpooling, aiming to reduce environmental burden and fulfill its social responsibility as a good corporate citizen.	
(III) Has the company assessed the potential risks and opportunities arising from climate change at present and in the future and taken related countermeasures?	V		(III) In response to global climate change and the greenhouse effect, the Company has initiated an assessment to evaluate the potential risks and opportunities posed by climate change to our business both presently and in the future. This assessment aims to facilitate the implementation of response measures to address climate-related issues effectively. Please refer to Pages 58-64 in this Annual Report.	
(IV) Has the company calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?	V		(IV) Following the ISO 14064-1 standard, JiaWei commenced the greenhouse gas inventory for our parent company in 2023 and is continuously monitoring and recording carbon emissions, water usage, and waste generation. Water consumption in the last two years:：	

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<tr><th>Yes</th><th>No</th><th>Summary</th><th></th></tr>
<tr><td></td><td></td><td></td><td><table><tr><th>Year</th><th>Total water consumption</th></tr><tr><td>112</td><td>374,650m³</td></tr><tr><td>111</td><td>398,066m³</td></tr></table></td><td></td></tr>
<tr><td>IV. Social Issues
(I)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?

(II) Has the company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?</td><td>V

V</td><td></td><td>(I) Our Company is committed to fulfilling corporate social responsibility by safeguarding the fundamental human rights of all employees. We adhere to principles outlined in international human rights conventions such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and conventions of the International Labour Organization. We respect internationally recognized human rights and abide by labor-related regulations in all locations where we operate. We have established a Human Rights Policy and Management Procedure and concrete management plans to treat all our colleagues respectively.
(II) Employee compensation
Jia Wei has established "Management Method for Employee Salary Calculation", "Management Method for Employee Leave" and relevant employee benefits management measures, and allocates employee remuneration based on the operating results of the current year, assessment of employees' annual performance and seniority to motivate colleagues to work together for Jia Wei's goals. Employee compensations are allocated no lower than 3% of Jia Wei's profit in the year in accordance with Jia Wei's Articles of Incorporation.
Employee benefits
The parent company has established an Employee Welfare Committee to allocate welfare funds. The parent and subsidiary companies in the main operating locations of the Group also plan and provide high-quality benefits plans and provides various high-quality benefits for the staff, such as: travel, department dinners, birthday</td><td>No material discrepancy</td></tr>
</table>

Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			gifts, wedding and funeral subsidies and other benefits in accordance with local laws and industry standards. In terms of leave system, Jia Wei provides special leave to employees who continue to work in Jia Wei for a certain period according to the number of days stipulated by the Labor Standards Act on the basis of a fixed two-day weekend. The staff can also apply for allowances or days off in accordance with the labor laws and regulations of the location where each business base is located and the Company's relevant regulations in case of nursery, serious injury, serious accident, etc., to strike a balance between personal needs and family care. **Diversity and equality in workplace** Jia Wei ensures that male and female employees have equal pay for equal work and provide equal opportunities for promotion. In 2023, female employees accounted for 47% and female executives accounted for 37% of the Group's total number of employees. Jia Wei attaches great importance to employees' rights and benefits, shares profits with employees, maintains a good working environment, implements a friendly workplace to ensure safety for our colleagues. **Business performance is reflected in employee compensation.** In accordance with Article 22 of the Articles of Incorporation: If the Company has gained profits within a fiscal year, 3% or more of the profits shall be reserved as the employees' compensation, which shall be distributed by a resolution adopted by the Board meeting in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements. However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph.	

Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Has the company provided employees with a safe and healthy working environment and routinely conducted safety and health education for employees?	V		(III) The Personnel Unit of each company of the Group is responsible for the employee safety and health and the working environment and implementing protection for work environment and employee personal safety. Please refer to Pages 104-105 in this Annual Report. The factories regularly hold education training and drills for employee safety, environmental sanitation and fire protection to ensure the health and safety of employees during labor. The Company had 34 occupational accidents, accounting for 0.26% of the total number of employees. The main cause of these work-related injuries was human error during the production process. After the incidents, the unit to which the employee belongs fills out a report to review the causes of the occupational injuries and propose improvement measures. In addition, the personnel unit continues to optimize the working environment for employees, provide education and training concerning occupational safety, and conduct drills to prevent occupational accidents and strengthen workplace safety and health. The Group has not experienced any fire-related incidents or casualties in 2023.	No material discrepancy
(IV) Has the company established an effective competency development career training program for employees?	V		(IV) The Group has established the "Human Resources Management Regulations" and conducted employee training projects according to the operational needs of each major operating base, which mainly include "new personnel education and training" and "on-the-job education and training", and the later one is further divided into "internal education and training" and "external education and training". The training projects help colleagues learn and grow constantly, and cultivate their key capabilities. In 2023, a total of 1,645 training sessions were logged, with a total of 1,618 training hours.	
(V) Has the company followed relevant laws, regulations and international guidelines for the customer health and safety,	V		(V) The commodities sold by Jia Wei are strictly tested and comply with relevant laws and regulations, and the Sales & Marketing	

Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
customer privacy, and marketing and labeling of its products and services and established related consumer protection policies and grievance procedures? (VI) Has the company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	 V		Division is responsible for managing and protecting customer data, and checking them by norms of internal control and training and education. (VI) In accordance with international quality, environment, and occupational safety management regulations and labor rights norms, the Company stipulates "Supplier Evaluation Management Measures" to evaluate whether suppliers meet the requirement. In addition, Jia Wei regularly carries out assessment of the top 10 suppliers and outsourced raw materials. The Company also signs corporate social responsibility commitments with the top 10 suppliers (23 in total), with a signing ratio of 100%. The "Corporate Social Responsibility Commitment" covers provisions and requirements regarding labor, health and safety, environment, ethical standards, and management systems, such as respecting human rights, improving occupational safety, and providing education, training, and welfare systems. Environmental protection is an integral part of producing world-class products. In the manufacturing process, efforts should be made to minimize adverse impacts on communities, the environment, and natural resources, seeking cost-effective methods to improve energy efficiency, reduce energy consumption, and greenhouse gas emissions. Suppliers are expected to comply with quality management systems to ensure the effectiveness of our quality standards.	
V. Did the company, following internationally recognized guidelines, prepare reports such as its Corporate Social Responsibility report to disclose non-financial information of the company? Has the company received assurance or certification of the aforesaid reports from a third party accreditation institution?		V	The Company has compiled and published sustainability reports in accordance with the GRI guidelines issued by the Global Sustainability Reporting Institute (GRI). Please refer to https://mops.twse.com.tw and the Company website.	There is no material discrepancy except for the fact that the sustainability report that has not yet been assured or

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<tr><td></td><td></td><td></td><td></td><td>verified by a third party.</td></tr>
<tr><td colspan="5">VI. If the company has established the sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the Principles and their implementation: No material discrepancy.</td></tr>
<tr><td colspan="5">VII. Any important information helpful to facilitate the understanding of sustainable development operations: The sustainability performance of our Company has been disclosed in our sustainability report. Please refer to https://mops.twse.com.tw and the Company website.
1. In line with our commitment to contributing to society and fulfilling our social responsibilities, we took action by donating NT$600,000 to a children's welfare organization in 2023. This donation aims to support and care for children, helping them to pursue education with peace of mind and aspiring to create "a better world for children."
2. SET TV has planned a special documentary series titled "Turning 30 and Setting Taiwan in Motion," covering a wide range of prominent and important topics including technology, healthcare, agriculture, and conservation. Through in-depth documentary storytelling, the series examines Taiwan's progress and development across various aspects. The Company had the privilege of sponsoring this project with NT$1.2 million in 2023, in response to SET TV's invitation. The documentary has been completed and was broadcast on diverse media platforms in 2023, aiming to help viewers understand and care for this beautiful land where we live.
Furthermore, the progress of the Company's sustainable development initiatives has been disclosed in our sustainability report. Please refer to MOPS and our company website for more details.</td></tr>
</table>

(V) 2. Climate-Related Information of TWSE/TPEx Listed Company

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In response to the high degree of uncertainty of climate and the rapid changes in policies and markets, the Company has initiated efforts to convene department heads to identify significant climate risks and opportunities. We are also assessing and estimating the potential impacts of climate change. In addition, we are assessing the risks posed by floods, droughts, typhoons, and high temperatures on our operations, aiming to proactively address climate change and market dynamics. This proactive approach will allow us to promote overall operational strategy planning in advance to adapt to climate change and market trends. The Board of Directors serves as the highest supervisory unit for Jia Wei's sustainable development, guiding the Company's long-term operational strategy and ensuring that the Company fulfills its management duties. The Board urges adjustments and provides recommendations to the management team when necessary to achieve operational sustainability. On May 5, 2023, the Board of Directors decided to establish the 'Sustainability Committee' as the driving unit for the Company's sustainability efforts. The purpose of this committee is to develop sustainability in the areas of Environment (E), Social Responsibility (S), and Corporate Governance (G). Its responsibilities include formulating sustainability policies, management guidelines, or promotion plans, tracking implementation progress, reviewing and revising practices, preparing and issuing sustainability reports, and reporting to the Board regularly (at least once a year) and other matters delegated by the Board to the committee. The "Sustainability Committee" consists of three members appointed by the Board of Directors, with a majority being Independent Directors, including Shou-Te Hsu (Chairman), Chin-Chou Hsu (Independent Director), and Chairman Jacky Huang. As needed, dedicated personnel or an executive secretary may be assigned to handle sustainability planning, coordination, allocation, and meeting-related matters. Each department is led by the highest executive and one designated personnel, who collaborate with the committee's initiatives or meeting outcomes and are responsible for implementing internal tasks within their respective units and compiling progress and results for submission to the committee. They also monitor execution to ensure the implementation of sustainability strategies. Given the close relationship between climate-related issues and sustainability development, these matters fall within the jurisdiction of the committee. In addition, the Board of Directors has approved the "Risk Management Policy and Procedures" along with risk appetite standards, and has integrated risk management within the responsibilities of the Audit Committee. The Audit Committee is also responsible for governing certain climate-related issues.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

Based on the TCFD framework (Task Force on Climate-related Financial Disclosures) set up by the Financial Stability Board (FSB), the Company identifies climate-related "transition risks," "physical risks," and opportunities. Additionally, based on the industry characteristics and market conditions of the company, our short-term is defined as 1-5 years, medium-term as 5-10 years, and long-term as over 10 years.

Category	Item	Duration of Impact	Impact on the Company's Strategy, Operation, and Finance	Response Plan
Physical risks	Increase in extreme weather events (e.g., drought)	Short term (1-5 years)	Operational disruptions at operating locations, resulting in delayed deliveries and decreased revenue.	Promoting awareness and utilization of water resource cycling at our manufacturing sites, planning investments in water-saving facilities, and concurrently developing emergency response plans to mitigate disaster risks.
Transition Risks	Market uncertainty	Short term (1-5 years)	1. The global carbon tax is on the rise, leading to increased operating costs. 2. Environmental requirements for products have led to stricter verification standards, extended timelines, and increased delivery uncertainties, impacting market expansion. 3. The costs of raw materials and petroleum are interlinked. If raw material prices continue to rise, it may result in reduced profits.	1~2. Continuously monitor policy implementations in various countries to facilitate early adaptation. 3. In addition to closely monitoring fluctuations in global oil and raw material price, develop green designs using recyclable and biodegradable materials.

Item	Implementation Status				
	Category	Item	Duration of Impact	Impact on the Company's Strategy, Operation, and Finance	Response Plan
	Transition Risks	Shift in customer preferences Changes in customer behavior	Short term (1-5 years)	Due to the rising environmental awareness, low-carbon technologies and diverse services will impact customers' preferences for products. If we fail to meet customer demands promptly or take insufficient climate action, it could sabotage our brand reputation and lead to decreased sales."	Through participation in household product exhibitions, we engage closely with customers to gather market insights and trends. We also regularly convene management and marketing meetings to establish communication mechanisms and adjust operational strategies promptly.
		Increased stakeholder concerns and negative feedback	Short term (1-5 years)	Sustainable development issues are receiving significant attention, and the Company's stakeholders (including shareholders, government agencies, employees, customers, suppliers, banks, community residents, certification bodies, etc.) take the Company's sustainability into consideration. Failure to address these issues promptly may lead to reduced investment and willingness to collaborate, violations of relevant regulations, low employee morale, loss of orders, supply chain instability, and challenges in harmonious coexistence with local residents where operations are based.	1. Conduct internal education and training to promote the concept of sustainable development, and gradually integrate sustainable practices into daily operations to enhance stakeholders' positive perception towards the Company. 2. Strengthen corporate governance to establish a culture that emphasizes the Company's commitment to sustainable development and climate-related issues, and actively take actions in this regard.

		Growing sustainability-related demands and regulations	Short term (1-5 years)	In response to the sustainability trend, the Company is actively engaged, involving internal staff as well as hiring external professional organizations or consultants to assist and guide the initiatives, resulting in increased operational expenses.	Engaging external professional organizations or consultants allows for a quick understanding of sustainability issues and regulations, identification of risks and opportunities, and the planning or implementation of response measures, thus enhancing market competitiveness. Therefore, it is deemed necessary.
	Opportunities	Developing green designs using recyclable and biodegradable materials	Short term (1-5 years)	Since 2019, with the introduction of R-PET (Recycled PET) materials that allows circular economy, we have led the industry with our manufacturing processes. We have pushed the boundaries of R-PET production technology, progressing from solid colors to printed decals, allowing exceptional design aesthetics to be fully realized in environmentally friendly materials that meet market and customer demands. The usage of R-PET has grown year by year, becoming mainstream market.	Energy conservation and carbon reduction initiatives: Utilizing recycled paper cartons for packaging materials.
		Enhance resource efficiency to reduce operational costs.	Long term (over 10 years)	The Vietnam subsidiary is currently under construction. In the future, we consider implementing wastewater recycling and installing solar power generation equipment to increase resource efficiency and thereby reduce operating costs.	In addition to promoting energy conservation and carbon reduction, we will evaluate future initiatives such as water resource recycling and the installation of solar power generation systems on factory roofs that produce non-polluting emissions and belong to renewable energy sources.

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<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>
<table>
<tr><th>Category</th><th>Item</th><th>Impact on the Finance</th></tr>
<tr><td>Physical risks</td><td>Increase in extreme weather events (e.g., drought)</td><td>The plan to invest in water-saving facilities results in increased capital expenditures.</td></tr>
<tr><td rowspan="4">Transition Risks</td><td>Market uncertainty</td><td>1. We develop green designs using recyclable and biodegradable materials, resulting in increased research and development costs.
2. We increase the sales ratio of green products to boost revenue.</td></tr>
<tr><td>Shift in customer preferences</td><td rowspan="2">Exhibition-related costs cannot be reduced.</td></tr>
<tr><td>Changes in customer behavior</td></tr>
<tr><td>Increased stakeholder concerns and negative feedback</td><td>Increased manpower and resource allocation lead to higher operating costs.</td></tr>
<tr><td>Transition Risks</td><td>Growing sustainability-related demands and regulations</td><td>Hiring external professional organizations or consultants leads to increased expenses and higher operating costs.</td></tr>
<tr><td rowspan="2">Opportunities</td><td>Developing green designs using recyclable and biodegradable materials</td><td>Reduce packaging costs and associated operational expenses.</td></tr>
<tr><td>Enhance resource efficiency to reduce operational costs.</td><td>Setting up water recycling and solar power generation equipment increases capital expenditures.</td></tr>
</table>
</td></tr>
</table>

Item	Implementation Status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To strengthen the Company’s risk management system, enhance risk management functions, and achieve the purpose of sustainable operation, the Board of Directors passed the "Risk Management Policy and Procedures" and risk appetite standards on January 5, 2023. Through a comprehensive risk management framework, various risks that may affect the achievement of corporate objectives will be managed. Risk management will be integrated into operational activities and daily management processes to achieve the Company's goals, improve management efficiency, provide reliable information, and allocate resources effectively. The Board of Directors serves as the highest decision-making body for risk management in the Company. It is responsible for approving risk management policies, procedures, and frameworks, overseeing and ensuring the effective operation of the overall risk management mechanism, and allocating adequate and appropriate resources to ensure effective risk management. Additionally, risk management is incorporated into the authority of the Audit Committee, which oversees the operational mechanisms of risk management. The President's Office is the unit responsible for promoting and executing risk management initiatives, planning, implementing, and supervising risk management-related affairs. Each operating unit is responsible for identifying, analyzing, assessing, and responding to risks within its area, ensuring effective execution of risk management and related control processes in accordance with risk management policies. The Audit Department develops an annual audit plan based on risk assessments, submits audit results and improvement progress to the Board of Directors so as to reduce overall operational risks. The identification, assessment, and management processes for climate risks have been integrated into our existing comprehensive risk management framework. According to the "Risk Management Policy and Procedures," we conduct annual risk assessments using a mechanism that involves risk identification, risk analysis, and risk assessment. There are eight categories of risks, among which are integrity risk, climate change and environmental risk, and other emerging risks. Managers of relevant units identify and analyze risks based on the risk management procedures to assess the likelihood and impact of each risk. They then evaluate and respond to risks according to risk tolerance standards (risk appetite) and regularly(at least once a year) report the status of risk management implementation to the Board of Directors. In response to climate change and environmental risks, the Company adheres to the Task Force on Climate-Related Financial Disclosures (TCFD) framework for the identification of climate-related risks and opportunities. We select climate risk and opportunity factors relevant to the Company, assess the potential impacts these risk factors have on corporate strategy, operations, and finances, and develop and implement corresponding response plans.

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Currently, the Company does not utilize scenario analysis.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Currently, the Company has no climate-related risk transition plan.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, the Company doesn’t used internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Currently, the Company does not have any climate-related targets set.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans.	According to the sustainability development roadmap for TWSE/TPEx-listed companies: 1. The Parent Company should disclose the sustainability information and assurance status for the year 2025 by 2026, and for the year 2027 by 2028. 2. Group subsidiaries should disclose the consolidated company's sustainability information and assurance status for the year 2026 by 2027, and for the year 2028 by 2029. In accordance with the "Operation Rules for Preparation and Filing of Sustainability Reports by Listed Companies" by Taiwan Stock Exchange, the Company plans to disclose the sustainability assurance information in 2026. Using 2026 as the base year, we will also disclose our reduction targets, strategies, and specific action plans for the year 2027 no later than 2026.

(VI) Performance of ethical corporate management and discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation items	Operations			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Formulating policies and plans for ethical corporate management (I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies? (II) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"? (III) Has the company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V V V		(I) Ethical corporate management is an important core value to Jia Wei's fulfillment of social responsibility. The Board of Directors have approved the formulation of "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", and Jia Wei also openly discloses relevant information and its commitment and practices of ethical corporate management on its website. (II) Jia Wei has formulated the "Risk Management Policies and Procedures" and regularly conducts risk assessments once a year. The mechanism for risk assessment includes risk identification, risk analysis, and risk evaluation. Unethical conduct is also included in risk assessment items for relevant departments to conduct risk analysis and propose countermeasures (preventive measures). (III) Jia Wei has formulated procedures, guidelines, penalties for violations and complaint and grievance systems for the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and the procedures and implemented and amended in line with relevant laws and actual practices.	No material discrepancy
II. Fulfilling ethical corporate management (I) Has the company evaluated the integrity records of its property, and stipulated ethical conduct on its business transactions?	V		(I) Jia Wei has clearly set out its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" to stipulate the collection of various forms of bribery. In addition, the supplier's qualification is evaluated in accordance with the "Regulations Governing the Evaluation of Suppliers"', and the supplier's qualification is to be revoked and the business relationship is terminated, as the supplier did not achieve	No material discrepancy

Evaluation items	Operations			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			criteria and had bad goodwill relationship.	
(II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		(II) The President's Office is in charge of formulating and supervising the implementation of the ethical management policy and preventive measures, and regularly reports to the Board of Directors at least once a year. The 2023 Ethical Corporate Management Assessment Report has been submitted to the Board of Directors on January 15, 2024. **Implementation status of ethical corporate management in 2023:** New employees are required to sign a "labor contract" that provides training for work rules and management systems, and clearly disseminates the employees' rights and obligations. Internal and external experts are invited to provide educational training so that employees could understand the latest amendments in the legal environment and avoid committing violations or errors. Training related to ethical corporate management organized in 2023 was the course "Integrity Management and anti-corruption efforts," which was participated by 62 persons, with a total of 124 training hours.	No material discrepancy
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement policies properly?	V		(III) Jia Wei has formulated "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and implements accordingly to prevent conflicts of interests and to provide appropriate reporting channels.	
(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		(IV) Jia Wei has established effective accounting systems and internal control system in various loops, and the Auditing Office regularly audits the systems.	
(V) Does the company regularly hold internal and external training for ethical corporate management?	V		(V) Jia Wei regularly organizes educational training for employees, and provides training for work rules and management systems, and clearly disseminates the employees'	

Evaluation items	Operations			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			rights and obligations to new employees.	
III. Operations of the corporate whistleblowing system (I) Has the company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel?	V		(I) Jia Wei establishes whistleblowing and reward system according to "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and "Management Measures for Rewards and Punishments of Employees", and establishes convenient whistleblowing channels and appoints proper acceptance personnel aiming at reported objects.	No material discrepancy
(II) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	V		(II) Jia Wei has stated investigation standard operation procedures, successive measures and relevant confidential mechanism after investigation according to "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and "Management Measures for Rewards and Punishments of Employees", and establishes convenient whistleblowing channels and appoints proper acceptance personnel aiming at reported objects.	
(III) Has the company adopted protection against inappropriate disciplinary actions taken against the whistleblower?	V		(III) Jia Wei shall keep the status and identity of the whistle-blower and the content reporting misconduct confidentially; Jia Wei is committed to protecting the whistleblower's identity from inappropriate disciplinary actions for the whistleblower.	
IV. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		Jia Wei discloses the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" on Jia Wei's website and the Market Observation Post System (MOPS).	No material discrepancy
V. If the company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies", please describe any discrepancies between the prescribed best practices and the actual activities taken by the company: No material discrepancy.				
VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g. review and amend its policies). (1) Jia Wei reviews and revises the revision and actual condition of "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies". (2) Jia Wei's Directors shall exercise high degrees of self-discipline. If the meeting items present self-interests to a Director or to the judicial persons they represent, they shall describe the important contents of the interests during the Board meeting.				

<table>
<tr><td rowspan="2">Evaluation items</td><td colspan="3">Operations</td><td rowspan="2">Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary</td></tr>
<tr><td colspan="5">If it is harmful to the interests of the Company, they shall not join the discussion and shall exercise recusal during the voting and discussion. In addition, they shall not exercise their voting rights on behalf of other Directors.
(3) Jia Wei has complied with Company Act, the Securities and Exchange Act, the Commercial Accounting Act, the relevant regulations for companies listed on the TWSE/TPEx and other regulations on business conduct as the basic of the ethical corporate management.</td></tr>
</table>

(VII) If the company has established the Corporate Governance Best Practice Principles and related regulations, the searching methods shall be disclosed:
Market Observation Post System (MOPS): http://mops.twse.com.tw
Corporate website：http://www.jiaweils.com

(VIII) Other material information that can enhance the understanding of corporate governance shall be disclosed: Please refer to the Annual Report (Pages 35-42)

(IX) Implementation of internal control system

1. Statement of Internal Control

Jia Wei Lifestyle, Inc.
Statement on Internal Control System

Dated: March 8, 2024

According to the self-evaluation results of internal control system by the Company in 2023, we hereby states as follows:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably assure the following objectives: (a) The effectiveness and efficiency of business operation (including earnings, operation performance and the safeguard of company assets); (b) the reliability, timeliness, transparency of report; and (c) Achieve compliance objectives according to the relevant laws and regulations in order to provide reasonable assurances.

II. Due to the innate limitation in designing a faultless internal control system, this system can only assure the reasonableness of the above three objectives have been fairly achieved. In addition, the effectiveness of internal control system could alter over time due to the change of business environment or situation. However, Jia Wei's internal control system contains self-monitoring mechanisms and is in the process of making an accurate action should any deficiency is identified.

III. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the Guidelines for the Establishment of Internal Control Systems by Public Companies (the Guidelines). The Guidelines are made to examine the following five factors during the management and control process: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) supervision. Each constituent element includes a number of projects. For the aforementioned project, please refer to the "Handling Guidelines".

IV. The Company has examined the effectiveness of each respected area in the internal control system based on the Guidelines.

V. Based on the findings of the aforementioned evaluation, Jia Wei believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

VI. This Statement is a significant part of the Company's annual report and prospectus available to the general public. If any falsehood, concealment, or other illegality in the content made public in the aforementioned disclosed content, it will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

VII. The Company hereby declares that this statement had been approved by the Board of Directors on March 8, 2024. Among the 6 attending Directors (including 0 proxy), no one raised any objection and all consented to the content expressed in this statement.

Jacky Huang
Chairman:
David Wu
President:
Jia Wei Lifestyle, Inc.

2. The CPA's review report shall be disclosed if any CPA is commissioned to review the ICS: None.

(X) In the most recent fiscal year up to the publication date of this Annual Report, there has been punishment of the company or its internal personnel, or punishment of the company to its internal personnel for violating internal control system regulation, and its punishment results might have significant influence on shareholders' equity or securities' price, the punishment, main deficiencies and improvements shall be listed: None.

(XI) Major resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report:

Name of meeting	Date of meeting	Important resolutions	Implementation status
Board of Directors	2023.01.05	1. Approved Jia Wei's proposal to formulate the "Risk Management Policies and Procedures" and standards for risk tolerance. 2. Approved the proposal for Jia Wei's 2022 year-end bonus distribution for managers. 3. Approved Jia Wei's appointment of Presidents of the subsidiary companies and the proposal to lift the non-competition restrictions against them. 4. Approved Jia Wei's appointment of Presidents of the subsidiary companies and the proposal to lift the non-competition restrictions against them. 5. Approved Jia Wei's 2023 Business Plan. 6. Approved Jia Wei's 2023 Annual Shareholders' Meeting Agenda.	1.Handled in accordance with formulated procedures. 2.~6. Handled in accordance with resolution

Name of meeting	Date of meeting	Important resolutions	Implementation status
Board of Directors	2023.03.24	1. Approved the allocation proposal for Jia Wei's 2022 remuneration plan of Directors and compensations for employees. 2. Approved Jia Wei's 2022 parent company-only financial statements, consolidated financial statements and Business Report. 3. Approved Jia Wei's plan to distribute cash dividend in the 2nd half of 2022. 4. Approved Jia Wei's 2022 Statement of Internal Control System. 5. Approved Jia Wei's proposal to amend its “Articles of Incorporation.” 6. Approved Jia Wei's proposal to amend “Corporate Governance Best Practice Principles,” “Sustainable Development Best Practice Principles,” “the “Measures for the Management of Transactions between Group Enterprises and Related Parties,” “Measures for the Supervision of Subsidiaries,” and “Measures for the Administration of Managers' Compensation.” 7. Approved Jia Wei's assessment of the independence and suitability of certified accountants and public fees for appointment and service. 8. Approved the list of non-assurance services expected to be provided by the accounting firm and its affiliates. 9. Approved Jia Wei's appointment of internal audit supervisors. 10. Approved Jia Wei's proposal to lift the non-competition restrictions against the current Directors and their representatives. 11. Adoption of Jia Wei's proposal to lift the non-competition restrictions against the Managers. 12. Approved additional proposals in Jia Wei's 2023 Annual Shareholders' Meeting agenda.	1.Handled in accordance with resolution and submitted to the 2023 Shareholders' Meeting. 2.Submitted to the 2022 Shareholders' Meeting for approval. 3.Handled in accordance with resolution and submitted to the 2023 Shareholders' Meeting and distributed on July 14, 2023. 4.Disclosed in the 2022 Annual Report. 5.Submitted to the 2023 Shareholders' Meeting for resolution. 6.Handled in accordance with formulated and amended procedures. The “Sustainable Development Best Practice Principles” were submitted to the 2023 Shareholders' Meeting. 7.~9.Handled in accordance with resolution. 10.Submitted to the 2023 Shareholders' Meeting for resolution. 11.~12.Handled in accordance with resolution.
Board of Directors	2023.05.05	1. Approved Jia Wei's consolidated financial report for the first quarter of 2022. 2. Approved Jia Wei's proposal to amend the "Risk Management Policies and Procedures", standards for risk tolerance, and "Organizational Regulations of the Audit Committee" 3. Approved Jia Wei's proposal to appoint corporate governance officer. 4. Approved Jia Wei's Proposal for the removal of the non-compete clause for current Directors and their Proxies. 5. Approved Jia Wei's Proposal for establishing the Sustainable Development Committee and the appointment of committee members.	1. N/A 2. Handled in accordance with amended procedures. 3. Handled in accordance with resolution. 4. Submitted to the 2023 Shareholders' Meeting for general reelection. 5. Handled in accordance with resolution.

Name of meeting	Date of meeting	Important resolutions	Implementation status
Annual Shareholders' Meeting	2023.05.29	1. Adoption of Jia Wei's 2022 Business Report and Financial Statements. 2. Adoption of Jia Wei's 2022 Earnings Distribution Plan. 3. Approved Jia Wei's proposal to amend certain articles to its "Articles of Incorporation." 4. Approved Jia Wei's Proposal for the removal of the non-compete clause for current Directors and their Proxies.	1. N/A 2. Handled in accordance with resolution 3. Approved for registration by the Ministry of Economic Affairs Letter No. Economic-Commerce-11230103950 issued on June 30, 2023. 4. Handled in accordance with resolution
Board of Directors	2023.06.20	Elected the Chairman of the Company.	Approved for registration by the Ministry of Economic Affairs Letter No. Economic-Commerce-11230124250 issued on July 18, 2023.
Board of Directors	2023.08.01	Elected the Chairman of the Company.	Approved for registration by the Ministry of Economic Affairs Letter No. Economic-Commerce-1123015541 issued on Aug. 10, 2023.
Board of Directors	2023.08.11	1. Approved Jia Wei's consolidated financial report for the second quarter of 2022. 2. Approved Jia Wei's investment in establishing a new subsidiary in Vietnam. 3. Approved Jia Wei's investment plan for building a factory in Vietnam. 4. Approved Jia Wei's proposal to amend the "Internal Control System" and "Internal Audit System." 5. Approved Jia Wei's proposal to amend the "Supervision and Management Measures in Subsidiaries" and "Practical Guidelines for Corporate Governance." 6. Approved the appointment of Directors for significant subsidiaries. 7. Approved Jia Wei's proposal of the distribution plan of Directors' remuneration for 2022. 8. Approved Jia Wei's proposal of the distribution plan of employees remuneration for 2022.	1. N/A 2.~3. Handled in accordance with resolution. 4.~5. Handled in accordance with amended procedures. 6.~8. Handled in accordance with resolution.
Board of Directors	2023.10.19	Approved Jia Wei's proposal to appoint Wang Hui-Chin as a member of the sixth remuneration Committee.	Handled in accordance with resolution.
Board of Directors	2023.11.10	1. Approved Jia Wei's consolidated financial report for the third quarter of 2022. 2. Approved Jia Wei's 2023 Internal Audit Plan of the Internal Control System. 3. Approved Jia Wei's acquisition of right-of-use assets from related parties. 4. Approved the proposal to establish Chief Information Security Officer and Cybersecurity Unit. 5. Approved reappointment of members on the Sustainability Development Committee.	1. N/A 2.~5. Handled in accordance with resolution.

Name of meeting	Date of meeting	Important resolutions	Implementation status
Board of Directors	2024.01.15	1. Approved Jia Wei's increase in investment budget for construction of the Vietnam plant. 2. Approved Jia Wei's increase in investment for Jia Wei Lifestyle Vietnam Limited Company. 3. Approved Jia Wei's proposal to make endorsements/guarantees for Jia Wei Lifestyle Vietnam Limited Company. 4. Approved Jia Wei's assessment of the independence and suitability of certified accountants and public fees for appointment and service. 5. Approved the proposal for Jia Wei's 2023 year-end bonus distribution for managers. 6. Approved Jia Wei's proposal to establish representative office in Dongguan, China. 7. Approved Jia Wei's 2024 Business Plan.	Handled in accordance with resolution
Board of Directors	2024.03.08	1. Approved the allocation proposal for Jia Wei's 2023 remuneration plan of Directors and compensations for employees. 2. Approved Jia Wei's 2023 Parent Company Only Financial Report, Consolidated Financial Report, and Business Report. 3. Approved Jia Wei's plan to distribute cash dividend in 2023. 4. Approved Jia Wei's 2023 Statement of Internal Control System. 5. Approved the list of non-assurance services expected to be provided by the accounting firm and its affiliates. 6. Approved Jia Wei's proposal to amend "Rules of Procedure for Board of Directors Meetings" and "Organizational Regulations of the Audit Committee" 7. Approved the proposal to fill one seat for an Independent Director through by-election. 8. Approved Jia Wei's Proposal for the removal of the non-compete clause for Directors and their Proxies. 9. Approved Jia Wei's 2024 Annual Shareholders' Meeting Agenda. 10. Approved the nomination of the Independent Director candidate.	1. Handled in accordance with resolution and submitted to the 2024 Shareholders' Meeting. 2. Submitted to the 2024 Shareholders' Meeting for approval. 3. Handled in accordance with resolution and submitted to the 2024 Shareholders' Meeting. 4. Disclosed in the 2023 Annual Report. 5. Handled in accordance with resolution. 6. Handled in accordance with amended procedures. The "Rules of Procedure for Board of Directors Meetings" will be submitted to the 2024 Shareholders' Meeting. 7. Proposed the by-election at the 2024 Shareholders' Meeting. 8. Submitted to the 2024 Shareholders' Meeting for resolution. 9. Handled in accordance with resolution. 10. Proposed the by-election at the 2024 Shareholders' Meeting.

(XII) During the most recent fiscal year or during the current fiscal year up to the publication date of the Annual Report, if any Directors have expressed any dissenting opinions with respect to a material resolution passed by the Board of Directors, which has been recorded or prepared as a written declaration, the principal content thereof shall be disclosed: None.

(XIII) Resignation and dismissal of the company's Chairman, President, accounting manager, financial manager, internal audit manager, corporate governance director and R&D manager in the past fiscal year and as of the date of publication of the Annual Report:

Title	Name	Date of Assumption of Duty	Date of Dismissal	Reasons for Resignation or Dismissal
Chairman	Vincent Chen	2018.02.08	2023.06.20	Busy work schedule
Chairman	Hau-Min Chu	2023.06.20	2023.08.01	Health issues
Internal audit supervisor	Hui-chu Tsai	2021.11.06	2023.03.25	Retired (personal life planning)

V. Information on CPA Professional Fees:

Information on CPA Professional Fees

Unit: NT$ thousand

Name of accounting firm	Name of CPA	CPA Audit Period	Audit fees	Non-audit fees	Total	Note
EY Taiwan	Calvin Chen Fang-Wen Lee	2023.01.01 ~2023.12.31	5,400	1.NT$300 thousand for filing registration for the retroactive handling of public issuance procedures for privately placed stocks 2.NT$260 thousand for transfer pricing report 3.NT$200 thousand for compilation of Group master file report. 4. NT$100 thousand for inventory expenses in Mainland China	6,260	-

(I) If the auditing firm is replaced and the audit fee paid in the replacement year is lower than the audit fee in the previous year, the amount of the audit fee before and after the replacement shall be disclosed and the reason thereof shall be disclosed: None.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.

VI. Information Regarding Replacement of CPAs: None.

VII. The company's Chairman, President, or any managerial officer in charge of finance or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or at a related company: None.

VIII. Equity transfer and hypothecation change in shareholding and shares pledged by Directors, Managers, and shareholders with 10% shareholdings or more in the most recent year up to the date of publication of this Annual Report:

(I) Net change in shareholding by Directors, Managers, and substantial shareholders

Unit: share

Title	Name	2023		Current Fiscal Year as of March 31, 2024	
		Number of shares held Increase (decrease)	Pledged shares Increase (decrease)	Number of shares held Increase (decrease)	Pledged shares Increase (decrease)
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-
	Representative: Jacky Huang (Note 1)	-	-	-	-
Director	Smart Investment Limited	5,018,294	(2,000,000)	-	-
	Representative: David Wu	-	-	(93,000)	-
Director	HSIN-FU INVESTMENT LIMITED	-	-	-	-
	Representative: Li-Hua Wu	2,000	-	-	-
Director	Smart Investment Limited	5,018,294	(2,000,000)	-	-
	Representative: Ray Hou	-	-	-	-
Independent Director	Shou-Te Hsu	-	-	-	-
Independent Director	Chin-Chou Hsu	-	-	-	-
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-
	Representative: Vincent Chen (Note 2)	-	-	-	-
Chairman	HSIN-FU INVESTMENT LIMITED	-	-	-	-
	Representative: Hau-Min Chu (Note 3)	-	-	-	-
Vice President of Sales	Danny Cheng	-	-	-	-
Chief Operating Officer and Chief Finance Officer	Kelly Ko	(51,395)	(300,000)	(101,000)	-
President Office Executive Assistant	Zeco Chen (Note 4)	-	-	-	-
Finance Department	Pei-Ching Liao	(32,000)	-	-	-
Associate Manager of President's Office	Zhi-Hang Zhang	-	-	-	-
Corporate Governance Director (Note 5)	Lori Lin	-	-	-	-

Note 1：Resigned as an Independent Director of the Company on July 24, 2023. Appointed as the Chairman of the Company by the Board of Directors on Aug. 1, 2023.

Note 2：Resigned on June 20, 2023.

Note 3：Appointed as the Chairman of the Company by the Board of Directors on June 20, 2023. Resigned on Aug. 1, 2023.

Note 4：Resigned on April 12, 2024.

Note 5：Approved by the Board of Directors on May 5, 2023.

(II) The counterparty of share transfer is an affiliate:

Name	Reason for transfer:	Date of transaction	Counterparty	Relationship between the counterparty and the Company, Directors, Supervisors, managerial officers, and major shareholders	No. of shares	Transaction price
DIGITAL SOLUTION INVESTMENTS LIMITED	Disposal	2023.08.24	Xiang Xin Investment Limited	Siblings	2,000,000	52.3
			Smart Investmen Limited	Representative same person	5,018,294	

(III) The counterparty of equity pledge is an affiliate: None.

IX. Top 10 Shareholders who are affiliates, spouses, or within second degree of kinship:

As of March 29, 2024; Unit: share, %

Name	Shares held in person		Shares held by spouse and minor children		Shareholding by nominees		The titles or names and relationships of the top ten shareholders who are affiliates, spouses, or relatives within the second degree of kinship.		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Smart Investment Limited	10,345,034	12.88%	-	-	-	-	-	-	-
Representative: David Wu	158,000	0.20%	146,656	0.18%	10,345,034	12.88%	Smart Investment Limited, Ya-Fen Wu	Representative, second degree of kinship	
Myott Investment Co., Ltd.	7,350,310	9.15%	-	-	-	-			
Representative: Su-Chen Lin	18,000	0.02%	-	-	-	-	-	-	-
DA-FA Universal Investment Limited	7,018,294	8.74%	-	-	-	-	Omega Investments Co., Ltd. Hsin-Fu Investment Limited, Li-Hua Wu	Representative Same person, Representative	-
Representative: Li-Hua Wu	1,602,044	2.00%	-	-	8,952,294	11.15%	DA-FA Universal Investment Limited, Omega Investments Co., Ltd. Hsin-Fu Investment Limited	Representative	-
Omega Investments Co., Ltd.	5,780,000	7.20%	-	-	-	-	DA-FA Universal Investment Limited, Hsin-Fu Investment Limited, Li-Hua Wu	Representative Same person	-
Representative: Li-Hua Wu	1,602,044	2.00%	-	-	8,952,294	11.15%	DA-FA Universal Investment Limited, Omega Investments Co., Ltd. Hsin-Fu Investment Limited	Representative	-
Young Chen Products Inc.	2,993,358	3.73%	-	-	-	-	Grand Bonanza Enterprise Inc., Yung-Chien Cheng	Representative Same person Representative	-
Representative: Yung-Chien Cheng	-	-	-	-	4,278,224	5.33%	Young Chen Products Inc., Grand Bonanza Enterprise Inc.	Representative	-
Xiang Xin Investment Limited	2,000,000	2.49%	-	-	-	-	-	-	-
Representative：Ya-Fen Wu	605,000	0.75%	-	-	-	-	Xiang Xin Investment Limited , David Wu	Representative, second degree of kinship	-

Name	Shares held in person		Shares held by spouse and minor children		Shareholding by nominees		The titles or names and relationships of the top ten shareholders who are affiliates, spouses, or relatives within the second degree of kinship.		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hsin-Fu Investment Limited Representative: Li-Hua Wu	1,934,000	2.41%	-	-	-	-	DA-FA Universal Investment Limited, Omega Investments Co., Ltd. Li-Hua Wu	Representative Same person, Representative	-
	1,602,044	2.00%	-	-	8,952,294	11.15%	DA-FA Universal Investment Limited, Omega Investments Co., Ltd. Hsin-Fu Investment Limited	Representative	-
Li-Hua Wu	1,602,044	2.00%	-	-	8,952,294	11.15%	DA-FA Universal Investment Limited, Omega Investments Co., Ltd. Hsin-Fu Investment Limited	Representative	-
Grand Bonanza Enterprise Inc. Representative: Yung-Chien Cheng	1,284,866	1.60%	-	-	-	-	Young Chen Products Inc. Yung-Chien Cheng	Representative Same person Representative	-
	-	-	-	-	4,278,224	5.33%	Young Chen Products Inc. Grand Bonanza Enterprise Inc.	Representative	-
Fu You Yu Investment Co., Ltd. Representative: Hsiu-Fung Li	1,196,000	1.49%	-	-	-	-	-	-	-
	-	-	-	-	-	-			

X. Information on the Number of Shares Held by the Company, Directors, Managerial Officers, and Companies Directly or Indirectly Controlled by the Company:

Consolidated percentage of shareholding

As of December 31, 2023; Unit: Shares; %

Reinvestment companies (Note)	Jia Wei's investment		Investments of Directors and managers and directly or indirectly controlled businesses		Consolidated investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Golden Star Ocean Ltd.	-	100	-	-	-	100
Tzeng Shyng Industries Corp.	-	-	-	100	-	100
First Design Global, Inc.	-	99.84	-	0.16	-	100
Achieve Goal Limited	-	100	-	-	-	100
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)	-	-	-	100	-	100
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)	-	-	-	100	-	100
Freshlink Product Development, LLCDBA PREPARA	-	100	-	-	-	100
Jia Wei Lifestyle Vietnam Limited Company	-	100	-	-	-	100

Note : Long-term investment by Jia Wei using the equity method.

Chapter 4 Capital Overview

I. Capital and Shares

(I) Source of capital

1.Equity formation

Unit: NT$ thousand; thousand shares

Year and month	Issued price	Authorized capital		Paid-in capital		Note:		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increased by assets other than cash	Others
April , 2005	10	500	5,000	500	5,000	Incorporation	-	Approved by the Ministry of Economic Affairs Official Letter No. 09408312100 dated April 21, 2005
May, 2005	10	20,705	207,050	20,705	207,050	Capital increase of NT$202,050 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09432371340 dated June 30, 2005
Dec, 2005	10	60,000	600,000	24,762	247,620	Capital increase of NT$40,570 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09531573620 dated January 16, 2006
May, 2006	10	60,000	600,000	31,294	312,940	Capital increase of NT$47,865 thousand	Claim for capital increase of NT$17,455 thousand	Approved by the Ministry of Economic Affairs Official Letter No. 09532344610 dated June 20, 2006
Aug., 2006	10	60,000	600,000	32,294	322,940	Capital increase of NT$10,000 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09532853500 dated September 18, 2006
Nov. 2006	10	60,000	600,000	36,000	360,000	Capital increase of NT$37,060 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09533167780 dated November 24, 2006
Jan., 2007	10	60,000	600,000	38,500	385,000	Capital increase of NT$25,000 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09631622600 dated January 29, 2007
Feb., 2007	10	60,000	600,000	48,350.5	483,505	Capital increase of NT$40,000 thousand Recapitalization of retained earnings NT$46,031 thousand Capital increased by capital surplus NT$ 12,474 thousand	-	Approved by the Ministry of Economic Affairs Official Letter No. 09631711730 dated February 14, 2007
Sep., 2007	10	100,000	1,000,000	60,000	600,000	Capital increase NT$ 70,000 thousand Ordinary share of private offering of NT$46,495 thousand	-	Ministry of Economic Affairs Official Letter No. 09601249510 dated October 11, 2007
Feb., 2007	10	100,000	1,000,000	66,714	667,140	Capital increase NT$ 67,140 thousand	-	Ministry of Economic Affairs Official Letter No. 09700020970 dated March 21, 2008
July, 2008	10	120,000	1,200,000	99,485.6	994,856	Surplus to capital increase NT$ 327,716 thousand	-	Ministry of Economic Affairs Official Letter No. 09700070990 dated August 11, 2008
Nov., 2010	10	200,000	2,000,000	109,434.16	1,094,341.6	Surplus to capital increase NT$ 99,485.6 thousand	-	Ministry of Economic Affairs Official Letter No. 09900117750 dated November 1, 2010

Year and month	Issued price	Authorized capital		Paid-in capital		Note:		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increased by assets other than cash	Others
Sep., 2016	10	200,000	2,000,000	181,434.16	1,814,341.6	Ordinary share of private offering of NT$720,000 thousand	-	Private offering: NT$2.25/share Ministry of Economic Affairs Official Letter No. 10500094260 dated September 20, 2016
Oct., 2016	10	200,000	2,000,000	143,246.946	1,432,469.46	Capital reduction for the deficit appropriation NT$ 381,872.14 thousand	-	Ministry of Economic Affairs Official Letter No. 10500103320 dated October 18, 2016
Sep., 2017	10	200,000	2,000,000	77,325.415	773,254.15	Capital reduction for the deficit appropriation NT$ 659,215.31 thousand	-	Ministry of Economic Affairs Official Letter No. 10600091470 dated September 12, 2017
Aug., 2019	10	205,000	2,050,000	92,300.415	923,004.15	Ordinary share of private offering of NT$149,750 thousand	-	Ministry of Economic Affairs Official Letter No. 10801091320 dated August 13, 2019
Dec., 2019	10	205,000	2,050,000	72,300.415	723,004.15	Capital reduction for the deficit appropriation NT$ 200,000 thousand	-	Ministry of Economic Affairs Official Letter No. 10801178580 dated December 3, 2019
Sep., 2021	10	205,000	2,050,000	80,300.415	803,004.15	Capital increase NT$ 80,000 thousand	-	Ministry of Economic Affairs Official Letter No. 11001162760 dated December 3, 2021

2. Share type

March 29, 2024; unit: thousand shares

Share type	Approved share capital					Note
	Outstanding shares			Unissued shares	Total	
	Listed	Unlisted	Total			
Ordinary share	68,570.252	-	68,570.252	124,699.585	205,000	-
Ordinary share of private offering	-	11,730.163	11,730.163			-
Total	68,570.252	11,730.163	80,300.415	124,699.585	205,000	-

3. Information related to the general declaration system: None.

(II) Shareholder structure

March 29, 2024

Shareholder structure / Number of shares	Government agencies	Financial institution	Other judicial persons	Individual	Foreign institutions and foreign natural persons	Total
Number of people (person)	-	6	170	20,032	41	20,249
Number of shares held (shares)	-	1,155,357	43,151,696	34,596,005	1,397,357	80,300,415
Shareholding percentage (%)	-	1.44	53.74	43.08	1.74	100.00

(III) Shareholding distribution status

March 29, 2024

Shareholding classification	Number of shareholders (person)	Number of shares held (shares)	Shareholding percentage (%)
1 to 999	15,593	692,353	0.86
1,000 to 5,000	3,609	7,173,687	8.93
5,001 to 10,000	512	3,881,250	4.83
10,001 to 15,000	181	2,286,889	2.85
15,001 to 20,000	80	1,462,297	1.82
20,001 to 30,000	89	2,255,618	2.81
30,001 to 40,000	40	1,405,492	1.75
40,001 to 50,000	21	928,776	1.16
50,001 to 100,000	61	4,101,219	5.11
100,001 to 200,000	29	3,918,035	4.88
200,001 to 400,000	13	3,527,626	4.39
400,001 to 600,000	5	2,539,457	3.16
600,001 to 800,000	4	2,651,810	3.30
800,001 to 1,000,000	2	1,972,000	2.46
Over 1,000,001 shares	10	41,503,906	51.69
Total	20,249	80,300,415	100.00

(IV) List of substantial shareholders

Name, number of shares held, and shareholding percentage of shareholders who hold more than 5% of Jia Wei's shares or are top 10 shareholders:

March 29, 2024

Shares / Major Name of corporate shareholders	Number of shares held (shares)	Shareholding percentage (%)
Smart Investment Company	10,345,034	12.88
Myott Investment Company Limited	7,350,310	9.15
DA-FA Universal Investment Limited	7,018,294	8.74
Omega Investments Co., Ltd.	5,780,000	7.20
Young Chen Products Inc.	2,993,358	3.73
Xiang Xin Investment Limited	2,000,000	2.49
Hsin-Fu Investment Limited	1,934,000	2.41
Li-Hua Wu	1,602,044	2.00
Grand Bonanza Enterprise Inc.	1,284,866	1.60
Fu You Yu Investment Co., Ltd.	1,196,000	1.49

(V) Market price per share, net value, surplus, and capital bonus in the past 2 years

Unit: NT$, thousand shares

<table>
<tr><th colspan="3">Year / Item</th><th>2022</th><th>2023</th><th>As of March 31, 2024</th></tr>
<tr><td rowspan="3">Market price per share</td><td colspan="2">Highest</td><td>84.70</td><td>74.30</td><td>65.60</td></tr>
<tr><td colspan="2">Lowest</td><td>42.05</td><td>49.00</td><td>59.30</td></tr>
<tr><td colspan="2">Average</td><td>63.32</td><td>59.42</td><td>62.28</td></tr>
<tr><td rowspan="2">Per share Net value</td><td colspan="2">Before distribution (Note 5)</td><td>29.85</td><td>29.38</td><td>-</td></tr>
<tr><td colspan="2">After distribution (Note 5)</td><td>24.85</td><td>(Note 1)</td><td>-</td></tr>
<tr><td rowspan="3">Per share Earnings</td><td colspan="2">Weighted average shares</td><td>80,300</td><td>80,300</td><td>-</td></tr>
<tr><td colspan="2">Earnings per share (before retrospective) (Note 5)</td><td>7.03</td><td>4.81</td><td>-</td></tr>
<tr><td colspan="2">Earnings per share (after retrospective) (Note 5)</td><td>7.03</td><td>4.81</td><td>-</td></tr>
<tr><td rowspan="4">Dividends per share</td><td colspan="2">Cash Dividends</td><td>8.00</td><td>3.00</td><td>-</td></tr>
<tr><td rowspan="2">Stock grants</td><td>Surplus from retained earnings</td><td>-</td><td>(Note 1)</td><td>-</td></tr>
<tr><td>Capital surplus distribution</td><td>-</td><td>(Note 1)</td><td>-</td></tr>
<tr><td colspan="2">Accumulated undistributed dividends</td><td>-</td><td>3.00(Note 6)</td><td>-</td></tr>
<tr><td rowspan="3">Investment Base Compensation Analysis</td><td colspan="2">Price-to-earnings ratio (Note 2) (Note 5)</td><td>8.98</td><td>12.51</td><td>-</td></tr>
<tr><td colspan="2">Price-to-dividend (Note 3)</td><td>7.89</td><td>20.05</td><td>-</td></tr>
<tr><td colspan="2">Cash dividend yield (Note 4)</td><td>12.68</td><td>4.99</td><td>-</td></tr>
</table>

Note 1: The earnings distribution in 2023 has not been resolved by the Shareholders' Meeting.

Note 2: Price-to-earnings (P/E) ratio = Average closing price for each share in the year/Earnings per share.

Note 3: Price/Dividend ratio = Average closing price per share of the year/Cash dividends per share.

Note 4: Cash dividend yield = Cash dividend per share/Average closing price per share of the year.

Note 5: The calculation is based on the parent company's main financial statements audited and certified by the CPAs as a basis of the parent company's combined financial statement.

Note 6: After the resolution of the Board of Directors on March 8, 2024, the issuance date was determined in accordance with the law.

(VI) Jia Wei's Dividend Policy and its Operations

1. Dividend policy of the Company

Comparison Table on Revision of the Articles of Incorporation concerning the dividend policy in the shareholders' meeting is as follows:

If the Company has any profit in the year (i.e. profit before tax before deduction of remuneration allocated to employees and directors), Jia Wei shall allocate no less than 3% of the profit as employee's remuneration, which shall be distributed by shares or cash by the resolution of the Board of directors, including employees of subsidiaries meeting the requirements of laws and regulations. In addition, Jia Wei shall allocate no more than 5% of the profit as director's remuneration. However, if there are still accumulated losses, Jia Wei shall reserve the amount to be covered in advance, and then allocate employees' and Directors' compensation in proportion as stipulated in the preceding paragraph.

The allocation of employees' and Directors' compensation shall be reported to the shareholders' meeting.

If the Company has any surplus in the annual general report, Jia Wei shall first pay taxes and make up for the accumulated losses, and then withdraw 10% of the surplus for the statutory surplus reserve, except when the statutory surplus reserve has reached the paid-in capital of Jia Wei. If necessary, the special surplus reserve shall be withdrawn or reversed in accordance with the law. The surplus if any plus the accumulated undistributed surplus of the previous quarter shall be deemed as surplus available for distribution. The Board of Directors shall prepare a surplus distribution plan. In accordance with Article 240, paragraph 5 of the Company Law, Jia Wei authorizes the shareholder dividends may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. When surplus is to be distributed by issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution before distribution.

The Company may, with due consideration to financial, business, or operation factors, appropriate all or a part of the statutory surplus reserve or Additional Paid-In Capital to issue new shares or distribute cash to shareholders in accordance with the laws or the regulations of the competent authority. Jia Wei authorizes the profits may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors. The proposal shall also be reported to the shareholder's meeting.

Dividend policies

Jia Wei is in an industry with constantly changing environment. When allocating surplus, Jia Wei shall examine Jia Wei's financial structure and the needs of its expected future expenditures, and distribute surplus according to laws and the Articles of Association. The amount of surplus distribution shall account for more than 20% of the surplus available for distribution, of which the cash dividends distributed shall not be less than 10% of the total dividend distribution.

2. Distribution of dividends proposed at this Shareholders' Meeting:

Please refer to the earnings distribution statement on Page 89 of this Annual Report for the distribution of dividends proposed at this Shareholders' Meeting.

3. When there is expected to be a significant change in the dividend policy, it shall be explained: None.

(VII) Impact of the stock grants proposed at the Shareholders' Meeting on Jia Wei's business performance and earnings per share (EPS): the current Shareholders' Meeting didn't raise any proposal of stock grants, so it is not applicable.

(VIII) Remuneration of Employees and Directors

1. The percentages or ranges of employees' compensations and Directors' remuneration as set forth in the Articles of Incorporation

According to the Articles of Association of Jia Wei:

If there is any profit in the year (i.e. profit before tax before deduction of remuneration allocated to employees and directors), Jia Wei shall allocate no less than 3% of the profit as employee's remuneration, which shall be distributed by shares or cash by the resolution of the Board of directors, including employees of subsidiaries meeting the requirements of laws and regulations. In addition, Jia Wei shall allocate no more than 5% of the profit as director's remuneration. However, if there are still accumulated losses, Jia Wei shall reserve the amount to be covered in advance, and then allocate employees' and Directors' compensation in proportion as stipulated in the preceding paragraph.
The allocation of employees' and Directors' compensation shall be reported to the shareholders' meeting.

2. Accounting treatment for the basis of estimating the amount of the employees' compensations and Directors' remuneration for this fiscal period, the basis of calculating the number of shares to be distributed as employee compensation, and for any discrepancy between the actual amount distributed and the estimated figures.
The estimation basis of employees' compensations and Directors' remuneration is based on the aforementioned Articles of Incorporation. If the actual distribution amounts differ from the and estimated amount, it will be regarded as changes in accounting estimates, the difference and will be accounted for as profit or loss of the period in the resolution of the Shareholders' Meeting.

3. Information on any approval by the Board of Directors of distribution of remuneration:
(1) If the employee's compensations and director's remuneration distributed in cash or shares differ from the annual estimated amount of the recognized expenses, the difference, cause and treatment shall be disclosed:

Item	Resolution of Board of Directors Meeting Allocation amount by resolution of the Board of Directors (A)	Estimated Amount Recognized as Annual Expenses (B) Estimated Amount (B)	Difference (A-B)	Reasons for discrepancy and processing method Status
Employee Compensations (In cash)	21,363,999	21,363,999	0	Not applicable.
Remuneration of directors (In cash)	21,363,999	21,363,999	0	

(2) Amount of compensations of employees distributed in shares, and its percentage to the sum of net profit after tax stated in the parent company-only or individual financial statements of the current period and the total amount: None.

4. Actual distribution of employees' and Directors' compensation for the previous fiscal year:

2022	Resolution of Board of Directors Meeting Allocation amount by resolution	Actual distribution	Difference with the Amount	Reasons for discrepancy and processing method Status
Employee Compensations (In cash)	30,771,856	30,757,656	14,200	The amount of difference is due to changes in accounting estimates and will be recognized as a profit or loss for 2023.
Remuneration of directors (In cash)	30,771,856	30,757,656	14,200	

(IX) Company share redemption status: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Participation in Global Depository Receipts: None

V. Handling of Employee Stock Option Certificate: None.

VI. Issuance of New Shares with Restricted Employee Rights： None.
Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

VII. Capital Utilization Plan and Its Implementation:
As of the quarter before the publication date of this Annual Report, the previously issued marketable securities that have been completed or the private offering of securities that have been completed but the beneficial results are not significant in the past three years: None.

Jia Wei Lifestyle, Inc.

Statement of Earnings Distribution

2023

		Unit: NT$
Beginning undistributed earnings		297,924,400
Plus: Net income after tax		386,413,330
Less:	Provision for statutory surplus reserves (10%) (Note 1)	(38,641,333)
	Provision for special surplus reserves-Other equity deductions (Note 2)	(13,061,437)
Surplus available for distribution		632,634,960
Distribution Items		
Shareholder dividentds: Cash		
	Allocation for the year 2023 (Board meeting on Mar. 8, 2024)	(240,901,245)
Shareholder dividentds: Stocks		0
Undistributed earnings at the end of the period		391,733,715
Note 1:	(Net after-tax profit of the current period is NT$ 386,413,330, plus items other than net after-tax profit of the current period are included in the undistributed surplus of the current year of NT$ 0)*10%=NT$38,641,333	
Note 2:	The net decrease in other equity of the Company amounted to NT$13,061,437. According to the regulations stipulated in the letter numbered 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, it is required to allocate to the special surplus reserve. 0-13,061,437=(13,061,437)	

Jacky Huang	David Wu	Kelly Ko
Person in Charge	Manager	Chief Accountant

Chapter 5 Operational Highlights

I. Business Scope

(I) **Business scope**

1. Main content of business operations

Jia Wei is principally engaged in the design, production and sales of home products.

2. Current business proportion of Jia Wei's main businesses

Unit: NT$ thousand

Product Category	2023		2022	
	Amount	%	Amount	%
Home products	4,752,422	100.00	5,621,206	100.00
Total	4,752,422	100.00	5,621,206	100.00

3. Current product items

Products	Main purpose or function
Home products	Designing, producing, and selling functional, fun, and ingenious home products by infusing global fashion trends and aesthetics so as to enhance the quality of people's daily lives.

4. New products and services to be developed

In addition to the current tableware, Jia Wei will strengthen the design and development of peripherals and take advantage of the business opportunities with stable, high-quality, and diverse design to avoid the falling into price oriented competition.

In addition, Jia Wei expand the field of kitchenware products, develop new products and markets through high texture design of brand image and fashion aesthetics, and continue to develop decomposable materials in response to the new trend of ESG net zero in the world.

(II) **Industry overview**

1. Current state and development of the industry

As the global economy continues to transition from an industrial economy to one that is service, knowledge, and innovation-oriented, the world is also crossing over to an era of experience-based economy. An industry's competitive strengths not only lies in its land, capital, or productivity, but also the integration of knowledge, creativity, culture, and unique characteristics. This allows a design to encompass more than the underlying concepts, but also to formulate objects that connect people's lives and cultures. The imaginations between design and living also become more complex and diverse, further promoting changes in "the meaning of living and consumer values". The houseware product industry is deeply intertwined with the population and economy, as well as a reflection of culture. We aim to enhance the quality of home products that bring positive experience in terms of sight and touch, while combining an elegant home environment with a refined taste that encourages a lifestyle centered on enjoyment. Currently, Jia Wei mostly sells to the US market whose home goods market is primarily sold through large chain retailers, and the ups and downs of the retail industry reflect the development of the home goods industry. More will be elaborated below.

According to the annual trend analysis released by the National Retail Federation (NRF) in January 2024, the retail industry experienced unprecedented sales growth during the pandemic period. Such a growth rate might have taken ten years to achieve during the pre-pandemic period. Considering the influence of the base period, it is expected that personal consumption expenditure in the United States will gradually slow down in 2024. Despite the possibility of various economic recessions in 2023, consumers have demonstrated strong levels of resilience in spending power in spite of inflation and high-interest rate policies. Increased personal savings during the pandemic, a recovering job market after the pandemic, and the wealth effect from rising personal assets all contributed to this.

In 2024, American consumers are facing a cooling job market, leading to lowered expectations of wage growth. Additionally, the cyclical lending has returned to pre-pandemic levels. Factors such as lingering inflation, high-interest rates, and a presidential election year contribute to uncertainties in consumer spending for the year. However, financial forecasts released by several major US retailers at the beginning of the year mostly anticipate positive operating prospects for the entire year. Large retailers like Walmart, Amazon, TJX, Ross, and Kroger are forecasting simultaneous revenue and profit growth. Department store chains like Target and Kohl's expect flat or slight growth, while high-end specialty retailer William Sonoma anticipates slight declines or modest growth.

The top ten retailers in the United States in 2023 are ranked as follows:

Unit: US$1 billion

Rank	Company	2022 U.S. Retail Sales
1	Walmart	$499.65
2	Amazon.com	$232.46
3	Costco Wholesale	$164.15
4	The Kroger Co.	$147.62
5	The Home Depot	$145.94
6	Target	$107.59
7	CVS Health Corporation	$106.18
8	Walgreens Boots Alliance	$103.91
9	Lowe's Companies	$89.28
10	Albertsons Companies	$76.15

Source: National Retail Federation (NRF)

Among them, Walmart is the largest multinational physical retail enterprise in the United States. Walmart began investing in e-commerce market in 2014, and besides selling fresh produce online to offer more convenient and efficient consumer experiences, it further collects customer data through membership and subscriptions to provide more personalized services. Through Walmart's physical stores all over the United States, its whole goods and delivery speed, coupled with the convenience of picking up goods, its overall revenue performance exceeds that of its peers.

In addition to dedicating efforts to developing online transactions through physical stores, e-commerce giant Amazon has also integrated offline physical stores. After acquiring the Whole Foods Market, a fresh food supermarket, in recent years, Amazon has opened physical stores such as Amazon Fresh and Amazon Go, utilizing the unmanned checkout technology “Just Walk Out”. Consumers can place items into a smart shopping cart (Dash Cart) and scan a QR code to download the Amazon app. The smart shopping cart automatically recognizes the consumer's identity, and when the consumer passes through the checkout area, the system automatically deducts the payment for the goods, thereby saving customers time waiting in line to check out.

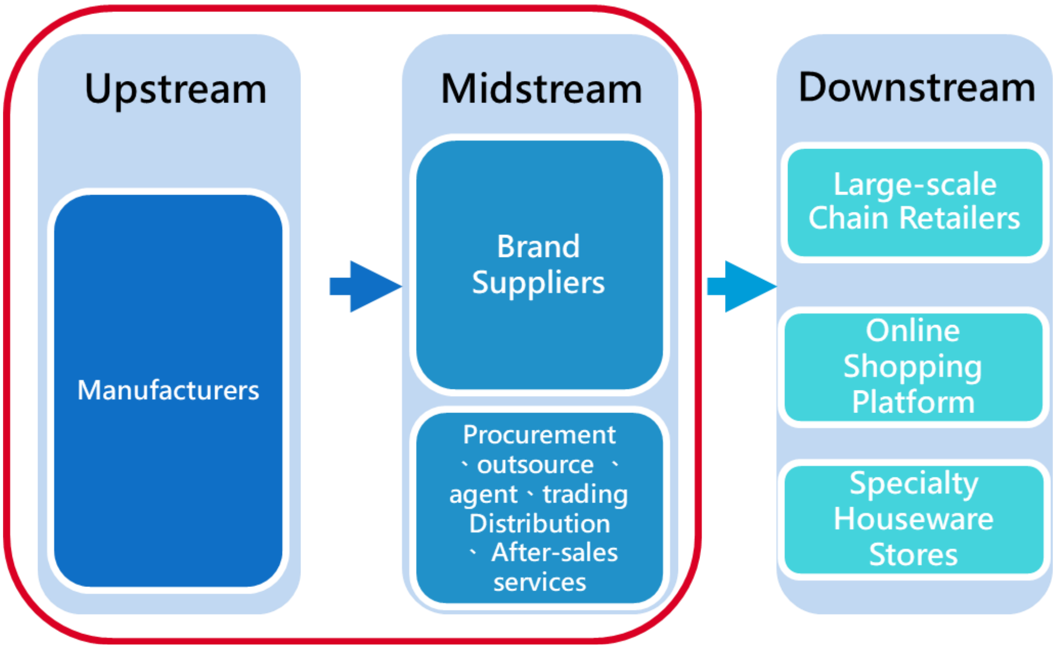
In the emerging customer experience era, the omnichannel strategy, which integrates online/offline touchpoints, has become a battleground for businesses. By providing consumers with uninterrupted shopping experience and delivery, the aim is to increase market share. According to the statistics by US Census Bureau, the e-commerce sales amounted to $1.1187 trillion in 2023, representing a growth of 7.6% compared to 2022. In terms of retail categories, e-commerce accounts for 15.4% of total retail sales, which is a slight increase compared to 2022.

Home products have become more trendy, more diverse and more alternatives are offered, prompting consumers to opt for search and screening functions online rather than traditional purchasing behavior of browsing through the entire store. After clothing and consumer electronics, this new trend has led home product industry to become a new battleground for worldwide e-commerce platforms. According to the research report of *Research and Markets* in March 2024, the scale of the global tableware market in 2024 is US $53.35 billion, which is expected to grow to US $77.69 billion in 2030, and the average compound growth rate from 2024 to 2030 will reach 6.37%, With global market demand estimated to continue, the growth momentum of our Company's home products is expected to grow stronger.

2. Correlation among upstream, midstream, and downstream of the industry

The upstream of household goods industry are manufacturers of various commodities, the middle reaches are brand companies and agents, and the lower reaches are channels for various commodities, including retailers, online platform providers, specialty stores and brand manufacturers. In 2019, in order to improve operations, increase profits, promote competitiveness, and achieve sustainability, Jia Wei acquired blue chip and brand companies in the housewares industry. With firm sales, manufacturing strength, innovative and diversified design, and strong brand management, Jia Wei sought access to new partners among upstream and midstream industries, so as to vertically integrate and enhance overall competitiveness.

Correlation among upstream, midstream, and downstream of the houseware industry



3. Product development trends and competition

(1) Specialized product and customer service

The market is highly competitive, and Jia Wei must expand the business layout, create market segmentation, establish a complete product line, and have a good command of product knowledge, design and trend so as to provide diversified value-added services.

(2) Development and design capability and speed

As a result of the diverse product categories of home products, designing leading fashion styles, colors and models is the necessary factor to obtain the orders. In addition, it is a key competitive advantage to develop the mold making samples in time.

(3) Upstream and downstream vertical integration

Jia Wei has upstream manufacturing plants and sales teams that directly cater to customers, providing us with vertical integration benefits.

(4) Houseware product exhibitions are becoming more international, professional and growing in scale.

Through large-scale exhibitions, the visibility of Jia Wei, customers, and the competitors will be enhanced, and Jia Wei will seize the opportunities for cooperative relationship that will benefit all sides.

(III) **Technology and R&D Overview**

1. R&D Investments in the most recent year

Unit: NT$ thousand

Item	2023
Research and development expenses	139,763
Operating revenue	4,752,422
Ratio of R&D expenses to operating revenue (%)	2.94%

2. Successfully developed technologies or products in the past years

2023	a. The Company's Prepara brand won the "Chicago Athenaeum Good Design" Award with Cactus Lime Loader and Butter Savor. b. The Company received 4 patents and 1 trademark. Additionally, The Company's Prepara brand won 8 more patents.

3. Future R&D plans and estimated expenses

Plan approach	Description of the plan
Kitchenware product R&D	a. Continue to develop kitchenware products using diverse and distinctive materials such as glass, iron and steel and wood. We expect to develop a series of products that emphasize both functionality and design to facilitate market development. b. Develop e-commerce market, increase product exposure, and expand market share.
Strengthen mold designs	After using 3D modeling, a new product is developed with a digital printer, replacing the manual mold opening in the past, so as to improve the efficiency and diversity of product development.
Research and develop environmentally-friendly materials and use recycled plastics	a. Research and develop environmentally-friendly materials to reduce the ratio of plastic consumption b. Use recycled plastics to reduce reliance on plastic raw material

Jia Wei is committed to long-term research and development, and we expect to invest in R&D expenses that will reach 1.5% - 3% of the annual revenue for the next year.

(IV) **Long-term/Short-term business development plans**

1. Long-term development plans

(1) Move forward to the target of the merger and acquisition of the professional brands.

(2) Develop and apply environmentally friendly materials.

(3) Integrate group resources and pursue steady profits.

(4) Actively cultivate talents and ensure sustainable operations.

2. Short-term development plans

(1) Integrate information system efficiency to meet the needs of global multi-site business.

(2) Expansion of kitchenware business.

(3) Deeply cultivate customer relations and respond to customer needs.

(4) Investment in establishing a production base in Vietnam to diversify the risk of a single production location.

II. Market and Sales Overview

(I) Market analysis

1. Sales regions of main products

Unit: NT$ thousand；%

Year		2023		2022	
Item	Area	Amount	%	Amount	%
Foreign sales	Asia	146,992	3.09	226,725	4.03
	America	4,425,418	93.12	5,147,317	91.57
	Europe	158,056	3.33	231,177	4.11
	Others	14,883	0.31	15,456	0.28
Domestic sales		7,073	0.15	531	0.01
Total		4,752,422	100.00	5,621,206	100.00

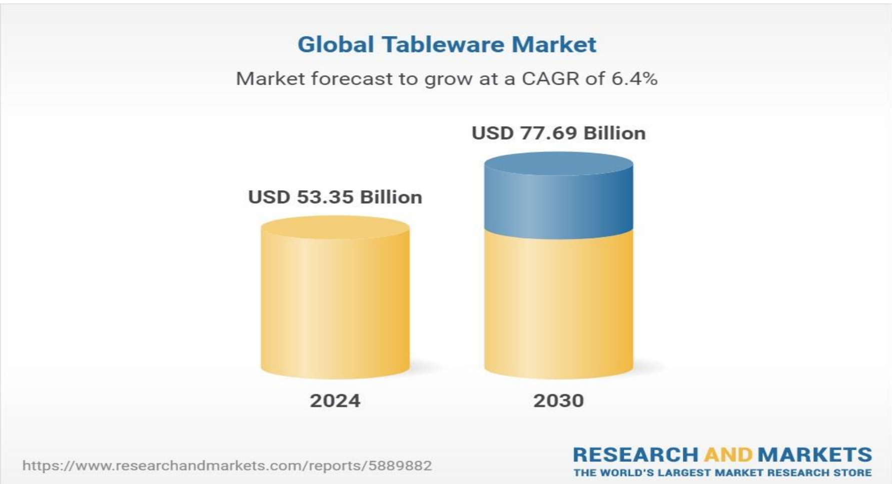
2. Market share

Jia Wei is a professional designer and manufacturer of household products, mainly exported to the United States. Our company's core customers include 5 of the top 10 retail companies in the United States in 2023. Moreover, our company's shipments to these core customers generated a revenue of $112million. Considering the trend of the retail industry where the big players are getting bigger, the overall data of the US market is relevant and informative. According to the statistical data released by the market research organization *Grand View Research*, the overall sales value of the U.S. tableware market in 2023 was $9 billion. If Jia Wei's annual operating revenue was about $147 million, we accounted for about 1.63% of the U.S. tableware market.

3. The supply/demand status and growth potential of the future market

(1) Global kitchenware market continues to grow

Global kitchenware market size from 2024 to 2030

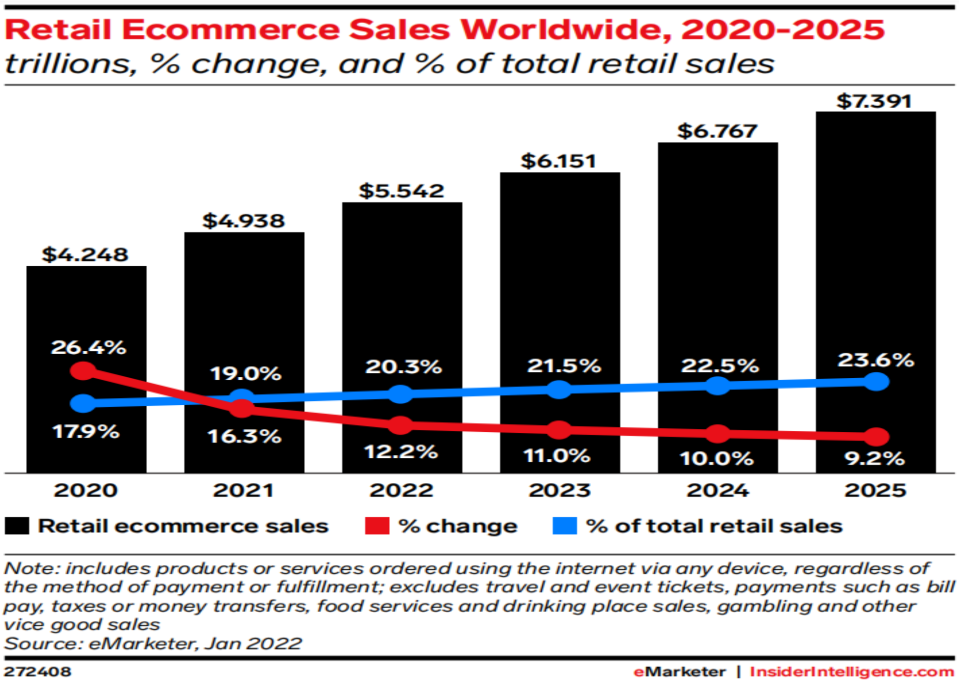


Source: Research and markets（2024/03）

The world's focus on kitchenware products is shifting toward safety and environmental friendliness. Jia Wei's future developments will gradually turn toward quality and health, as food and beverages and kitchenware that can portray lifestyle quality and realize a healthier life will be increasingly popular. As consumer demand continues to drive its growth, the global kitchenware products will be more focused on product design, materials, and quality, and healthier, eco-friendly, refined, and fashionable kitchenware products will be developed. According to Research and Markets' March 2024 research report, the size of the global kitchenware market was US$53.35 billion in 2024, and is expected to grow to US$77.69 billion by 2030. The compound average growth rate (CAGR) from 2024 to 2030 may reach 6.37%, and will continue to show steady growth.

(2) Global ecommerce retail market continues to grow

Global e-commerce market size from 2020 to 2025

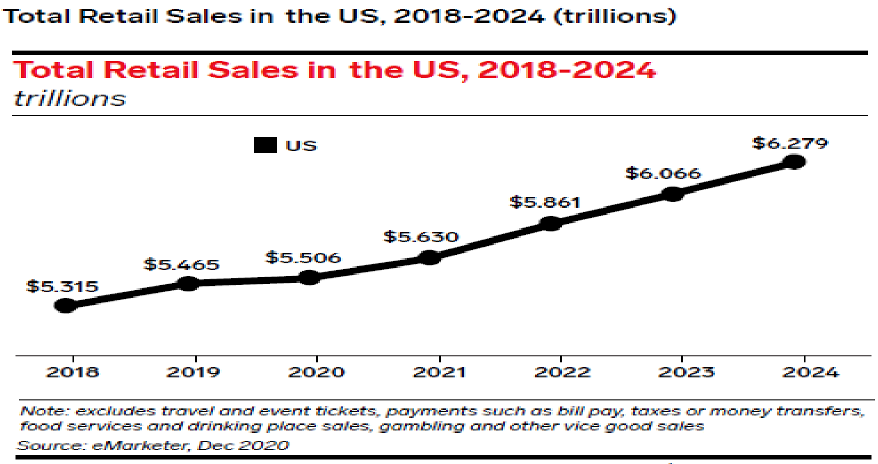


Source: eMarketer, January 2022

In recent years, online shopping has become one of the most popular online activities in the world. The development of e-commerce continues to evolve and sales continue to grow. According to the statistical data of research institution eMarketer (as shown in the figure above), it is estimated that the sales of global e-commerce retail market will grow from US $4.25 trillion to US $7.39 trillion year by year from 2020 to 2025, and the proportion in the total global retail market will also grow from 17.9% to 23.6%, It shows that the proportion of the global e-commerce retail market in the retail industry has gradually increased, and the market scale has also continued to grow. There is still great development space and potential in the future. With such ongoing market trends, it is expected that e-commerce will be an important growth driver for the demand of houseware market.

(3) Overall retail industry in the U.S. continues to grow

Scale of overall U.S. retail industry from 2018 to 2024



Source: eMarketer, December 2020

Effects from the COVID-19 pandemic have led the US retailers to experience new opportunities to embrace online business and to build e-commerce channels through diverse channels including website, social media, and email. In addition, in terms of adopting artificial intelligence (AI) models, research institution Gartner has pointed out that approximately 77% of all retail proposals are planning to adopt AI by 2021. AI can be used to predict consumer behavior, manage inventory, and estimate when to increase inventory of certain products based on consumer demand. Besides cost-saving, these actions can also improve customer experience and continue to expand the size of the overall retail market. Statistical data from research institution eMarketer indicated (as shown in the above image) that the sales volume from the overall US retail industry market is expected to gradually grow from US$5.51 trillion to US$6.28 trillion from 2020 to 2024, and Jia Wei's home products are expected to grow along with the US retail industry.

In conclusion, the continuing expansion of the global kitchenware market, along with the emergence of diverse channels in e-commerce have driven the continued growth of the global e-commerce retail market. This in turn has led the overall U.S. retail industry to continue to grow, leading to a favorable forecast for Jia Wei's market development.

4. Competitive niche

(1) Competitive industry know-how and experience

Having produced and promoted our major products for a long time, Jia Wei has already developed a stable market share and product awareness and continues to stay on up of industry and market trends, production capacity, and technical development. Moreover, Jia Wei's ample production capacity, market know-how and understanding of customer demand allow us to provide comprehensive design and production services.

(2) Upstream and downstream vertical integration capability

Jia Wei has upstream manufacturing plants and downstream acquired the world's largest retailers as our customers, creating vertical integration synergies. We maintain rigorous manufacturing standards from product development, production, to sales, and continue to increase cost effectiveness at each stage while maintaining principles of stable product quality and continuous supply, thereby enhancing our competitive advantage.

(3) Product development/design skills and speed

As a result of the diverse product categories in houseware, besides designing leading fashion styles, colors, and models, the ability to develop molds to produce samples in a timely manner has also become a key competitive advantage. Jia Wei's design team has the energy of development for decades and provides customers with complete product solutions. In order to strengthen mold design, after using 3D modeling, Jia Wei develops new products with digital printers instead of manual mold opening in the past, so as to improve product development efficiency and diversity, so as to establish common growth and maintain long-term good cooperative relations with customers.

(4) Specialized product and customer service

Due to intense market competition, Jia Wei has undertaken market segmentation and built comprehensive product lines through diversified business operations. In addition, diverse, value-added services will be enabled through product know-how, creating environmentally-friendly designs in the future, and staying on top of current trends. Moreover, Jia Wei's Prepara brand is an American kitchenware company competent in its brand image, design patents and international channels, and we will continue to develop the kitchenware market to carve more market share.

(5) Strong customer base

Jia Wei's major customers are large-scale retail stores in the U.S., including channel operators Walmart, Target, and Costco, and our quality has been much acknowledged by our customers.

5. Favorable and unfavorable factors of development prospect and response measures

(1) Favorable factors

A. Sensitivity to design and fashion trends

As the world embraces "experience-based economy", Jia Wei needs to develop a sensitivity to the ongoing trends in global houseware industry in each year. We also need to blend aesthetics with customer-oriented experience, and to focus on the quality of life and contemporary fashion during product design, so as to design quality products and services. By setting "lifestyle" as a key role, Jia Wei can enhance quality of life and its touching moments, thereby increasing consumers' intent to purchase.

B. Well-rounded professional manufacturer in the houseware industry

As the world becomes more globalized, famous global brands are seeking partnerships with well-rounded production suppliers with design, production skills, stable supply, high quality and relatively advantages of price. To this means, Jia Wei has solid strengths in sales, production, innovation and design, and own-brand management, and these capabilities will help us to achieve vertical integration, thereby enhancing our overall competitiveness, boosting our ability to negotiate prices with sales customers, and enhancing customer adhesion.

C. Houseware is a major revenue generator for e-commerce platforms

The reason that e-commerce platforms paid relatively little attention to home products in the past is due to purchasing habits. For instance, consumers were used to experiencing the home products before purchasing them at physical locations, causing the frequency of such purchases to remain relatively low. Nevertheless, with the popularization of online shopping, consumers have gotten used to buying home products online. Moreover, since home products have become more trendy, generating the need to coordinate such products with seasonal changes or festivities in our daily lives, the frequency of these purchases have also significantly increased. Therefore, after clothing and consumer electronics, home products have also become a highly competitive category for major e-commerce platforms.

D. Develop environmentally-friendly products and work toward sustainable management in the future, Jia Wei will continue to develop eco-friendly materials. We will focus on reusing waste plastics and developing recyclable and reusable plastics by committing to green designs in order to accelerate the promotion of circular economy. In addition, we will also commit to research and development of materials that are completely compostable. Besides being more environmentally-friendly, we can also beautify people's living environment and thereby fulfill our social responsibilities and promote sustainable development.

(2) Unfavorable factors and response measures

A. Increasing labor costs in China and more rigorous environmental laws leading production costs to continue to rise

As Jia Wei's major production site is in China, unfavorable factors including rising labor costs in China due to economic developments and the increasingly rigorous environmental laws in recent years have caused production costs to continue to rise.

Response measures

In the future, Jia Wei will undertake good talent cultivation and train future management while at the same time, to strategize applications of digital transformation and Industry 4.0 to reduce our reliance on manual labor. Furthermore, Jia Wei has complied with various environmental protection regulations from China's central and local governments, and we are gradually upgrading the industry through Industry 4.0 applications to keep impacts to a minimum.

Furthermore, in 2023, we initiated an investment plan for a new factory in Vietnam. The future focus of this new factory in Vietnam will primarily be on the production of environmentally friendly materials, specifically R-PET related products, and meeting the increased demand for production capacity. This move aims to appropriately diversify the operational risks associated with relying on a single production base.

B. Threats of price war from competitors while competing for large-scale retail channels. Since selling through large-scale retail stores is a relatively more saturated channel and such retail stores are usually price-driven, the market is often prone to price wars.

Response measures

Jia Wei insists on setting quality as a priority and to provide quality products to customers in order to become long-term trustworthy partners to customers. We also proactively understand future product design and contemporary trends to segment the market and to provide diverse, value-added services. Additionally, to prevent price wars from competitors, we will strengthen the image of our own-brand, Prepara, and continue to develop the kitchenware market and to research and develop products that emphasize both functionality and design to enhance product differentiation.

C. Geopolitical dynamics have been influencing raw material prices.
In recent years, conflicts such as the Ukraine-Russia war, the Israel-Palestine conflict, and tensions in the Red Sea region have led to fluctuations in the prices of related raw materials. This situation has resulted in increased operating costs and poses a risk of diluted profits.

Response measures
Jia Wei is committed to maintaining stable supply to consolidate customer relations. At the same time, it provides one-stop and diversified services, excellent product design, improvement and innovation of production technology, improvement of material utilization and product added value, and timely negotiate with customers to adjust supporting measures and to reduce the risk of profit dilution and maintain market competitiveness.

D. At present, Jia Wei's products that are exported to the U.S. will be subject to tariffs. Furthermore, 2024 is the presidential election year in the United States, and the continuity of policies will have an impact on us. Therefore, the Company still needs to pay close attention to future developments and respond cautiously.

Response measures
Jia Wei will continue to actively develop and control stable product quality, promote environmental protection and other related products, explore new application fields of products and strengthen its own brand, so as to separate the market, expand the sales scope and strengthen customer recognition, so as to continuously increase sales and maintain stable profits; At the same time, it is considered necessary that the Group adjust its production and sales policies, as well as reallocate production resources between China and Vietnam factories so as to mitigate the risk associated with relying on a single production location.

(II) Applications and production process of the main products

1. Key functions of home products
Designing, producing, and selling functional, fun, and ingenious home products by infusing global fashion trends and aesthetics so as to enhance the quality of people's daily lives

2. Production process of home products
Create drawings according to popular elements (2D drawings)→ mold design → forming (3D products)→ grinding → quality inspection → packaging.

(III) Supply of primary raw materials

Major suppliers	Supplying situation
TC004/PS001/JH010	Stable

(IV) List of major customers

1. List of suppliers accounting for 10% or more of the net amount of procurement in any of the last two years and the reasons for the increase/decrease

Unit: NT$ thousand

Item	2023				2022			
	Name	Amount	Percentage of the net amount of annual procurement (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount of annual procurement (%)	Relationship with the issuer
1	TC004	214,085	13.05	None	YS007	376,933	17.23	None
2	PS001	186,950	11.40	None	PS001	227,423	10.40	None
	Others	1,238,941	75.55	-	Others	1,582,833	72.37	-
	Net amount of procurement	1,639,976	100.00		Net amount of procurement	2,187,189	100.00	

Explanation of the increase/decrease
As the raw material prices gradually stabilize, the purchasing costs have decreased in 2023. In addition, due to different increases of various raw materials and changes in sales mix, the purchase ratio to suppliers also changes.

2. List of customers accounting for 10% or more of net sales in any of the last two years and the reasons for the increase/decrease

Unit: NT$ thousand

Item	2023				2022			
	Name	Amount	Percentage of net sales in the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales in the year (%)	Relationship with the issuer
1	Customer A	2,552,750	53.71	None	Customer A	2,872,524	51.10	None
2	Customer B	644,520	13.56	None	Customer B	740,079	13.17	None
	Others	1,555,152	32.73	-	Others	2,008,603	35.73	-
	Net sales	4,752,422	100.00		Net sales	5,621,206	100.00	

Explanation of the increase/decrease
In 2023, the Company's main market in the United States experienced reduced consumer purchasing power due to inflation and interest rate hikes. Additionally, customers adopted conservative purchasing policies to reduce inventory, leading to a decrease in sales. To address these market conditions, the Company introduced competitively priced products to stimulate demand. The above reasons resulted in a decrease in sales.

(V) Production volume and value in the most recent two years

Unit: NT$ thousand; kg

Year / Production volume and value / Main products	2023			2022		
	Production capacity (Note)	Production volume	Production value	Production capacity (Note)	Production volume	Production value
Home products	32,400,000	32,696,362	4,507,636	32,400,000	32,689,756	4,859,239
Total	32,400,000	32,696,362	4,507,636	32,400,000	32,689,756	4,859,239

Note：By outsourcing if production capacity is not enough.

Analysis of changes:
The main reason for the increase in production volume in 2023 is the anticipation of customer orders for the first quarter of 2024, leading to early production stocking in 2023.

(VI) Sales volume and value in the most recent two years

Unit: NT$ thousand; kg; pc, etc.

Year / SalesVolume / Main products	2023				2022			
	Domestic sales		Foreign sales		Domestic sales		Foreign sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Home products (kg)	9,968	7,073	30,918,213	4,296,331	1,105	531	34,771,058	5,295,027
Home products (pc, etc.)	-	-	-	449,018	-	-	-	325,648
Total	9,968	7,073	30,918,213	4,745,349	1,105	531	34,771,058	5,620,675

Analysis of changes:
In 2023, the Company's main market in the United States experienced reduced consumer purchasing power due to inflation and interest rate hikes. Additionally, customers adopted conservative purchasing policies to reduce inventory, leading to a decrease in sales. To address these market conditions, the Company introduced competitively priced products to stimulate demand. The above reasons resulted in a decrease in sales. However, there was an increase in sales through domestic online platforms.

III. Information on the Employees in the Most Recent Two Years up to the Date of Publication of This Annual Report

Year		2022	2023	As of March 31, 2024
Number of employees Persons (Persons)	Managerial officers	7	8	8
	General employees	304	309	311
	Production line staff	759	733	713
	Total	1,070	1,050	1,032
Average age (years old)		41.91	42.06	42.25
Average year of service (years)		7.65	8.48	8.65
Education distribution ratio (%)	Ph.D.	-	-	-
	Master	1%	1%	1%
	University/College	12%	8%	8%
	Senior high school	38%	44%	45%
	Below senior high school	49%	47%	46%

IV. Environmental Protection Expenditure

Jia Wei shall disclose the losses caused by environmental pollution in the most recent year up to the date of publication of this annual report (including matters and punishment due to violating environmental regulations after the audit, the date of punishment, Letter No. of punishment, provisions of laws and regulations violated, contents of laws and regulations violated, and the content of the punishment, along with the estimated amount and countermeasures that may occur at present and in the future. Where the amount cannot be reasonably estimated, the fact that the amount cannot be reasonably estimated shall be stated: None.

V. Labor Relations

(I) Jia Wei's employee welfare policies, continuing education, training, retirement systems and implementation status, the agreement between employees and employer and employees' rights and interests:

Jia Wei strives to realize corporate vision with employees through treating them with honesty and integrity, and by offering comprehensive benefits and training to build fair and positive labor relations and partnerships that are mutually-trusting.

1. Employee benefits

(1) The Company adheres to the labor-related regulations of each of our operating locations around the world, follows the internal employee compensation policies. Jia Wei assesses compensations based on factors such as individual education and work experiences, Jia Wei's profitability, individual performance, consumer price standards, and market conditions in evaluating salary adjustments.

(2) Jia Wei is committed to the living and working conditions of the employees and provide them with comprehensive benefits. Besides providing health and labor insurance stipulated by applicable laws, we have also set up an Employee Welfare Committee to handle relevant employee welfare matters.

(3) Major employee benefits:

A. Holding of leisure activities.
B. Insurance for employees.
C. Gifts and cash gifts for holidays and festivals.
D. Departmental gatherings and activities.
E. Year-end bonus and remuneration distribution.
F. Travel activities.
G. Injury relief and emergency relief for common injuries.
H. Health checkup.
J. Employee education and training

2. Education and training

The principles and objectives of Jia Wei's training: to enhance employees' abilities and strengthen the Company's structure in line with our corporate visions, management ideals, and quality policy. With these principles, Jia Wei will effectively train professional and management personnel to promote the effective use of human capital, enhance management effectiveness, management standard, and to instill an awareness for quality, thereby fulfilling our goals of quality and sustainable operations.

The training system is divided into two major categories: new employee training and on-the-job training, and the on-the-job training is further categorized as either internal or external. The comprehensive training system can fulfill the professional, functional training for each department and common training demand for every level of the organization, allowing employees to acquire necessary skills demanded by their current roles and future developmental needs.

Jia Wei has formulated annual training plans based on operational and employees' developmental needs. It’s the Company’s policy to incorporate operational needs and personal development for employees into our training program, which covers professional certification courses, strategy planning and management.

Training for the employees of the Group in 2023 is as follows:

Type of training	Total hours (hours)
Corporate governance	27
Business integrity	124
Sustainability Development	38
Internal audit	202
Finance and accounting	26
Information security	72
System management	8
Design and development	12
Occupational safety	8
Human rights management	8
Risk management	25
Fire safety	484
Factory management	434
Environmental protection and safety	21
Legal advocacy	129
Total	1,618

3. Retirement system and implementation status
The Company's regulations regarding employee retirement are implemented in accordance with labor laws and regulations in various operating locations worldwide. According to the Labor Pension Act, the parent stipulates that 6% to the employees' pension account is paid monthly to the Labor Pension Account of the Bureau of Labor Insurance. The retirement of employees at our Chinese branch is handled in accordance with the local government's basic endowment insurance regulations.
4. Measures for safeguarding labor-management agreements and employee rights and interests
All measures regarding labor relations are implemented in accordance with the relevant laws and regulations. All new additions or amendments to existing relevant measures are resolved after adequate communications between Jia Wei and employees. Hence, there has been no dispute.
Jia Wei protects employees' legal rights and respects their opinions, and maintains good labor relations by mediating, communicating, and allowing employees to express their opinions through meetings and employee
5. Employee Code of Conduct
Jia Wei has established the Code of Conduct, the Code of Good Faith Operation and the Guide to Good Faith Operation Procedures and Conduct to guide Jia Wei's employees in compliance with ethical and integrity standards. The purpose is to prevent misconduct and promote the compliance of the following requirements:
(1) Ethics.
(2) Prevention of conflicts of interests and avoid profiteering.
(3) Confidentiality obligations.
(4) Fair trade principle.
(5) Safeguarding and proper use of company assets.
(6) Compliance with laws and regulations.
(7) Encouraging reporting on any illegal or unethical activities.

6. Protection measures for work environment and employees' personal safety

Items	Content
Door access safety	1. Jia Wei has a strict access control and monitoring system in the daytime and at night, and security personnel and gate guards are employed to control personnel entering and leaving the office and the factory. 2. Visitors who intend to enter the factory must be confirmed by the staff from the corresponding department. 3. Relevant departments maintains close ties with police security units and fire rescue units at any time.
Disaster prevention and response measures	1. Individual responsible units in the Group are responsible for promoting relevant safety and health tasks to ensure workplace safety for employees. 2. To prevent and effectively respond to major disasters, we have established "Safety and Health Work Guidelines" and disaster prevention measures and reporting procedures. In the factory area, we publicly announce the "Occupational Hazard Prevention and Control Responsibility

	Book" and "Safety Production Responsibility Book," which include the responsibilities of the Vice President, production executives, and production workers for occupational hazard prevention, safety production, and health protection. The guidelines also include the hazardous factors that may arise during the production process and propose standard operating procedures for controlling risks and accidents. In addition, we organize various employee safety, environmental hygiene, and fire education and training exercises to familiarize employees with disaster prevention measures, reduce risks, and ensure the health and safety of employees at work.
Physical hygiene	1. Women's health protection, occupational disease prevention, workplace violence prevention and health promotional activities are promoted. 2. Health checkup: physical examination of new employees, and regular health checkup for current employees. 3. Sanitation of working environment: Arrange the cleaning personnel to regularly clean the office, factory and public space.
Insurance	Jia Wei provides employees with insurance (labor insurance, health insurance, or social insurance). In addition, the parent company offers health insurance, and group insurance for employees in accordance with the law, including group injury insurance and occupational disaster insurance, of which the insurance amount of accidental injury insurance is NT$ 1 -10 million (insured as required by job duties) and that of occupational injury insurance is NT$ 300,000.

(II) Jia Wei shall disclose the losses caused by labor disputes in the most recent year up to the date of publication of this annual report (including matters and punishment due to violating the Labor Standards Act after the labor inspection, the date of punishment, Letter No. of punishment, provisions of laws and regulations violated, contents of laws and regulations violated, and the content of the punishment, along with the estimated amount and countermeasures that may occur at present and in the future. Where the amount cannot be reasonably estimated, the fact that the amount cannot be reasonably estimated shall be stated:

Jia Wei has always attached great importance to labor relations, communication and interaction with employees, and has never suffered significant losses due to labor disputes. Jia Wei will continue to comply with relevant labor laws, strengthen welfare measures and establish multiple channels for communication and complaints to maintain the best labor relations.

With an aim to pursue the shared interests of both the employer and employees, it is extremely unlikely that Jia Wei may suffer losses in the event of a possible financial dispute related to labor relations, and therefore the amount of the relevant loss is not estimated in the financial report.

VI. Information security management:

(I) Information security risk management framework, information security policies, specific management schemes and resources invested in information security management:

1. Management structure

(1)To enhance information security management, Jia Wei has appointed the “Information Security Center” to be in charge of information security management, and to plan, supervise, and implement governance and control over inter-departmental information security in Jia Wei and subsidiaries.

(2) Implementation status: according to the planning of the organizational unit, the general manager is the top supervision director of information security, and the director of the Information Security Center acts as the information security management representative. Additionally, each business unit assigns members as representatives for information security. The information security representatives designated by each unit hold "information security representative meetings" on a regular basis to review the development direction and strategy of information security, so as to ensure the continuous and steady implementation of the information security inspection system. If necessary, information security representatives must attend the meetings.

(3) The information security governance report and results are reported regularly to the Board of Directors.

2. Information security policy

(1) Jia Wei has established information security management rules in line with applicable laws and regulations to provide proper protective measures over our information assets, and to ensure their confidentiality, completeness, usability, and legal compliance

(2) We regularly evaluate the effects of various manmade and natural disasters on our information security. To ensure business continuity, we have also established disaster prevention measures for important information assets and critical business as well as disaster recovery plan.

(3) We supervise our staff to fulfill information security and protection, and to instill an awareness for "information security is a part of everyone's responsibility" in order to enhance the awareness for information security in each business unit and personnel.

(4) Jia Wei requires all employees and vendors who use or connect to Jia Wei's computer systems to strictly abide by our information security regulations. Violators will be either penalized or fined based on contract terms based on the condition of the violation, and in case of severe violation, will be further punishable by applicable laws.

3. Management approach

Jia Wei has signed electronic equipment maintenance contract with contractors for operational assets such as the ERP system, network equipment, and servers, and we prevent theft or malicious damage through security monitoring and environmental monitoring system.

In response to challenges to information security, the following strategies have already been adopted:

In response to external threats:

• Built network firewalls and launched automatic information security signature to prevent external attacks and penetration to the internal network.

• Provided an application server, set in an independent internal network area, for external network connections, and only specific personal computers are allowed to connect to the network for maintenance.

• Asked the network service provider to enable network risk prevention services to avoid possible losses caused by external networks.

Jia Wei's internal management:

• We have reviewed whether risks of single-point deficiency exist in relevant structures and maintenance and operating systems, and conducted risk analysis over the adequacy of business continuity operation. Results and recommendation over the safety evaluation of information framework have also been proposed.

• Reviewed the access records of network, information security equipment and services, and whether account authorization and monitoring mechanism comply with internal control procedures; we have also checked the account authority and access records of such equipment to identify abnormal records and to confirm warning mechanism.

• Reviewed server settings (e.g. Active Directory of the domain service) regarding "password setting guidelines" and "account lock down guidelines"; and reviewed whether the domain safety principles comply with internal control standards through analytical tools and manual procedures.

• Installed protective programs at the terminal equipment to avoid possible infiltrations.

4. Investment of resources

Mainly through the following aspects of promotion and investment, so as to strengthen the staff's awareness on information security crisis and their responsiveness and prevent in advance.

(1) Personnel Arrangement for Information Security: Information Security Director, Information Security Officer, and 2 colleagues from the Information Security Department

(2) Information Security Meetings: The Company regularly convenes relevant meetings. In 2023, a total of 2 meetings were held to address issues related to information security management.

(3) Education and Training: Training courses conducted in 2023 is as follows:

Name of course	Hours	Total number of attendees
Information Security Management Training Course for IT Personnel	56	9

(4) In 2023, the Company offered information security awareness sessions twice to address changes in the information technology and potential information security risks for all departments.

(II) For the most recent year and up to the printing date of the annual report, if the loss, possible impact and response measures suffered due to major information security events cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be explained: None.

VII. Important Contracts:

Unit: NT$ thousand

Nature of contract	Parties	Beginning and end of contract Date	Main contents	Restrictive clauses
Loan contract	E.SUN Bank	Oct.6, 2021 – Oct.6, 2026	To pay off a loan of NT$ 290,390,000, the principal and interest are repaid in 20 equal installments and the principal and interest are amortized by NT$ 20,000,000 per month, the balance shall be paid off on time.	-
Land use agreement	Dai Phong Joint Stock Company	Nov. 22, 2023— Sep. 30, 2071	The total amount of land use rights is VND 198,775,223,000. The first installment has been paid (95% of the total price), and the balance will be paid after completing the transfer procedures.	-
Engineering contract	Huo Ding Long Construction LLC	Dec. 15, 2023— Dec. 30, 2024	The contract sum in the construction contract is VND 711,625,000. 20% of the total price will be paid after signing the contract, 70% will be monthly progress payments, and the remaining 10% will be paid after formal acceptance of the completed project .	-

Chapter 6 Financial Overview

I. Condensed Balance Sheet and Comprehensive Income Statement of the Most Recent Five Years

(I) Condensed Balance Sheet and Comprehensive Income Statement

1. Consolidated Statements of Condensed Balance Sheet

Unit: NT$ thousand

Items \ years		Financial data of the last five years				
		2019	2020	2021	2022	2023
Current assets		2,477,071	2,346,546	2,950,697	2,742,316	2,500,868
Property, plant, and equipment		895,532	871,236	860,459	827,574	951,526
Intangible assets		1,190,965	1,098,538	1,046,816	1,029,176	1,002,777
Other assets		168,965	184,491	210,943	192,354	553,585
Total assets		4,732,533	4,500,811	5,068,915	4,791,420	5,008,756
Current liabilities	Before distribution	3,362,246	2,121,014	2,316,653	2,130,810	2,436,408
	After distribution	3,532,152	2,625,811	2,798,456	2,532,312	(Note 2)
Non-current liabilities		298,268	780,907	475,512	263,376	212,727
Liabilities Total amount	Before distribution	3,660,514	2,901,921	2,792,165	2,394,186	2,649,135
	After distribution	3,830,420	3,406,718	3,273,968	2,795,688	(Note 2)
Equity attributable to owners of parent company		1,072,019	1,598,890	2,276,750	2,397,234	2,359,621
Share capital		723,004	723,004	803,004	803,004	803,004
Capital surplus		149,027	149,027	682,138	682,138	682,138
Retained Earnings	Before distribution	187,910	741,891	819,675	902,629	887,540
	After distribution	18,004	237,094	337,872	501,127	(Note 2)
Other equity		12,078	(15,032)	(28,067)	9,463	(13,061)
Treasury stock		-	-	-	-	-
Non-controlling equity		-	-	-	-	-
Equity Total amount	Before distribution	1,072,019	1,598,890	2,276,750	2,397,234	2,359,621
	After distribution	902,113	1,094,093	1,794,947	1,995,732	(Note 2)

Note 1：The financial information above has been audited by CPAs.

Note 2：The 2023 distribution of earnings has not yet been resolved by the shareholders' meeting.

Consolidated Statements of Condensed Income Statement

Unit: NT$ thousand
(except for Earnings per Share, which is in NT$)

Items / Year	Financial data of the last five years				
	2019	2020	2021	2022	2023
Operating revenue	1,690,231	4,428,573	5,301,547	5,621,206	4,752,422
Gross profit	640,544	1,789,961	1,873,027	2,016,443	1,835,452
Operating Gain or Loss	146,221	781,522	628,122	669,170	512,339
Non-operating income and expenses	(1,455)	(29,140)	(24,273)	56,460	(10,291)
Pretax profit	144,766	752,382	603,849	725,630	502,048
from continuing operations Net profit	217,451	723,887	582,581	564,757	386,413
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	217,451	723,887	582,581	564,757	386,413
Other comprehensive income for the period (Net income after tax)	12,078	(27,110)	(13,035)	37,530	(22,524)
Total comprehensive income for the period	229,529	696,777	569,546	602,287	363,889
Net income attributable to owners of parent company	217,451	723,887	582,581	564,757	386,413
Net income attributable to Non-controlling interests Equity	-	-	-	-	-
Total comprehensive income or loss attributable to the owner of the parent company	229,529	696,777	569,546	602,287	363,889
Comprehensive income (loss) attributable to non-controlling interests	-	-	-	-	-
Earnings per share	3.25	10.01	7.74	7.03	4.81

Note: The financial information above has been audited by CPAs.

2. Parent Company Only Condensed Balance Sheet

Unit: NT$ thousand

Item \ Year		Financial data of the last five years				
		2019	2020	2021	2022	2023
Current assets		1,032,039	1,938,520	2,486,686	2,311,653	2,090,708
Property, plant, and equipment		15,993	13,331	9,882	7,820	11,850
Intangible assets		-	-	-	-	-
Other assets		2,453,238	2,646,993	2,509,033	2,592,422	2,878,865
Total assets		3,501,270	4,598,844	5,005,601	4,911,895	4,981,423
Current liabilities Liabilities	Before distribution	2,143,751	2,229,293	2,277,033	2,277,242	2,477,739
	After distribution	2,313,657	2,734,090	2,758,836	2,678,744	(Note 2)
Non-current liabilities		285,500	770,661	451,818	237,419	144,063
Liabilities Total amount	Before distribution	2,429,251	2,999,954	2,728,851	2,514,661	2,621,802
	After distribution	2,599,157	3,504,751	3,210,654	2,916,163	(Note 2)
Share capital		723,004	723,004	803,004	803,004	803,004
Capital surplus		149,027	149,027	682,138	682,138	682,138
Retained Earnings	Before distribution	187,910	741,891	819,675	902,629	887,540
	After distribution	18,004	237,094	337,872	501,127	(Note 2)
Other equity		12,078	(15,032)	(28,067)	9,463	(13,061)
Treasury stock		-	-	-	-	-
Equity Total amount	Before distribution	1,072,019	1,598,890	2,276,750	2,397,234	2,359,621
	After distribution	902,113	1,094,093	1,794,947	1,995,732	(Note 2)

Note 1：The financial information above has been audited by CPAs.

Note 2：The 2023 distribution of earnings has not yet been resolved by the shareholders' meeting.

Parent Company Only Condensed Income Statement

Unit: NT$ thousand
(except for Earnings per Share, which is in NT$)

Year / Items	Financial data of the last five years				
	2019	2020	2021	2022	2023
Operating revenue	1,534,329	4,338,821	5,332,663	5,457,600	4,562,431
Gross profit	299,436	1,104,132	1,319,282	1,516,615	1,413,555
Operating Gain or Loss	171,741	610,719	779,948	764,756	722,701
Non-operating income and expenses	(35,822)	111,663	(178,931)	(56,968)	(231,329)
Pretax profit	135,919	722,382	601,017	707,788	491,372
from continuing operations Net profit	217,451	723,887	582,581	564,757	386,413
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	217,451	723,887	582,581	564,757	386,413
Other comprehensive income for the period (Net income after tax)	12,078	(27,110)	(13,035)	37,530	(22,524)
Total comprehensive income for the period	229,529	696,777	569,546	602,287	363,889
Earnings per share	3.25	10.01	7.74	7.03	4.81

Note: The financial information above has been audited and certified by CPAs.

(II) Names of certified public accountant over the past five fiscal years and audit opinions

Year	Accounting firm	Name of CPA	Audit opinion
2019	EY Taiwan	Calvin Chen, Fangwen Lee	Unqualified opinion
2020	EY Taiwan	Calvin Chen, Fangwen Lee	Unqualified opinion
2021	EY Taiwan	Calvin Chen, Fangwen Lee	Unqualified opinion
2022	EY Taiwan	Calvin Chen, Fangwen Lee	Unqualified opinion
2023	EY Taiwan	Calvin Chen, Fangwen Lee	Unqualified opinion

II. Financial analysis of the most recent five years

(I) Consolidated financial analysis

Analysis item \ Year		Financial analysis of the last five years				
		2019	2020	2021	2022	2023
Financial structure	Liabilities to assets ratio (%)	77.34	64.47	55.08	49.96	52.89
	Long-term capital to property, plant, and equipment ratio (%)	153.01	273.15	319.85	321.49	270.33
Debt-paying ability	Current ratio (%)	73.67	110.63	127.36	128.69	102.64
	Quick ratio (%)	44.81	69.02	71.99	76.58	66.03
	Interest coverage ratio	1,069.04	3,312.28	1,340.26	1,701.44	981.89
Operation performance	Receivables turnover rate (Times)	3.63	4.99	5.63	5.62	4.83
	Average collection days	100.55	73.14	64.83	64.94	75.56
	Inventory turnover rate (times)	2.18	2.78	3.04	2.88	2.68
	Payables turnover rate (Times)	8.61	16.10	19.64	19.00	13.81
	Average days for sale	167.43	131.29	120.06	126.73	136.19
	Property, plant, and equipment turnover (Times)	3.73	5.01	6.12	6.66	5.34
	Total asset turnover (Times)	0.62	0.95	1.10	1.14	0.96
Profitability	Return on assets, ROA (%)	8.93	16.16	13.15	12.17	8.78
	Return on equity, ROE (%)	26.83	54.20	30.06	24.16	16.25
	Ratio of pretax income to paid-up capital (%)	20.02	104.06	75.19	90.36	62.52
	Net profit margin (%)	12.86	16.34	10.98	10.04	8.13
	Earnings per share (NT$)	3.25	10.01	7.74	7.03	4.81
Cash flow	Cash flow ratio (%)	(Note 1)	37.61	14.43	44.13	37.24
	Cash flow adequacy ratio (%)	7.89	156.32	69.77	97.38	109.33
	Cash reinvestment ratio (%)	(Note 1)	32.08	(Note 2)	15.96	17.79
Degree of leverage	Operating leverage	3.34	1.76	2.09	2.05	2.46
	Financial leverage	1.11	1.03	1.08	1.07	1.13

Reasons for changes in various financial ratios in the most recent two years: (if the increase or decrease is less than 20%, the analysis is not required)

1. The current ratio was primarily affected by a decrease in inventory levels in 2023, which led to reduced inventory turnover. Additionally, there was an increase in short-term borrowings and accounts payable in response to preparing raw materials for shipment in 2024.
2. In 2023, in the face of major market challenges such as rising inflation and interest rates in the United States, which have dampened consumer spending power, conservative purchasing policies by customers to reduce inventory, and the need to introduce competitively priced products to stimulate demand in response to market conditions, our revenue scale has decreased, affecting overall profitability. This has led to declines in interest coverage ratios and profitability compared to last year, while operational leverage has increased.
3. The decrease in sales revenue has resulted in lower turnover rates for cost of goods sold and accounts payable.

Note 1：The operating activities are net cash outflow; therefore, they are not listed.

Note 2：The amount of cash dividends is greater than the net cash flow from operating activities, resulting in a negative ratio, so it is not listed.

(II) Parent Company Only Financial Analysis

Analysis item \ Year		Financial analysis of the last five years				
		2019	2020	2021	2022	2023
Financial structure	Liabilities to assets ratio (%)	69.38	65.23	54.51	51.19	52.63
	Long-term capital to property, plant, and equipment ratio (%)	8,488.20	17,774.74	27,611.49	33,691.21	21,128.13
Debt-paying ability	Current ratio (%)	48.14	86.95	109.20	101.51	84.37
	Quick ratio (%)	47.62	86.65	108.91	101.03	83.37
	Interest coverage ratio	11,268.36	5,779.99	1,317.69	1,751.89	1,027.04
Operation performance	Receivables turnover rate (Times)	4.52	5.36	4.78	4.81	4.60
	Average collection days	80.75	68.09	76.35	75.88	79.34
	Inventory turnover rate (times)	(Note 1)	(Note 1)	(Note 1)	11,117.02	701.15
	Payables turnover rate (Times)	6.15	9.16	11.60	9.75	5.18
	Average days for sale	(Note 1)	(Note 1)	(Note 1)	0.03	0.52
	Property, plant, and equipment turnover (Times)	117.14	295.92	459.45	616.60	463.89
	Total asset turnover (Times)	0.74	1.07	1.11	1.10	0.92
Profitability	Return on assets, ROA (%)	10.60	18.18	13.08	12.07	8.65
	Return on equity, ROE (%)	26.83	54.20	30.06	24.16	16.24
	Ratio of pretax income to paid-up capital (%)	18.79	99.91	74.84	88.14	61.19
	Net profit margin (%)	14.17	16.68	10.92	10.34	8.46
	Earnings per share (NT$)	3.25	10.01	7.74	7.03	4.81
Cash flow	Cash flow ratio (%)	(Note 2)	5.61	15.20	49.49	44.45
	Cash flow adequacy ratio (%)	474.12	743.86	68.54	135.32	168.96
	Cash reinvestment ratio (%)	(Note 2)	5.15	(Note 3)	24.32	27.67
Degree of leverage	Operating leverage	1.65	1.17	1.18	1.20	1.26
	Financial leverage	1.01	1.02	1.06	1.06	1.08

Reasons for changes in various financial ratios in the most recent two years: (if the increase or decrease is less than 20%, the analysis is not required)

1. The decrease in the ratio of long-term funds to real estate, plant and equipment as well as the decrease the turnover rate of real estate, factories, and equipment is mainly due to the net increase in real estate, plant and equipment in 2023.
2. In 2023, in the face of major market challenges such as rising inflation and interest rates in the United States, which have dampened consumer spending power, conservative purchasing policies by customers to reduce inventory, and the need to introduce competitively priced products to stimulate demand in response to market conditions, our revenue scale has decreased, affecting overall profitability. This has led to declines in interest coverage ratios and profitability compared to last year
3. The decrease in inventory turnover rate, increase in average days of sales outstanding, and decrease in accounts payable turnover rate were mainly due to reduced revenue in 2023, which subsequently lowered the cost of goods sold.
4. The increase in the cash flow adequacy ratio was mainly due to the increase of net cash inflow from operating activities in 2023.

Note 1：The average inventory amount is 0, therefore, it is not listed.
Note 2：The operating activities are net cash outflow; therefore, they are not listed.
Note 3：The amount of cash dividends is greater than the net cash flow from operating activities, resulting in a negative ratio, so it is not listed.

Calculation formulas for financial analysis:

1. Financial structure
   (1) Debt-asset ratio = Total liabilities/Total assets.
   (2) Ratio of long-term capital to Property, plant, and equipment = （ Total equity + Non-current liabilities）/Net property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventories - Prepaid expenses) /Current liabilities.
   (3) Interest coverage ratio = Net profit before tax and interest/Interest expenses.
3. Operation performance
   (1) Receivables turnover rate (including notes receivable resulting from accounts receivable and business operations) = Net sales/Average accounts receivable in various periods (including notes receivable resulting from accounts receivable and business operations).
   (2) Average collection days = 365/Receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales/Average inventory.
   (4) Payables turnover rate (including notes payable resulting from accounts payable and business operations) = Cost of sales/Average accounts payable in various periods (including notes payable resulting from accounts payable and business operations).
   (5) Average days for sale = 365/Inventory Turnover Rate.
   (6) Property, plant, and equipment turnover rate = Net sales/Average net Property, Plant, and Equipment.
   (7) Total asset turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Return on assets (ROA) = [Gain (loss) after tax + Interest expenses x (1 - interest rates)] / Average total asset value.
   (2) Return on Equity = Net income after tax/Average equity.
   (3) Net margin = Net income/Net sales.
   (4) Earnings per Share (EPS) = (Net income (loss) attributable to owners of parent company – dividends on preferred shares)/Weighted average number of issued shares.
5. Cash flow
   (1) Cash flow ratio = Net operating cash flow/Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increase + Cash dividend) for the most recent five years.
   (3) Cash flow reinvestment ratio = (Net cash flow from operating activities – Cash dividend)/(Gross fixed assets value + Long-term investment + Other assets + Working capital).
6. Degree of leverage:
   (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income.
   (2) Financial leverage = Operating income/(Operating income - Interest expenses).

III. Audit Committee's Review Report for the Financial Statements of the Most Recent Year

Jia Wei Lifestyle, Inc.

Audit Committee's Review Report

March 8, 2024

The Audit Committee has reviewed the consolidated financial report and individual financial report for 2023, together with the business report and earnings distribution statement prepared by the Board of Directors of Jia Wei and found no inconsistency in these materials in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. Please verify.

Shou-Te Hsu
Convener of the Audit Committee
Jia Wei Lifestyle, Inc.

IV.Financial Statements for the Most Recent Fiscal Year, Including the Audit Report Certified by the CPA, Two-year Comparative Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow, and Notes or Attachments：Please refer to Attachment I of this Annual Report.

V. Parent Company Only Financial Statements Audited and Certified by CPAs for the Most Recent Year. However, details on the significant accounting items were excluded：Please refer to Attachment II of this Annual Report.

VI. Financial Difficulties Experienced by the Company and Its Affiliates the Most Recent Fiscal Year and as of the Date of Publication of this Annual Report, and Their Impact on Jia Wei's Financial Position：None.

Chapter 7 Review and Analysis of Financial Position, Financial Performance and Risks

I. Financial position

Comparative analysis of financial status

Unit: NT$ thousand

Year / Item	2023	2022	Difference	
			Amount	%
Current assets	2,500,868	2,742,316	(241,448)	(9)
Property, plant, and equipment	951,526	827,574	123,952	15
Intangible assets	1,002,777	1,029,176	(26,399)	(3)
Other non-current assets	553,585	192,354	361,231	188
Total assets	5,008,756	4,791,420	217,336	5
Current liabilities	2,436,408	2,130,810	305,598	14
Non-current liabilities	212,727	263,376	(50,649)	(19)
Total liabilities	2,649,135	2,394,186	254,949	11
Share capital	803,004	803,004	-	-
Capital surplus	682,138	682,138	-	-
Retained earnings	887,540	902,629	(15,089)	(2)
Other equity	(13,061)	9,463	(22,524)	(238)
Non-controlling equity	-	-	-	-
Total equity	2,359,621	2,397,234	(37,613)	(2)

Description of changes: (for changes between the two periods reaching 20% and the amount of change reaching NT$10 million)

1. The increase in other non-current assets was primarily due to the completion of land lease agreements by our subsidiary in Vietnam, resulting in an increase in right-of-use assets.
2. The decrease in other equity was mainly due to the recognition of foreign exchange differences arising from the translation of financial statements of overseas operations.

II. Financial Performance

(I) Financial performance comparison/analysis table

Unit: NT$ thousand

Item \ Year	2023	2022	Increased (decreased amount)	Percentage of change (%)
Net operating revenue	4,752,422	5,621,206	(868,784)	(15)
Operating costs	2,916,970	3,604,763	(687,793)	(19)
Gross profit (loss)	1,835,452	2,016,443	(180,991)	(9)
Operating expenses	1,323,113	1,347,273	(24,160)	(2)
Net operating profit (loss)	512,339	669,170	(156,831)	(23)
Non-operating income and expenses	(10,291)	56,460	(66,751)	(118)
Net profit (net loss) before tax	502,048	725,630	(223,582)	(31)
Income tax expense (gains)	115,635	160,873	(45,238)	(28)
Net income (loss)	386,413	564,757	(178,344)	(32)
Other comprehensive income	(22,524)	37,530	(60,054)	(160)
Total comprehensive income for the period	363,889	602,287	(238,398)	(40)

Description of changes: (for changes between the two periods reaching 20% and the amount of change reaching NT$10 million)

1. In 2023, in the face of major market challenges such as rising inflation and interest rates in the United States, which have dampened consumer spending power, conservative purchasing policies by customers to reduce inventory, and the need to introduce competitively priced products to stimulate demand in response to market conditions, our revenue scale has decreased, affecting overall profitability. This has led to declines in operating profit, pre-tax profit, income tax expense, net profit for the period, and total comprehensive income for the period.
2. The decrease in non-operating income and expenses was primarily due to the reduced appreciation of the U.S. dollar in 2023, resulting in a decrease in exchange gains, and increased borrowing interest expenses due to rising interest rates.
3. The decrease in other comprehensive equities was mostly attributable to the exchange differences was primarily due to the recognition of foreign exchange differences arising from the translation of financial statements of overseas operations.

(II) The expected sales and its basis, and the possible impact on Jia Wei's future financial operations and response plans for the coming year:

1. Estimated sales volume in the coming year and its basis
   Jia Wei expects to see sound business growth and to yield positive benefits, and prepares reasonable 2024 sales targets in references to market demand, Jia Wei's capacity and customer forecasts.

2. Possible impacts to future finance and operations and remedial plans: None.

III. Cash flow

(I) Cash Flow Analysis for 2023

Unit: NT$ thousand

Cash balance at beginning of the period Balance	Net cash flow from operating activities in full year	Net cash flow from investing and financing activities in full year	Cash balance at end of the period Balance	Remedial measures for cash inadequacy	
				Investment plans	Financing plans
391,499	907,479	(775,343)	523,635	-	-

Analysis of the changes in cash flow:
Due to investments in our subsidiary in Vietnam and construction of a new plant, there was a net cash outflow from investing activities. However, reduced repayments of long-term borrowings and lower cash dividends compared to the previous year contributed to an increase in the ending cash balance.

(II) Improvement plans for liquidity shortage: Not applicable.

(III) Cash flow analysis for the coming year

Unit: NT$ thousand

Cash balance at beginning of the period Balance	Expected net cash flow from operating activities in full year	Expected full-year Cash flow	Expected cash balance (deficit) +-	Remedial measures for cash inadequacy	
				Investment plans	Financing plans
523,635	437,146	(514,997)	445,784	-	-

Analysis of the changes in cash flow:
The cash flow from operating activities is expected to reach some NT$ 437,146,000 in the following year. The decrease in cash for the year was primarily due to cash dividends paid out and expenses related to the construction of the plant in Vietnam, resulting in cash outflows from financing and investing activities. However, the cash inflows generated from operating activities were sufficient to cover these expenditures.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year:

Unit: $ thousand

Project	Actual or anticipated sources of funds	Total funding required	Actual utilization of funds
			2023
Plant construction in Vietnam	self-financing and bank loans	65,000	11,367

V. Reinvestment Policies of the Most Recent Year, Main Reasons for Investment Gains or Losses, Improvement Plans, and Investment Plans for the Upcoming Year

(I) Investment policy:

Jia Wei will conduct reinvestment according to the operating demand and future growth. The policy strategy is based on the past and future outlook of the investees, market conditions, and the assessment of the operating quality.

(II) Profit or loss analysis for reinvestment business:

Unit: NT$ thousand

Investees \ Description	2023 Recognized investment gains and losses	Major business or production items	Main reason for profit or loss	Improvement Plan	Future investment plan
Golden Star Ocean Ltd.	(20,766)	Investment holding company	Adjustment of group operational policies after M&A; relevant operation had been gradually handled by the parent company	None	Make appropriate investment after considering the industry conditions and company policy
Tzeng Shyng Industries Corp.	(20,714)	International trading company		None	
First Design Global, Inc.	(31,737)	International trading company		None	
Achieve Goal Limited	(123,529)	Investment holding company	Holding company for reinvesting in Mainland China.	None	
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)	(76,581)	Production and sales of household plastic products.	Has proficient capability of mold design, development and manufacturing and can provide stable supply and quality, and customized and diverse services to customers.	None	
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)	(39,379)	Production and sales of household plastic products.		None	
Freshlink Product Development, LLCDBA PREPARA	(39,464)	Design, development, and sales of home products.	Continuous expansion of product line and operational strategy.	Positive operational benefits are expected after the completion of product line expansion strategy. The company can share large-scale customer resources and realize its e-commerce market and brand synergies.	
Jia Wei Lifestyle Vietnam Limited Company	(6,065)	Production and sales of household plastic products.	Construction of plant in progress	None	

(III) Investment plans for the coming year:

Jia Wei will make strategic investment in accordance with its business policy, the future outlook of the investee, market conditions and the assessment of the operating quality.

VI. Risk Analysis and Assessment

(I) Impact of interest rates and exchange rate fluctuations, and inflation on Jia Wei's profit and loss, as well as future response measures:

1. Interest rate fluctuation

The interest rate risk of the Company means the fluctuation risk of the fair value or cash flow of the financial instrument, and mainly comes from borrowings at the fixed rate and the floating

rate. The Company maintains an appropriate portfolio of the fixed interest rate and floating interest rate assisted with the interest rate swaps contract to manage the interest rate risk, and the sensitivity analysis is as follows:
When the market interest rate rises or falls by ten percentage points, the profit and loss of the Company will decline or rise by NT$1,203,000 and NT$1,146,000 in 2023 and 2022 respectively.

Future response measures:

A. Jia Wei will pay attention to the changes in interest rates, continuously inject ESG resources to enhance the competitiveness and obtain favorable interest rates from financial institutions to and reduce the cost of capital.
B. Jia Wei will adopt necessary measures to respond to the countermeasures or make use of various fundraising tools to reduce the impact of interest rate changes on Jia Wei's profit and loss.

2. Exchange rate fluctuation
The sensitivity analysis of the exchange rate risk of the Company mainly addresses major monetary items in foreign currencies on the ending date of the financial reporting period and the impacts of these related foreign currencies on the profit, loss and equities of the group. The exchange rate risk of the Company is mainly influenced by the exchange rate fluctuation of the US dollar, and the sensitivity analysis is as follows:
When the New Taiwan Dollar is revalued/devalued by 1% against the US dollar, the profit and loss of the Company will decline or rise by NT$ 1,475,000 and NT$ 3,581,000 in 2023 and 2022 respectively.

Future response measures:

A. Collect information on foreign exchange-related information at any time to keep abreast of exchange rate movements and maintain close contact with the foreign exchange department of the correspondent banks to fully grasp the market information and exchange rate fluctuations and conduct the exchange settlement in multiple batches in order to reduce the exchange risk when deciding the appropriate timing for engaging in foreign exchange.
B. Foreign currency accounts receivable and purchases from the sale of foreign currencies are recognized in the foreign currency accounts payable. The debt obligations are offset by the natural hedging to reduce the exchange risk.
C. Reflect the trend of exchange rate changes through product quotations.

3. Inflation
As of the date of publication of this Annual Report, inflation has not had material effects on Jia Wei's profit and loss. In addition to paying close attention to market price fluctuations, Jia Wei also actively seeks for raw material suppliers to reduce production costs. In addition, we maintain positive relations with customers to reflect production costs on product prices in a timely manner. Therefore, currently Jia Wei can still effectively reduce the effects of inflation on our profitability.

Future response measures:

Jia Wei has closely monitored the changes in the relevant economic and market conditions to avoid inflation impact on Jia Wei's profit and loss.

(II) Policies, main reasons for the profits or losses generated thereby, and future response measures to be undertaken on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading:

1. Jia Wei has always focused on our core business and maintains the principle of prudence in operations. We also base our finance policy on the prudence principle and do not engage in high

risk, high leverage investments.

2. In order to control the financial transaction risks, Jia Wei has established the "Regulations Governing Loaning of Funds to Other Parties" and "Regulations Governing the Management of Endorsements and Guarantees", and Jia Wei's funds lending to other parties and endorsements and guarantees are handled and declared in accordance with the aforementioned regulations.

   A. Fund lending in 2023 and as of the date of publication of this Annual Report: None

   B. Making of endorsements/guarantees in 2022 and as of the date of publication of this Annual Report:
   The endorsement and guarantee provided by the Company for subsidiary Jia Wei Lifestyle Vietnam Limited Company (referred to as Jia Wei Lifestyle Vietnam below) primarily relate to Jia Wei Lifestyle Vietnam's need to apply for a bank financing limit for factory construction and the necessity to provide endorsement and guarantee according to the agreement.
   As of March 31, 2024, the highest balance of the endorsements/ guarantees has been NT$2,080,000,000, while the actual amounts used was NT$ 864,000,000. Additionally, Jia Wei Lifestyle Vietnam is the Company's 100% controlled sub-subsidiaries, and do not have material effects on our operational risks, financial status, and shareholders' rights, and shall be deemed as reasonable.

3. Jia Wei has not engaged in derivative transactions in 2021 and as of the date of publication of this Annual Report.

(III) Future R&D plans and expected R&D expenditure:

Plan approach	Description of the plan
Kitchenware product R&D	a. Continue to develop kitchenware products using diverse and distinctive materials such as glass, iron and steel and wood. We expect to develop a series of products that emphasize both functionality and design to facilitate market development. b. Develop e-commerce market, increase product exposure, and expand market share.
Strengthen mold designs	After the 3D modeling is used, develop new products with the digital printer to replace the manual mold design in the past and enhance the product development efficiency and diversification.
Research and develop environmentally-friendly materials and use recycled plastics	a. Research and develop environmentally-friendly materials to reduce the ratio of plastic consumption b. Use recycled plastics to reduce reliance on plastic raw material

Jia Wei is committed to long-term research and development, and we expect to invest in R&D expenses that will reach 1.5% - 3% of the annual revenue for the next year.

(IV) Changes to local and overseas policies and laws that impact Jia Wei's financial operations and response measures:

The changes in important domestic and foreign policies and legal actions in the most recent year up to the publication date of this Annual Report have had no significant impact on the financial operations of Jia Wei. Regarding the changes on important domestic and foreign policies and laws, Jia Wei's management will always obtain relevant information and study the necessary response measures to meet Jia Wei's operational needs. Jia Wei will also formulate relevant laws and accounting relating experts to provide advice and recommendations to reduce the impact on Jia Wei's financial operations.

(V) Effects of changes in technology (including information communication risk) and industry on Jia Wei's financial operations, and related response measures:

Jia Wei will always pay attention to the development trends of the technology (including information communication risk) and industry at all times and to respond to the market demand and changes, competent authorities or legal provisions. Jia Wei will assess the impact on the financial operations and adopt necessary countermeasures; as of now, there is no significant impact from technology (including information communication risk) and industrial changes on Jia Wei's financial operations.

(VI) The impacts of changes of corporate image on Jia Wei's crisis management and the countermeasures:

Jia Wei has complied with applicable laws and regulations since our establishment. We actively strengthen internal management and enhance management quality and performance, while maintaining positive labor relations to maintain a positive corporate image and reputation. There has been no crisis as a result of corporate image change.

(VII) The expected benefits and possible risks and countermeasures for mergers and acquisitions:

Jia Wei did not engage in M&A in the most recent year and up to the date of publication of this Annual Report. In case of future mergers and acquisitions, Jia Wei will prudently evaluate the benefits of merger and acquisition plans and control risks according to the regulations to protect its interests and the interests of shareholders.

(VIII) Expected benefits and possible risks of facilities expansion, and countermeasures:

On Aug. 11 2023, the Company decided in a board meeting to invest in establishing a new subsidiary in Vietnam and to proceed with building a factory in Vietnam. The funding sources will be self-financing and bank loans while the risks involved include increased capital expenditure. However, this investment is expected to contribute to the Company's operational development by reducing operational risks associated with a single production base and meeting the capacity demand for environmentally friendly material R-PET. It is anticipated that this initiative will bring steady growth to the Company.

(IX) The risks faced with concentrated procurement or sales and the countermeasures:

1. Risk of concentrated procurement

   Jia Wei purchases from several suppliers with excellent application and stable supply so as to efficiently reduce risks of highly-concentrated supply sources. In addition, good cooperation is maintained with each supplier, so the supplier quality and delivery time are in a normal state, and there is no supply shortage or suspension.

2. Risk of concentrated sales

   Jia Wei's sales are mostly concentrated in the few top multinational retailers, and we will continue to actively approach other multinational large-scale physical retailers for sales orders to effectively reduce the reliance on single customer and to diversify the risk of concentrated sales.

(X) Effect upon and risk to Jia Wei in the event a major quantity of shares belonging to a Director or substantial shareholder holding 10% or more of Jia Wei's shares has been transferred or has otherwise changed hands, and response measures:

The reasons for equity transfer from Directors or shareholders in the most recent year and up to the date of publication of this Annual Report were predominantly for their own financial planning, and did not affect Jia Wei's operations. Hence, they have had no material effects on Jia Wei.

(XI) Impact and risks related to any change in governance rights in Jia Wei and response measures:

General re-election of Directors was held during the Shareholders' Meeting convened on May 31, 2022, and the ultimate controlling shareholders did not change before and after reelection. Furthermore, the Company's strategic planning and operational policies remain unchanged.

Therefore, there have been no adverse impacts resulting from changes in management control within the Company.

(XII) Litigation and non-litigation events

1. As of 31 December 2022, the Group filed a lawsuit with Shenzhen Haojian Electronics Co., Ltd. due to a dispute over a sale and purchase contract, demanding that Shenzhen Haojian Electronics Co., Ltd. overdue the payment of RMB 3,991 thousand and the interest up to the payment date. In this case, the civil judgment of the People’s Court of Qianhai Cooperation District, Shenzhen, Guangdong Province was judged in the civil judgment of the People’s Court of Shenzhen Qianhai Cooperation Zone, Guangdong Province on 29 July 2021. Shenzhen Haojian Electronics Co., Ltd. was required to pay RMB 3,991 thousand for the goods and the interest up to the payment date. And its sole shareholder, Cheng Qiang, was jointly and severally responsible for the repayment. However, Shenzhen Haojian Electronics Co., Ltd. lodged an appeal. On 12 April 2022, the lawyer informed us that we had won the case and the case has entered the execution of freezing the debtor’s property on 8 July 2022, and the court had remitted to the designated account. The execution of this case has been completed; however, Shenzhen Haojian Electronics Co., Ltd. filed a retrial for this case, and the Group have appointed a lawyer to represent us in the retrial defense, the case was rejected by the court during the retrial procedure. The Group won the case again, and the case has been concluded.
2. To adjust the operating strategy, the Group and the seller signed the share purchase agreement, which acquired Achieve Goal Limited and its subsidiaries: Tzeng Shyng Plastic Product (Heyuan) Co., Ltd. and Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. As of 31 December 2020, due to Guangzhou Lili Industrial Co., Ltd. couldn’t pay off the mature debts, Ganzhou Dongxin Chemical Materials Co., Ltd. applied bankruptcy liquidation to Guangzhou Intermediate People's Court. The details of debt receivables the Guangzhou Lili Industrial Co., Ltd. submitted requested the Group’s Sub-Subsidiary, Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. to pay off the debt amounted to RMB 12,374 thousand. Few days ago, the court dismissed the prosecute of the plaintiff Guangzhou Lili Industrial Co., Ltd. Meanwhile, the dispute of set-off in bankruptcy between the original owner of Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. and Guangzhou Lili Industrial Co., Ltd. is still being trialed by the court. Also, a commitment has been issued, if the case finally requires compensation, the seller will fulfill it. After the Company’s assessment, the aforementioned case has no significant impact on the Group’s current operation.

3. As of 31 December 2022, a California tableware company filed a patent infringement lawsuit to the group's subsidiary at the United States District Court of California, after comparing the patent at issue by the US patent attorneys, the Group believes that the product design of the Group has existed in the US sales market for a long time. It is a long-established general process design, which is still different from the patent at issue, and the parties isn't standing in this case. As of January 2022, both parties in this case have conciliated, and plaintiff had withdrawn the charge.

4. A certain company in Utah, USA, has claimed that the Company infringed upon their patent and has subsequently filed a lawsuit against us. As of the date of issuing the consolidated financial statements, the court is still reviewing the relevant documents, and the potential liability related to this matter has been assessed.

Major litigious, non-litigious or administrative disputes that involve the Company's Director, Supervisor, President, any person with substantive control, substantial shareholder holding a stake of 10% or greater, and any companies controlled by the Company and have been concluded by means of a final and unappeasable judgment, or are still under litigation in the most recent two years up to the date of publication of the Annual Report: None.

(XIII) Other important risks and response measures:

Intellectual property management

1. IP management plan

In 2019, Jia Wei acquired an American company with strengths in brand image, design patents, and international channels, and we plan to strengthen brand management and to strategically plan vertical integration across the industry through innovative houseware products so as to enhance our international competitiveness. To strengthen our industry leadership position and to maintain our hard-won technical results, Jia Wei has formulated intellectual property strategies that are aligned with our operational objectives and R&D resources, and built an operational model that aims to create value via IP rights. Besides securing our operations, these efforts will also help to strengthen our competitive edge and profitability.

◎ Patent protection measures - The beginning phase of our IP management strategies is focused on increasing the number of patent applications, and the middle phase aims to protect our IP rights. To formulate a strong IP rights mix, Jia Wei has established an IP team under the supervision of the President's Office and is directly managed by the President, with the goal of encouraging innovation and continuing to inspire employees to propose discoveries, new models, and design applications. The team also arranges professional training and overseas houseware expos for designers to help them understand domestic and foreign fashion trends. Externally, Jia Wei closely communicates with patent competent authorities in both local and foreign major markets.

To protect our rights, in case of possible domestic or overseas IP infringement, Jia Wei's legal and IP department will work with domestic or foreign patent attorneys to impose strong measures including warnings and discontinuing the product in question.

Trade secret protection - trade secrets are related to a company's technological leadership and competitive strengths. Confidentiality clauses are instigated in employment contracts during recruitment of any employee in a related design department.

2. Implementation status

Jia Wei regularly submits matters related to intellectual property to the Board of Directors meeting in each year. In 2023, matters related to intellectual property were submitted to the 6th meeting of the 14th Board of Directors on January 15, 2024.

Patent execution

- Currently, Jia Wei owns 71 effective patents worldwide and 14 patents pending.

Trade mark execution

- Jia Wei has discovered several infringement cases in United States, Taiwan and China, and which have been discontinued after warning letters have been issued
- Currently, Jia Wei has collaborations which are to research and develop proprietary technologies of environmental protection with research institutes and companies at home and abroad
- Currently, Jia Wei has 70 effective trademarks worldwide, and 4 pending.

In response to the increasingly fierce competition on the global market, the important value of IP will be of critical implication for the enterprise’s survival. The Company will assign a full-time IP manager based on the operating status and introduce the plan to the Taiwan Intellectual Property System (TIPS).

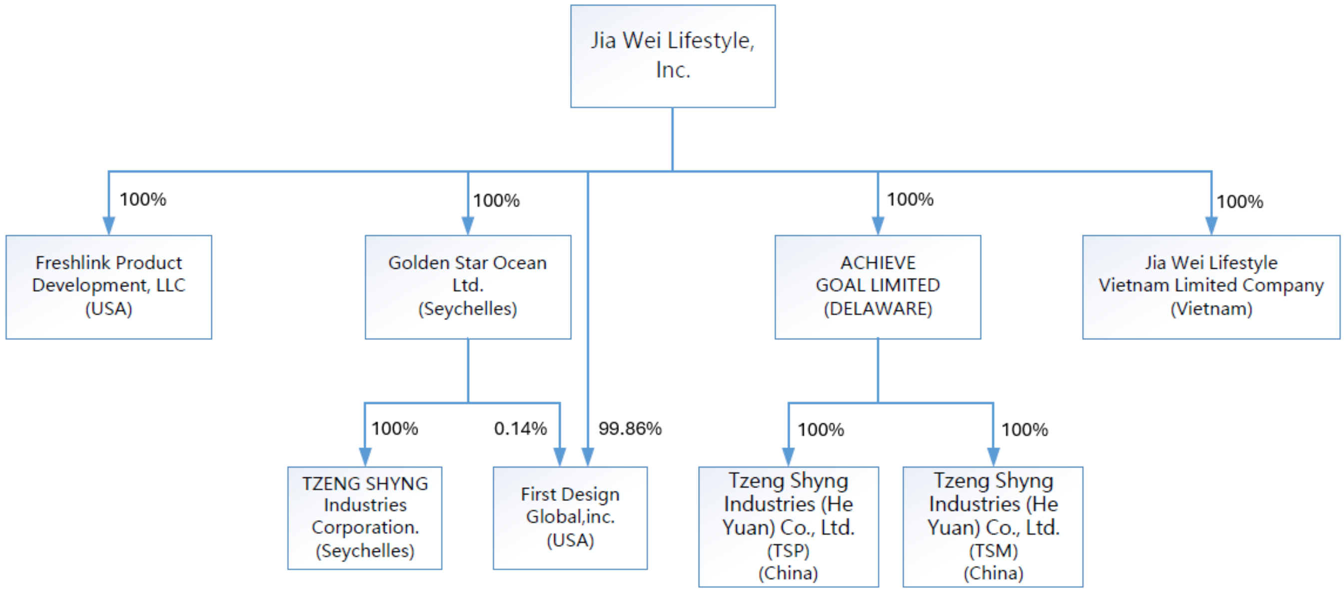
VII. Other Significant Matters: None.

Chapter 8 Special Disclosures

I. Information on Affiliated Companies

(I) Consolidated Business Report of Affiliated Companies

1. Organization chart of affiliated companies (as of December 31, 2023)



2. Basic information of each affiliated enterprises

December 31, 2023
Unit: NT$ / US$ thousand

Name of business	Date of Incorporation	Location	Paid-up capital	Major business or production items
Golden Star Ocean Ltd.	2018.10.31	Seychelles	USD50	Investment holding company
Tzeng Shyng Industries Corp.	2013.07.25	Seychelles	-	International trading company
First Design Global, Inc.	2015.04.16	USA	USD5,008	International trading company
Achieve Goal Limited	2005.03.22	USA	USD23,000	Investment holding company
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)	1992.10.10	Heyuan, Guangdong Province, China	USD16,500	Production and sales of home products
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)	2005.02.28	Heyuan, Guangdong Province, China	USD6,500	Production and sales of home products business
Freshlink Product Development, LLCDBA PREPARA	2006.09.25	USA	USD12,961	Design, development, and sales of home products
Jia Wei Lifestyle Vietnam Limited Company	2023.10.19	Vietnam	USD12,500	Production and sales of home products business

3. For those who are concluded as having a controlling and subordinate relation, the information of the same shareholders: Not applicable.

4. The affiliated companies' business and operations, the industries they cover, and their correspondence and division of labor:
   (1) Jia Wei's business scope includes: Jia Wei has successfully transitioned into the houseware and consumer goods industry, and will continue to develop in houseware market in the future to improve its operation and profitability.
   (2) Division of labor in the business operations of the affiliated companies: Please refer to the investment plan on page 121 of the annual report.

5. Information of Directors, Supervisors and President in all affiliated companies:

As of December 31, 2023

<table>
<tr><th rowspan="2">Name of business</th><th rowspan="2">Title</th><th rowspan="2">Name or representative</th><th colspan="2">Number of shares</th></tr>
<tr><th>Number of shares</th><th>Shareholding ratio</th></tr>
<tr><td>Golden Star Ocean Ltd.</td><td>Director</td><td>Jacky Huang</td><td>-</td><td>100.00%</td></tr>
<tr><td>Tzeng Shyng Industries Corp.</td><td>Director</td><td>Golden Star Ocean Ltd.
Director: Jacky Huang</td><td>-</td><td>100.00%</td></tr>
<tr><td rowspan="3">First Design Global, Inc.</td><td>Director</td><td>David Wu</td><td rowspan="3">-</td><td rowspan="3">100.00%</td></tr>
<tr><td>Director</td><td>Danny Cheng</td></tr>
<tr><td>Director</td><td>Zeco Chen (Note)</td></tr>
<tr><td rowspan="3">Achieve Goal Limited</td><td>Director</td><td>Jacky Huang</td><td rowspan="3">-</td><td rowspan="3">100.00%</td></tr>
<tr><td>Director</td><td>David Wu</td></tr>
<tr><td>Director</td><td>Jun-Xian, Wu,</td></tr>
<tr><td rowspan="4">Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)</td><td>Chairman</td><td>Zhi-Hang, Zhang</td><td rowspan="4">-</td><td rowspan="4">100.00%</td></tr>
<tr><td>Director</td><td>Kelly Ko</td></tr>
<tr><td>Director</td><td>Pei-Ching, Liao</td></tr>
<tr><td>Director</td><td>Zeco Chen (Note)</td></tr>
<tr><td rowspan="4">Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)</td><td>Chairman</td><td>Pei-Ching, Liao</td><td rowspan="4">-</td><td rowspan="4">100.00%</td></tr>
<tr><td>Director</td><td>Zhi-Hang, Zhang</td></tr>
<tr><td>Director</td><td>Kelly Ko</td></tr>
<tr><td>Director</td><td>Zeco Chen (Note)</td></tr>
<tr><td rowspan="3">Freshlink Product Development, LLCDBA PREPARA</td><td rowspan="3">Manager</td><td>David Wu</td><td rowspan="3">-</td><td rowspan="3">100.00%</td></tr>
<tr><td>Zeco Chen (Note)</td></tr>
<tr><td>Sophia Liu</td></tr>
<tr><td rowspan="3">Jia Wei Lifestyle Vietnam Limited Company</td><td>Chairman</td><td>Li-Hua Wu</td><td rowspan="3">-</td><td rowspan="3">100.00%</td></tr>
<tr><td>Director</td><td>Jacky Huang</td></tr>
<tr><td>Director</td><td>David Wu</td></tr>
</table>

Note: Resigned on April 12, 2024.

6. Operational highlight of affiliated companies

December 31, 2023
Unit: NT$ thousands

Name of business	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit (loss)	Net profit (loss) after tax	Earnings (loss) per share after tax
Golden Star Ocean Ltd.	1,535	(149,877)	-	(149,877)	-	-	(20,766)	-
Tzeng Shyng Industries Corp.	-	134,522	224,761	(90,239)	-	-	(22,714)	-
First Design Global, Inc.	153,776	124,666	144,687	(20,021)	88,846	(35,150)	(31,737)	-
Achieve Goal Limited	706,215	623,682	-	623,682	-	-	(115,959)	-
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSP)	585,428	2,154,225	1,667,531	486,694	2,172,650	(75,320)	(76,581)	-
Tzeng Shyng Industries (He Yuan) Co., Ltd. (TSM)	222,413	295,762	140,878	154,884	830,865	(47,183)	(39,379)	-
Freshlink Product Development, LLCDBA PREPARA	397,966	204,198	75,003	129,195	360,172	(81,049)	(39,464)	-
Jia Wei Lifestyle Vietnam Limited Company	393,215	475,057	87,855	387,202	-	(569)	(6,065)	-

Note: Where the affiliate refers to a foreign company, the relevant figures shall be stated in NT$ at the foreign exchange rate as of December 31, 2023.

(II) Affiliation Report

Jia Wei Lifestyle, Inc.
Statement of Declaration

March 8, 2024

For the year 2023 (from January 1 to December 31, 2023), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent-subsidiary consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

The declaration is made hereby.

Vincent Chen

Chairman

(III) Related information on the affiliated company's affiliated reports: Please refer to Attachment I and Attachment II of this Annual Report for Jia Wei's 2023 Consolidated Financial Report and Parent Company Only Financial Report.

II. Private placement of securities in the most recent fiscal year up to the publication date of this Annual Report: None.

III. Shares in the Company held or disposed of by subsidiaries in the most recent year up to the publication date of this Annual Report: None.

IV. Other matters that require additional description: None.

Chapter 9 Any of the Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or Price of the Company's Securities in the Most Recent Year up to the Date of Publication of the Annual Report: None

Attachment I

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

31 December 2023 AND 2022

Address: 14F.-4, No. 296, Sec. 4, Xinyi Rd., Da’an Dist., Taipei City 106, Taiwan (R.O.C.)

Telephone: +886-2-7733-5368

The reader is advised that these consolidated 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.

Independent Auditor's Report

To Jia Wei Lifestyle, Inc.

Opinion

We have audited the accompanying consolidated balance sheets ofJia Wei Lifestyle, Inc. (the "Company") and its subsidiaries as of 31 December 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company 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 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 most significant in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

The main source of income for the Company and its subsidiaries is the sale of household goods. The Company recognized by the Company amounted to $4,752,422 thousand. Since the products are mainly for overseas companies and shipped by sea, the income is recognized when the ownership and control of the promised goods are transferred to the customer and the performance obligation is fulfilled., and Therefore, we determined this a key audit matter.

Our audit procedures included (but were not limited to), understanding and testing the effectiveness of internal control in the sales cycle at the time of revenue recognition, selecting samples (including the newly added top ten customers in this period) to perform test of control, selecting samples to perform test of details, such as check sales orders, finished product delivery orders, sales invoices, export declarations and subsequent payments, etc., including checking whether the sales was appropriately recognized and the recipient of the payment is the same company, performing cut-off tests before and after the balance sheet date, performing analytical procedures on monthly sales revenue and gross profit margin. We also considered the appropriateness of disclosures of operating revenues in Notes 4.(18) and 6.(14) to the consolidated financial statements.

2. Loss allowance for accounts receivables

As of 31 December 2023, the Company and its subsidiaries' accounts receivable and loss allowance amounted to $1,033,508 thousand and $78,492 thousand, respectively. The net account receivable accounted for 19% of the total assets. Since the amount of allowance for receivables is measured by the lifetime expected credit loss, the measurement process must appropriately group the account receivables and determine the use of relevant assumptions in the analytical and measurement procedures, including the appropriate accounting aging schedule and the loss rate of each accounting aging interval. The measurement of expected credit losses involved judgment, analysis and estimation, while the measurement results would affect the net amount of accounts receivable, we therefore considered this a key audit matter.

Our audit procedures included (but not limited to) analyzing the appropriateness of the grouping method of accounts receivable; understanding the appropriateness of the management's provision of allowances for bad debts; testing the provision matrix the Company and its subsidiaries adopted, including assessing whether the aging interval is reasonably determined; testing the statistical information related to the average loss rate based on the monthly roll rate, and assessing its reasonableness; selecting samples to perform test the correctness of the aging; selecting samples to check the collection situation after the period of accounts receivable and assessing the recoverability. We also considered the appropriateness of the disclosure of the expected credit impairment loss of accounts receivable in Notes 4. (8), 5. (3) and 6. (15) of the consolidated financial statements.

3. Impairment Loss for Intangible Assets (Including Goodwill)

The Company and its subsidiaries' goodwill amounted to $845,283 thousand as of 31 December 2023, as a result of goodwill arising from the acquisition. The goodwill accounted for 17% of the total assets, and the impairment assessment is based on management's assessment and involves assumptions such as accounting estimates. Therefore, we considered this a key audit matter.

Our audit procedures included (but not limited to), evaluating the management's assessment approaches and assumptions of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as discount rates, involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their model such as gross margin, growth rates, and the expected future market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also considered the appropriateness of the impairment assessment of goodwill in Notes 4. (16), 5. (4) and 6. (22) of the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2023 and 2022.

Chen, Cheng-Chu

Lee, Fang-Wen

Ernst & Young, Taiwan

8 March 2024

Notice to Readers

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of Consolidated Financial Statements Originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

		31 December 2023		31 December 2022	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4,6(1),12	$523,635	10	$391,499	8
Accounts receivable, net	4,6(2)(15),12	955,016	19	1,011,577	22
Other receivables	4,12	14,333	0	39,283	1
Inventories	4,6(3)	885,986	18	1,098,502	23
Prepayments	6(4)	79,798	2	69,301	1
Other financial assets, current	8,12	42,100	1	131,801	3
Other current assets, current		-	-	353	0
Total current assets		2,500,868	50	2,742,316	58
Non-current assets					
Property, plant and equipment	4,6(5),8	951,526	19	827,574	17
Right-of-use assets	4,6(16)	403,886	8	94,334	2
Intangible assets	4,6(6),6(22)	1,002,777	20	1,029,176	21
Deferred tax assets	4,6(20)	133,301	3	90,367	2
Refundable deposits	12	15,530	0	7,417	0
Other non-current assets		868	0	236	0
Total non-current assets		2,507,888	50	2,049,104	42
Total assets		$5,008,756	100	$4,791,420	100

		31 December 2023		31 December 2022	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6(7),12	$1,541,310	30	$1,332,313	28
Short-term notes payable	6(8),12	14,963	0	44,991	1
Contract liabilities, current	4,6(14)	11,009	0	12,648	0
Accounts payable	12	240,686	4	121,610	3
Other payables	6(10),12	359,291	7	347,138	7
Current tax liabilities	4,6(20)	84,835	2	131,145	3
Provisions	4,6(12)	63,332	1	47,577	1
Lease liabilities-Current	4,6(16)	25,629	1	19,808	0
Current portion of long-term loans	6(9)	80,000	2	60,000	1
Other current liabilities		15,353	0	13,580	0
Total current liabilities		2,436,408	47	2,130,810	44
Non-current liabilities					
Long-term loans	6(9)	130,390	3	230,390	5
Deferred tax liabilities	4,6(20)	2,994	0	6,730	0
Lease liabilities-Non current	4,6(16)	79,343	2	26,256	1
Total non-current liabilities		212,727	5	263,376	6
Total liabilities		2,649,135	52	2,394,186	50
Equity attributable to the parent company	6(13)				
Capital					
Common stock		803,004	16	803,004	17
Additional paid-in capital		682,138	14	682,138	14
Retained earnings					
Legal reserve		203,202	4	179,454	4
Special reserve		-	-	-	-
Undistributed earnings		684,338	14	723,175	15
Total retained earnings		887,540	18	902,629	19
Other equity		(13,061)	(0)	9,463	0
Total equity		2,359,621	48	2,397,234	50
Total liabilities and equity		$5,008,756	100	$4,791,420	100

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

English translation of Consolidated Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Items	Notes	2023		2022	
		Amount	%	Amount	%
Operating Revenues	4,6(14)	$4,752,422	100	$5,621,206	100
Operating costs	4,6(3)	(2,916,970)	(61)	(3,604,763)	(64)
Gross profit		1,835,452	39	2,016,443	36
Operating expenses					
Sales and marketing expenses	6(17)	(787,096)	(17)	(835,925)	(15)
General and administrative expenses	6(17)	(364,529)	(8)	(410,270)	(7)
Research and development expenses	6(17)	(139,763)	(3)	(106,327)	(2)
Expected credit impairment (losses) gains	4,6(15)	(31,725)	(1)	5,249	0
Subtotal		(1,323,113)	(29)	(1,347,273)	(24)
Operating income		512,339	10	669,170	12
Non-operating income and expenses	6(18)				
Interest income		4,614	0	2,165	0
Other income		13,775	0	28,024	0
Other gains and (losses)		28,248	1	71,582	1
Finance costs		(56,928)	(1)	(45,311)	(0)
Subtotal		(10,291)	0	56,460	1
Income from continuing operations before income tax		502,048	10	725,630	13
Income tax (expense)	4,6(20)	(115,635)	(2)	(160,873)	(3)
Profit from continuing operations		386,413	8	564,757	10
Net inocme		386,413	8	564,757	10
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	4,6(19)	(28,156)	(1)	46,912	1
Income tax related to items that may be reclassified subsequently	4,6(19)	5,632	0	(9,382)	0
Subtotal		(22,524)	(1)	37,530	1
Total comprehensive income		$363,889	7	$602,287	11
Net income attributable to:					
Stockholders of the parent		386,413	8	564,757	10
Non-controlling interests		-	-	-	-
		$386,413	8	$564,757	10
Comprehensive income attributable to:					
Stockholders of the parent		363,889	7	602,287	11
Non-controlling interests		-	-	-	-
		$363,889	7	$602,287	11
Earnings per share (NTD)	4,6(21)				
Earnings per share-basic		$4.81		$7.03	
Earnings per share-diluted		$4.79		$6.98	

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

English translation of Consolidated Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	Equity Attributable to the Parent Company							Total Equity
			Retained Earnings			Other Equity		
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translation of Foreign Operations	Total	
Balance as of 1 January 2022	$803,004	$682,138	$124,150	$37,984	$657,541	($28,067)	$2,276,750	$2,276,750
Legal reserve	-	-	55,304	-	(55,304)	-	-	-
Cash dividends	-	-	-	-	(481,803)	-	(481,803)	(481,803)
Reversal of special reserve	-	-	-	(37,984)	37,984	-	-	-
Net income for the year ended 31 December 2022	-	-	-	-	564,757	-	564,757	564,757
Other comprehensive income, net of tax for the year ended 31 December 2022	-	-	-	-	-	37,530	37,530	37,530
Total comprehensive income	-	-	-	-	564,757	37,530	602,287	602,287
Balance as of 31 December 2022	$803,004	$682,138	$179,454	-	$723,175	$9,463	$2,397,234	$2,397,234
Balance as of 1 January 2023	$803,004	$682,138	$179,454	-	$723,175	$9,463	$2,397,234	$2,397,234
Legal reserve	-	-	23,748	-	(23,748)	-	-	-
Cash dividends	-	-	-	-	(401,502)	-	(401,502)	(401,502)
Net income for the year ended 31 December 2023	-	-	-	-	386,413	-	386,413	386,413
Other comprehensive income, net of tax for the year ended 31 December 2023	-	-	-	-	-	(22,524)	(22,524)	(22,524)
Total comprehensive income	-	-	-	-	386,413	(22,524)	363,889	363,889
Balance as of 31 December 2023	$803,004	$682,138	$203,202	-	$684,338	$(13,061)	$2,359,621	$2,359,621

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

English translation of Consolidated Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	2023	2022
Cash flows from operating activities:		
Net income before tax	$502,048	$725,630
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expanse adjustments :		
Depreciation	94,271	87,017
Amortization	26,664	39,391
Expected credit impairment loss (gain)	31,725	(5,249)
Interest expense	56,928	45,311
Interest income	(4,614)	(2,165)
Loss on disposal of property, plant and equipment	1,197	2,030
Loss on inventory valuation and obsolescence	20,327	36,477
Changes in operating assets and liabilities:		
Accounts receivables	25,022	(25,636)
Other receivables	24,919	(33,622)
Inventories	193,416	138,927
Prepayments	(10,497)	40,461
Other current assets	353	(353)
Contract liabilities	(1,639)	(5,084)
Accounts payables	119,076	(91,186)
Other payables	9,093	(24,288)
Provisions	15,755	25,057
Other current liabilities	1,773	8,597
Cash generated from operations	1,105,817	961,315
Interest received	4,645	2,084
Income tax paid	(202,983)	(23,037)
Net cash provided by operating activities	907,479	940,362
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(202,006)	(16,836)
Disposal of property, plant and equipment	-	70
(Increase) Decrease in refundable deposits	(8,113)	926
Acquisition of intangible assets	(36)	(2,199)
Acquisition of right-of-use assets	(255,824)	-
Decrease in Other financial assets	89,701	238,489
(Increase) Decrease in Other non-current assets	(632)	3,076
Net cash (used in) provided by investing activities	(376,910)	223,526
Cash flows from financing activities:		
Increase (Decrease) in short-term loans	208,997	(37,241)
Increase in short-term notes and bills payable	300,516	256,991
(Decrease) in short-term notes and bills payable	(330,544)	(212,000)
Repayments of long-term loans	(80,000)	(426,455)
Cash payments for the principal portion of the lease liability	(25,748)	(22,433)
Cash dividends	(401,502)	(481,803)
Interest paid	(53,868)	(64,477)
Net cash (used in) financing activities	(382,149)	(987,418)
Effect of exchange rate changes on cash and cash equivalents	(16,284)	21,289
Net Increase in cash and cash equivalents	132,136	197,759
Cash and cash equivalents at beginning of year	391,499	193,740
Cash and cash equivalents at end of year	$523,635	$391,499

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

(Expressed in thousands of New Taiwan Dollars unless otherwise Specified)

1. History and organization

Jia Wei Lifestyle, Inc. (the Company) was incorporated on 21 April 2005. The Company's common shares were publicly listed on the Taipei Exchange (TPEx) on 27 February 2008. Due to business needs, its registered office and the main business location were moved to the 14F.-4, No. 296, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) on 14 August 2019. The main business project is the design, development, manufacturing and sales of household products.

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

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended 31 December 2023 and 2022 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 8 March 2024.

3. Newly issued or revised standards and interpretations

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

The Group applied International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations issued, revised or amended which are recognized by the Financial Supervisory Commission (FSC) and became effective for annual periods beginning on or after 1 January 2023. The nature and the impact of each new standard and amendment have no material effect on the Group.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the 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) Lack of Exchangeability – Amendments to IAS 21

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

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

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2022 have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS34 "Interim Financial Reporting" which is endorsed and become effective by FSC.

(2) Basis of preparation

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

(3) Basis of consolidation

<u>Preparation principle of consolidated financial statements</u>

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:

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

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

(a)the contractual arrangement with the other vote holders of the investee
(b)rights arising from other contractual arrangements
(c)the Group's voting rights and potential voting rights

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

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

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

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

If the Company loses control of a subsidiary, it:

(a)derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b)derecognizes the carrying amount of any non-controlling interest;
(c)recognizes the fair value of the consideration received;
(d)recognizes the fair value of any investment retained;
(e)reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss,or transfer directly to retained earning if required by other IFRS; and
(f) recognizes any surplus or deficit in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			2023.12.31	2022.12.31
The Company (Note 1)	Achieve Goal Limited (AG)	Investment holding	100%	100%
The Company (Note 2)	Golden Star Ocean Ltd (GS)	Investment holding	100%	100%
The Company (Note 3)	Freshlink Product Development, LLC DBA PREPARA (PREPARA)	Design, development and sales of household products	100%	100%
The Company (Note 4)	First Design Global, Inc (FDG)	International trade	99.84%	99.84%
The Company (Note 5)	Jia Wei Lifestyle Vietnam Limited Company	Design and production of household products	100%	-
AG (Note 1)	Tzehg Shyng Plastic Product (Heyuan) Co., Ltd. (TSP)	Design and production of household products	100%	100%
AG (Note 1)	Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. (TSM)	Design and production of household products	100%	100%
GS (Note 2)	Tzeng Shyng Industries Corporation. (Seychelles) (TZ)	International trade	100%	100%
GS (Note 2)	First Design Global, Inc	International trade	0.16%	0.16%

Note : The Group acquired Golden Star Ocean Ltd and Achieve Goal Limited through an investment agreement on 5 June 2019 and acquired 100% equity of Freshlink Product Development, LLC DBA PREPARA through an investment agreement on 18 July 2019. By investment agreement was controlled on 1 August 2019, so it was included in the consolidated entity and the Golden Star Ocean Ltd. and Achieve Goal Limited 100% owned subsidiaries are also included in the consolidated entity.

Note 1: The Group adjusted its operating strategy and acquired the 100% equity of Achieve Goal Limited held by Golden Fame Co., Ltd. from Golden Fame Co., Ltd. on 17 April 2019 by the board of directors and on 28 May 2019 by shareholders ’meeting, an investment agreement was signed for an acquisition contract on 5 June 2019, and the transaction amount was not higher than USD 23,600 thousand. The company approved the amount of USD 23,600 thousand according to the investment review committee of the Ministry of Economic Affairs. The Company had remitted USD 23,600 thousand, and completed the transfer.

Note 2: The Group adjusted its operating strategy and acquired its 100% equity interest in Golden Star Ocean Ltd. from Lucky Star Worldwide Ltd. on 17 April 2019 by the board of directors and on 28 May 2019 by shareholders' meeting on 5 June 2019, an investment agreement was signed for an acquisition contract, and the transaction amount was not higher than USD 57,000 thousand; in addition, on 15 October 2019 the price adjustment mechanism was started to reduce the purchase price to USD 48,500 thousand. (It is equivalent to NT $ 1,484,100 thousand). The Company had paid 1,484,100 thousand in accordance with the contract, and completed the transfer.

Note 3: The Group adjusted its operating strategy and acquired the 100% equity of Freshlink Product Development LLC. on 3 July 2019 by the board of directors and an investment agreement was signed for an acquisition contract, the transaction amount was USD 3,500 thousand, the shares were transited on 26 July 2019, and the amount was paid. As of 8 March 2024, the board of directors authorized cash capital increase of USD13,000 thousand and finished cash capital increase of USD12,500 thousand.

Note 4: Due to the need for the operation and improvement of the financial structure of First Design Global, Inc., the board of directors of the Company authorized cash capital increase of USD7,000 thousand. As of 8 March 2024, the company had finished capital increase of USD6,000 thousand.

Note 5: The Group approved an investment of USD 12,500 thousand in Vietnam by the board of directors on 11 August 2023, and increased the investment amount by USD 7,000 thousand on 15 January 2024. As of 8 March 2024, a total of USD 12,500 million has been invested.

(4) Foreign currency transactions

The Group’s consolidated financial statements are presented in NT$, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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

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

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

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

(5) Translation of financial statements in foreign currency

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

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

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

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or 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 current when:

(a) The Group expects to settle the liability in its normal operating cycle

(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

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

i. Financial instruments: Recognition and Measurement

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

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

A. the Group's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

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

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

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

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

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

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

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

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

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:
(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated credit-impaired financial assets butsubsequently have become credit-impaired financial assets. For those financial

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

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

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on 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, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

ii. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial 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 not reduce the carrying amount in the statement of financial position.

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

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(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 measures as follow:

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

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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

iii. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired

(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred

(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

iv. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Compound instruments

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

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled; For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. 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:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ii. 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
iii. 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:

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

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

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

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

v. Offsetting of financial instruments

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

(9) Fair value measurement

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

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(10) Inventories

Inventories are valued at lower of 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 - Purchase cost on average basis
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.

(11) Non-current assets for sale

Non-current assets or disposal groups to be sold refer to those who can be sold immediately under general conditions and business practices under current circumstances, and are highly likely to complete the sale within one year. Non-current assets classified as for sale and the disposal group are measured by the lower of the carrying amount and fair value less the disposal cost.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for using the equity method

The Group'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 Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group 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 or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture 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 Group disposes the associate or joint venture.

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

The Group 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 IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group 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 Group 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 Group 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.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes 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:

Buildings	6~35 years
Machinery and Equipment	5~12 years
Office Equipment	4~6 years
Other Facilities	4～20 years
Leasehold Improvements	the shorter one of the useful life or lease term

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

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether the contract, 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 Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

<u>Group as a lessee</u>

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

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

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

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

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

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

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

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

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

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

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

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Group as a lessor

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

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.
The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

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

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

Intangible assets with a non-determined useful life are not amortized, but impairment tests are conducted at the level of individual assets or cash-generating units in each year. Intangible assets with indefinite useful life are assessed in each period whether there are events and circumstances that continue to support that the asset's useful life is still indefinite. If the service life is changed from non-determined to limited service life, the application will be postponed.

Gains or losses arising from derecognition of an intangible asset are necognized in profit or loss.

<u>Patent</u>

The patents have been granted for a period of 10 years by the relevant goverment agency with the option of renewal at the end of this period.

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

Category	Patent	Computer software	Customer relations	Human Resources	Other
Finite lives	8～10 years	3～5 years	11 years	3 years	3～5 years
Amortization method	straight-line basis	straight-line basis	straight-line basis	straight-line basis	straight-line basis
Internally generated or externally acquired	Acquired by mergers and acquisitions	Externally acquired	Acquired by mergers and acquisitions	Acquired by mergers and acquisitions	Externally acquired

(16) Impairment of non-financial assets

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

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

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

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

(17) Provisions

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

(18) Revenue recognition

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

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is household products and revenue is recognized based on the consideration stated in the contract.

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

The credit period of the Group's sale of goods is from 30 to 180 days. For all of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities. The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(19) Borrowing costs

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

(20) 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, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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

(21) Income tax

Income tax expense (benefit) 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 income tax

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

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

i. 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.
ii. in respect of taxable temporary differences associated with investments in subsidiaries and associates, 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:

i. 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 and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of deductible temporary differences associated with investments in subsidiaries and associates, 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 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.

(22) Business combinations and goodwill

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

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

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

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

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

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

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

5. Significant accounting judgements, estimates and assumptions

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

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.

(1) Inventories

Estimates of net realisable 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.

(2) 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 Group 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 Group company's 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.

(3) Accounts receivables-estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate 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.

(4) Impairment of non-financial assets

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

6. Contents of significant accounts

(1) Cash and cash equivalents

	31 Dec 2023	31 Dec 2022
Cash on hand	$1,693	$1,623
Checking and saving accounts	521,942	389,718
Cash in transit	-	158
Total	$523,635	$391,499

(2) Accounts receivable, net

	31 Dec 2023	31 Dec 2022
Accounts receivable	$1,033,508	$1,087,399
Less: loss allowance	(78,492)	(75,822)
Total	$955,016	$1,011,577

Accounts receivable were not pledged.

The Group assesses impairment in accordance with International Financial Reporting Standards No. 9 requirements. For information about allowance for loss, please refer to Note 6.(15) For information on credit risk, please refer to Note 12.

(3) Inventories

	31 Dec 2023	31 Dec 2022
Raw materials	$183,962	$389,803
Supplies	59,385	37,986
Work in progress	320,433	288,474
Finished goods	322,206	382,239
Total	$885,986	$1,098,502

The cost of inventories recognized as expenses in 2023 and 2022 is $2,916,970 thousand and $3,604,763 thousand respectively, including the loss on inventory valuation and obsolescence $20,327 thousand and $36,477 thousand respectively.

No inventories were pledged.

(4) Prepayment

	31 Dec 2023	31 Dec 2022
Prepayment for purchases	$19,031	$20,918
Overpaid sales tax	28,439	22,618
Other prepayments	32,328	25,765
Total	$79,798	$69,301

(5) Property, plant and equipment

	Buildings	Machinery and equipment	Office equipment	Other facilities	Lease improvement	Construction in progress and equipment awaiting examination	Total
Cost:							
As of 1 Jan 2023	$695,897	$292,885	$1,470	$31,347	$17,200	-	$1,038,799
Additions	-	6,076	499	1,160	9,194	$185,077	202,006
Disposals	-	(1,879)	-	-	-	-	(1,879)
Transfer	-	344	-	(344)	-	-	-
Exchange differences	(11,714)	(4,930)	(13)	(67)	-	-	(16,724)
As of 31 Dec 2023	$684,183	$292,496	$1,956	$32,096	$26,394	$185,077	$1,222,202
Depreciation and impairment:							
As of 1 Jan 2023	$94,034	$79,302	$1,325	$24,130	$12,434	-	$211,225,
Depreciation	27,537	27,032	127	2,885	6,487	-	64,068
Impairment	-	-	-	-	-	-	-
Disposals	-	(682)	-	-	-	-	(682)
Transfer	-	(4)	4	-	-	-	-
Exchange differences	(2,061)	(1,804)	(13)	(57)	-	-	(3,935)
As of 31 Dec 2023	$119,510	$103,844	$1,443	$26,958	$18,921	-	$270,676

	Buildings	Machinery and equipment	Office equipment	Other facilities	Lease improvement	Construction in progress and equipment awaiting examination	Total
Cost:							
As of 1 Jan 2022	$685,175	$280,425	$1,649	$26,117	$14,300	$874	$1,008,540
Additions	-	10,395	-	4,420	-	2,021	16,836
Disposals	-	(2,323)	(193)	(1,003)	-	-	(3,519)
Transfer	-	-	-	-	2,895	(2,895)	-
Exchange differences	10,722	4,388	14	1,813	5	-	16,942
As of 31 Dec 2022	$695,897	$292,885	$1,470	$31,347	$17,200	-	$1,038,799
Depreciation and impairment:							
As of 1 Jan 2022	$65,487	$52,554	$1,376	$20,875	$7,789	-	$148,081
Depreciation	27,607	26,605	129	2,163	4,640	-	61,144
Impairment	-	-	-	-	-	-	-
Disposals	-	(598)	(193)	(628)	-	-	(1,419)
Exchange differences	940	741	13	1,720	5	-	3,419
As of 31 Dec 2022	$94,034	$79,302	$1,325	$24,130	$12,434	-	$211,225
Net carrying amount as of:							
As of 31 Dec 2023	$564,673	$188,652	$513	$5,138	$7,473	$185,077	$951,526
As of 31 Dec 2022	$601,863	$213,583	$145	$7,217	$4,766	-	$827,574

The Group mortgaged property, plant and equipment. Please refer to Note 8 for the guarantee status.

(6) Intangible assets

	Patents	Computer software	Customer relations	Human resources	Goodwill	Other intangible assets	Total
Cost:							
As of 1 Jan 2023	$64,640	$19,962	$224,798	$72,245	$845,283	$27,611	$1,254,539
Additions-acquired seperately	-	36	-	-	-	-	36
Exchange differences	(8)	(174)	(37)	(1,216)	-	(463)	(1,898)
As of 31 Dec 2023	$64,632	$19,824	$224,761	$71,029	$845,283	$27,148	$1,252,677
As of 1 Jan 2022	$59,774	$19,635	$202,618	$71,132	$845,283	$25,159	$1,223,601
Additions-acquired seperately	-	143	-	-	-	2,056	2,199
Exchange differences	4,866	184	22,180	1,113	-	396	28,739
As of 31 Dec 2022	$64,640	$19,962	$224,798	$72,245	$845,283	$27,611	$1,254,539
Amortization and impairment:							
As of 1 Jan 2023	$42,578	$16,689	$69,824	$72,245	-	$24,027	$225,363
Amortization	3,397	1,228	20,714	-	-	1,325	26,664
Impairment	-	-	-	-	-	-	-
Exchange differences	(51)	(140)	(293)	(1,216)	-	(427)	(2,127)
As of 31 Dec 2023	$45,924	$17,777	$90,245	$71,029	-	$24,925	$249,900
As of 1 Jan 2022	$36,868	$15,340	$44,515	$57,301	-	$22,761	$176,785
Amortization	3.262	1,239	19,889	14,091	-	910	39,391
Impairment	-	-	-	-	-	-	-
Exchange differences	2,448	110	5,420	853	-	356	9,187
As of 31 Dec 2022	$42,578	$16,689	$69,824	$72,245	-	$24,027	$225,363
Net carrying amount as at:							
31 Dec 2023	$18,708	$2,047	$134,516	-	$845,283	$2,223	$1,002,777
31 Dec 2022	$22,062	$3,273	$154,974	-	$845,283	$3,584	$1,029,176

The group recognized mortization expense of intangible assets under the statement of comprehensive income:

	For the years ended 31 December	
	2023	2022
Operating costs	-	$11,273
Operating expenses	$26,664	$28,118

(7) Short-term borrowings

A.

Items	31 Dec 2023	31 Dec 2022
Purchase loan	$296,558	$166,462
Unsecured loans	1,003,074	1,165,851
Secured loan	241,678	-
Total	$1,541,310	$1,332,313

	31 Dec 2023	31 Dec 2022
Interest rates applied	1.97%-6.98%	1.75%-5.65%
Due date	2024.2.27-2024.6.28	2023.1.13~2023.6.24

B. The Group's unused short-term loans of credits amounted to $1,470,085 thousand and $2,365,244 thousand as of 31 December 2023 and 2022.

C. Short-term loans are guaranteed by fixed deposit receipts, deposits from reserving households and property, plant and equipment. Please refer to Note 8 for guarantee status.

(8) Short-term notes payable

31 Dec 2023

Guarantee agency	Face value	Discount value	Book value	Interest rate(%)	Collateral	Book value of collateral
Commercial paper payable						
China Bills Finance Corporation	$15,000	($37)	$14,963	1.938%	None	-

31 Dec 2022

Guarantee agency	Face value	Discount value	Book value	Interest rate(%)	Collateral	Book value of collateral
Commercial paper payable						
China Bills Finance Corporation	$45,000	($9)	$44,991	1.868%	None	-

(9) Long-term borrowings

Lenders	31 Dec 2023	Interest rate(%)	Redemption
Secured Long-Term Loan from Taiwan E.SUN Bank	$210,390	2.10%	Effective 6 October 2021 to 6 October 2026. The principal is repaid in 20 installments, the principal is amortized at $20,000 thousand each quarter, and the balance was settled by the due date.
Subtotal	210,390		
Less: Due within one year	(80,000)		
Total	$130,390		

Lenders	31 Dec 2022	Interest rate(%)	Redemption
Secured Long-Term Loan from Taiwan E.SUN Bank	$290,390	1.85%	Effective 6 October 2021 to 6 October 2026. The principal is repaid in 20 installments, the principal is amortized at $20,000 thousand each quarter, and the balance was settled by the due date.
Subtotal	290,390		
Less: Due within one year	(60,000)		
Total	$230,390		

Long-term borrowings are secured by certificates of deposits and deposits from the compensating account. Please refer to Note 8 for the guarantee status.

(10) Other payable

	31 Dec 2023	31 Dec 2022
Salary and wages payable	$64,791	$65,080
Accrued employee compensation and director remuneration	50,529	71,316
Interest payable	5,723	2,663
Other accrued expenses	238,248	208,079
Total	$359,291	$347,138

(11) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for theyears ended 31 December 2023 and 2022 are $31,771 thousand and $30,601 thousand, respectively.

Short-term for paid leave liability

As of 31 December 2023 and 2022, the accrued liabilities for paid leave were $3,894 thousand and $3,498 thousand, respectively, which were recognized in other payables.

(12) Provisions

	Housing Provident Fund
As of 1 January 2023	$47,577
Arising during the period	15,755
Utilized	-
Unused provision reversed	-
As of 31 December 2023	$63,332
Current－31 December 2023	$63,332
Non-current－31 December 2023	-
As of 1 January 2022	$22,520
Arising during the period	25,057
Utilized	-
Unused provision reversed	-
As of 31 December 2022	$47,577
Current－31 December 2022	$47,577
Non-current－31 December 2022	-

Housing provident fund

The provision for this liability is estimated and allocated based on the local policy of the subsidiary in China to set aside reserves for related fund.

(13) Equities

I.Common stock

A. On 19 June 2019, the company used private equity to issue cash capital increase 14,975 thousand new shares, with a nominal value of $10 per share, issued at a premium of $19.624 per share, and paid-in capital of $149,750 thousand. On 19 June 2019 is the base date for capital increase. As of 13 August 2019, the change registration has been completed.The equity obligations of private placement new shares are the same as those of ordinary shares already issued. However, in accordance with the provisions of the Securities Exchange Law, privately-raised ordinary shares may not be freely transferred within three years after issuance.

B. As of 31 December 2023 and 2022, the authorized capital of the company is $2,050,000 thousand, with a face value of $10 per share, divided into 205,000 thousand shares, issued capital were 803,004 thousand, each at a per value of NT$10, and issued shares were 80,300 thousand shares (including 11,730 thousand shares of private equity). All outstanding stock have been paid and each share has one voting right and the right to receive dividends.

II. Additional paid-in capital

	31 Dec 2023	31 Dec 2022
Share premium	$672,119	$672,119
Share options of convertible bonds	4,908	4,908
Employee stock options	5,111	5,111
Total	$682,138	$682,138

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.

III. Retained earnings and dividend policies

The company's shareholders' meeting held on 29 May 2023 passed a resolution to amend the company's articles of association. After the amendment, the surplus distribution can be made after the end of each annual financial year. The revised articles of association stipulate that the company shall estimate and retain taxable contributions, make up for losses in accordance with the law, estimate retention of employee remuneration and directors' remuneration, and reserve 10% of the statutory surplus when surplus is distributed every half of the fiscal year; but when the statutory surplus reserve has reached the total paid-in capital of the company, this is not the case. If necessary, the special surplus reserve will be drawn or converted according to law. If there is surplus, the cumulative undistributed surplus of the first half of the fiscal year will be the shareholder Dividends shall be distributed by the board of directors and shall be resolved by the board of directors when they are distributed in cash; if new shares are to be issued, they shall be submitted to the shareholders meeting for distribution after a resolution.

The current year's earnings, if any, shall first be used to pay all taxs and offset against prior years' operating losses and then be distributed as follows: 10% as legal reserve, and appropriate or reverse for special reserve until the legal reserve equals the Company's paid-in capital. The remaining earnings, if any, may be appropriated along with the accumulated unappropriate earnings according to a resolution proposed by the Board of Directors and resolved by the shareholders'meeting.

The Company shall distribute the whole or a part of the reserve in accordance with the laws or regulations of the competent authority in consideration of financial, business, and management factors. If the distribution is made in cash, the board of directors may make a resolution in accordance with Article 241 of the Company Act, and report to the shareholders' meeting without submitting a request for approval to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as financial situation of the company and capital budgets in the future. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. Dividend distribution should account for more than 20% of the total distributable earnings. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized 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.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The distribution of earnings and dividends for 2023 and 2022 were approved by the board of directors held on 8 March 2024 and stockholders' meeting held on 29 May 2023, respectively. The details of distribution are as follows:

	Appropriation of earnings		Dividend per share	
	2023	2022	2023	2022
Legal reserve	$38,641	$56,476	—	—
Special reserve (Reversal)	$13,061	($28,066)	—	—
Cash dividend	$240,901	$642,403	$3.00	$8.00

(14) Operating revenues

	2023	2022
Revenue from contracts with customers		
Sale of goods	$4,752,422	$5,621,206

The Group's revenue related to customer contracts for the years ended 31 December 2023 and 2022 were as follows:

A. Disaggregation of revenue

The Group is a single operating department. The income generated from the sale of goods is $4,752,422 thousand and $5,621,206 thousand for the years ended 31 December 2023 and 2022, respectively which is recognized at a certain point in time.

B. Contract balances

	31 Dec 2023	31 Dec 2022
Contract liabilities - current	$11,009	$12,648

The significant changes in the Group's balances of contract liabilities for the years ended 31 December 2023 and 2022 is as follows:

	2023	2022
The opening balance transferred to revenue	($14,946)	($15,950)
The amount incurred and transferred to revenue during the period	(18,133)	(42,599)
Increase in receipts in advance during the period	31,440	53,465
Exchange differences	-	-

C. Transaction price allocated to unsatisfied performance obligations

As of 31 December 2023 and 2022, the Group has not yet satisfied (including partially satisfied) performance obligations had all total transation price of $0.

D. Assets recognized from costs to fulfil a contract

None.

(15) Expected credit (losses)gains

	2023	2022
Operating expenses – Expected credit impairment (losses) gains		
Accounts receivables	($31,725)	$5,249

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

The Group condsiders the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

31 December 2023

Group 1		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	-	-	-	-	-	$48,342	$48,342
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	48,342	48,342
Subtotal	-	-	-	-	-	-	-

Part of the account balance of the Group whose overdue days are more than 121 days, and provided with 100% of the allowance.

Group 2	Not yet due	Overdue					
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$949,723	$7,519	$1,858	$3,688	$2,793	$19,585	$985,166
Loss ratio	0.02%~7.4%	0.02%~42.7%	1.1%~73.9%	12.56%~95.2%	80.6%~100%	100%	
Lifetime	2,111	1,079	1,246	3,336	2,793	19,585	30,150

expected credit losses							
Subtotal	$947,612	$6,440	$612	$352	-	-	$955,016
Carrying amount of accounts receivables							$955,016

31 December 2022

Group 1

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	-	-	-	-	-	$66,545	$66,545
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	66,545	66,545
Subtotal	-	-	-	-	-	-	-

Part of the account balance of the Group whose overdue days are more than 121 days, and provided with 100% of the allowance.

Group 2

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$947,838	$56,306	$11,088	$1,014	$3,580	$1,028	$1,020,854
Loss ratio	0.02%~6.55%	0.07%~35.06%	1%~70.84%	5%~100%	50%~100%	100%	
Lifetime expected credit losses	2,793	1,144	1,004	496	2,812	1,028	9,277
Subtotal	$945,045	$55,162	$10,084	$518	$768	-	$1,011,577
Carrying amount of accounts receivables							$1,011,577

The movement in the provision for impairment of accounts receivables for the years ended of 31 December 2023 and 2022 are as follows:

	Accounts receivable
As of 1 Jan 2023	$75,822
Net recognize (reversal)	31,725
Write off	(28,869)
Exchange differences	(186)

	Accounts receivable
As of 31 Dec 2023	$78,492
As of 1 Jan 2022	$75,862
Net recognize (reversal)	(5,249)
Write off	(787)
Exchange differences	5,996
As of 31 Dec 2022	$75,822

(16) Leases

Group as a lessee

The Group leases various properties, including real estate such as buildings and office equipment. The lease terms range from 3 to 5 years.

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

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

	31 Dec 2023	31 Dec 2022
Buildings	$100,635	$43,092
Land-Obtained	302,959	50,850
Office equipment	292	392
Total	$403,886	$94,334

In 2023 and 2022, the Group increase the right-of-use assets $341,366 thousand and $29,511 thousand.

ii. Lease liabilities

	31 Dec 2023	31 Dec 2022
Current	$25,629	$19,808
Non-current	79,343	26,256
Total	$104,972	$46,064

Please refer to Note 6(18) D for the interest on lease liabilities recognized during the period ended 31 December 2023 and 2022, and refer to Note 12(5) liquidity risk management for the maturity analysis for lease liabilities as of 31 December 2023 and 2022.

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

Depreciation charge for right-of-use assets

	2023	2022
Buildings	$27,199	$23,428
Land	2,904	2,341
Office equipment	100	104
Total	$30,203	$25,873

(c) Income and costs relating to leasing activities

	2023	2022
The expenses relating to short-term leases	$25,594	$34,495
Fees for low-value asset leases (excluding short-term leases for low-value asset leases)	3,123	2,377
Changes in lease payments not included in the measurement of lease liabilities	9	6

(d) Cash outflow relating to leasing activities

During the years ended 31 December 2023 and 2022, the Group's total cash outflows for leases amounting to $57,034 thousand and $62,014 thousand, respectively.

(e) Extension and termination options

Option to extend lease and option to terminate lease

Some of the Group's property rental agreement agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(17) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$224,325	$337,079	$561,404	$246,359	$350,416	$596,775
Labor and health insurance	-	$19,729	$19,729	-	$15,678	$15,678
Pension	-	$31,771	$31,771	-	$30,601	$30,601
Other employee benefits expense	-	$35,705	$35,705	-	$47,343	$47,343
Share-based payment transation	-	-	-		-	-
Depreciation	$56,051	$38,220	$94,271	$55,843	$31,174	$87,017
Amortization	-	$26,664	$26,664	$11,273	$28,118	$39,391

The number of employees in this year and the previous year was 1,074 and 1,106 respectively.

According to the Company's Articles of Incorporation, no less than 3% 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 aforementioned employee compensation is stock or cash, including employees of subordinate companies that meet legal requirements.
The Company may by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributed 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.

As the ended 31 December 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors to be 4% of profit of the current year and 4% of profit of the current year, $21,364 thousand and $21,364 thousand, respectively, recognized as salary expense.

As the ended 31 December 2022, the Company estimated theamounts of the employees' compensation and remuneration to directors to be 4% of profit of the current year and 4% of profit of the current year, $30,758 thousand and $30,758 thousand, respectively, recognized as salary expense.

On 29 May 2023, the Shareholders' meeting resolved to distribute employee compensation and director remuneration for the year 2022 in cash, amounting to $30,772 thousand and $30,772 thousand, respectively, which is not significantly different from the amount recognized as expenses in the financial statements for that year, as of 8 March 2024, all have been distributed.

(18) Non-operating income and expenses

A. Interest income

	2023	2022
Financial assets at amortized cost	$4,614	$2,165

B. Other income

	2023	2022(Note)
Others	$13,775	$28,024

Note: Including other income recovered from related parties, please refer to Note7.(2)B.

C. Other gains and losses

	2023	2022
(Loss) on disposal of property, plant and equipment	($1,197)	($2,030)
Foreign exchange gains, net	35,032	79,133
Others	(5,587)	(5,521)
Total	$28,248	$71,582

D. Finance costs

	2023	2022
Interest on borrowings from bank	($54,368)	($42,608)
Interest on lease liabilities	(2,560)	(2,703)
Total	($56,928)	($45,311)

(19) Components of other comprehensive income

For the year ended 31 December 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	($28,156)	-	($28,156)	$5,632	($22,524)
Total of other comprehensive income(loss)	($28,156)	-	($28,156)	$5,632	($22,524)

For the year ended 31 December 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	$46,912	-	$46,912	($9,382)	$37,530
Total of other comprehensive income(loss)	$46,912	-	$46,912	($9,382)	$37,530

(20) Income tax

A. The major components of income tax expense are as follows:

Income tax expense recognized in profit or loss

	2023	2022
Current income tax (expense):		
Current income tax charge	($154,693)	($137,742)
Adjustments in respect of current income tax of prior periods	(1,986)	(3,275)
Deferred tax income (expense)benefit :		
Related to origination and reversal of temporary differences	41,044	23,850
Related to the origin occurrence and reversal of tax losses	-	(43,706)
Total income tax (expense)	($115,635)	($160,873)

Income tax relating to components of other comprehensive income

	2023	2022
Deferred income tax:		
Income tax relating to components of other comprehensive income (loss)	$5,632	($9,382)

B. A reconciliation between income tax expense and income before tax at applicable tax rate was as follows:

	2023	2022
Accounting profit before tax from continuing operations	$502,048	$725,630
Income tax calculated at the parent company's legal tax rate	($100,410)	($145,126)
Deferred tax assets/liabilities in respect of income tax	-	-
Corporate income surtax on undistributed retained earnings	(6,684)	(1,474)
The effect of different tax rates applied to operating entities in other tax jurisdictions	(534)	(891)
Other income tax adjustments	(6,021)	(10,107)
Previous income tax adjustments	(1,986)	(3,275)
Total income tax expense recognized in profit or loss	($115,635)	($160,873)

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

For the year ended 31 December 2023

	Beginning balance as of 1 Jan 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income recognized in other comprehensive income	Transferred to other amount	Ending balance as of 31 December 2023
Temporary differences					
Unrealized foreign currency exchange (gains) losses	($4,364)	$1,370	-	-	($2,994)
Allowance for losses	1,733	(1,733)	-	-	-
Investment losses under equity method	53,349	41,038	-	-	94,387
Exchange differences on translation of foreign operations	(2,366)	-	$5,632	-	3,266
Other	707	369	-	-	1,076
Unused tax losses	34,578	-	-	($6)	34,572
Deferred tax (expense)/ benefit		$41,044	$5,632	($6)	
Net deferred tax assets	$83,637				$130,307
Reflected in balance sheet as follows:					
Deferred tax assets	$90,367				$133,301
Deferred tax liabilities	$6,730				$2,994

For the year ended 31 December 2022

	Beginning balance as of 1 Jan 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income recognized in other comprehensive income	Transferred to other amount	Ending balance as of 31 December 2022
Temporary differences					
Unrealized foreign currency exchange (gains) losses	$1,085	($5,449)	-	-	($4,364)
Allowance for losses	1,429	304	-	-	1733
Investment losses under equity method	24,455	28,894	-	-	53,349
Exchange differences on translation of foreign operations	7,016	-	($9,382)	-	(2,366)
Other	605	102	-	-	707
Unused tax losses	75,027	(43,707)	-	$3,258	34,578
Deferred tax (expense)/ benefit		($19,856)	($9,382)	$3,258	
Net deferred tax assets	$109,617				$83,637
Reflected in balance sheet as follows:					
Deferred tax assets	$109,617				$90,637
Deferred tax liabilities	-				$6,730

D. The following table contains information of the unused tax losses of the Company:

Year	Tax losses for the period	Unused tax losses as at 31 Dec 2023	Unused tax losses as at 31 Dec 2022	Expiration year
2016	$378,256	-	$20,853	2026
2017	$157,857	-	157,857	2027
2018	$39,823	-	$39,823	2028
2019-2021	$164,657	$164,657	$164,657	No expiration year
	Subtotal	164,657	383,190	
	Used in current year	-	(218,533)	
	Net amount	$164,657	$164,657	

E. The assessment of income tax returns

As of 31 December 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Freshlink Product Development,LLC DBA PREPARA	(Note)
Tzeng Shyng Plastic Products (Heyuan) Co., Ltd.	(Note)
Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	(Note)
First Design Glboal, Inc.	(Note)

(Note) The foreign sunsidary has completed the declaration on time according to the tax laws and regulstions of various countries.

F. Unrecognized deferred tax assets

As of 31 December 2023 and 2022, deferred tax assetsthat have not been recognimzed both amount to $0.

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year 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 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.

	2023	2022
A. Basic earnings per share		
Net income	$386,413	$564,757
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	80,300	80,300
Basic earnings per share	$4.81	$7.03

	2023	2022
B. Diluted earnings per share		
Net income	$386,413	$564,757
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	80,300	80,300
Effect of dilution:		
Employee compensation-stock (thousand shares)	360	621
Weighted average number of ordinary shares outstanding after dilution (thousand shares)	80,660	80,921
Diluted earnings per share	$4.79	$6.98

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

(22) Impairment testing of goodwill

The company's operating income comes from the household products business unit. Because it is a single operating department, for the purpose of impairment testing, the goodwill obtained from business combinations is shared by a single household product cash-generating unit.

Household cash-generating unit

The recoverable amount of the household product cash-generating unit is $2,704,581 thousand for the period ended 31 December 2023. This recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections is 13.36% (2022: 13.54%) and cash flows beyond the five-year period are extrapolated using a 0% growth rate (2022: 0%) that is the same as the long-term average growth rate for the household industry. As a result of this analysis, management has recognized the total book value $1,919,757 thousand of the goodwill and the belong cash-generating unit has not impaired.

The group determined acquisition price according to the the equity value analysis which is based on the company's financial forecasts about 2020 to 2024. the expected benefits and actual operating conditions after the acquisition are explained as follows:

Explanation of the material difference between the expected benefits and actual operating conditions after the acquisition

Due to the impact of the epidemic, the usage of household items has increased rather than decreased. The actual operating income of the relevant cash-generating units meets expectations.

Key assumptions used in value-in-use calculations

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

(a) Gross margin
(b) Discount rates
(c) Raw materials price inflation
(d) Market share during the budget period; and
(e) Growth rate used to extrapolate cash flows beyond the budget period.

Gross margins - Gross margins are based on average values achieved in the three years preceding the start of the budget period. The gross margins use in household product are 37% every year.

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

Raw materials price inflation - The estimate is taken from the crude oil index related to raw materials. Forecast figures are used if data is publicly available, otherwise past actual raw material price movements have been used as an indicator of future price movements.

Market share assumptions - These assumptions are important because, as well as using industry data for estimating growth rates (as noted below), management would assess how the change in the unit's position, relative to its competitors, might take place over the budget period. Management expects the Group's share of the household product market to be stable over the budget period, whereas for the reasons explained above, the Board of Directors expects the Group's position, relative to its competitors, to strengthen following the acquisition.

Growth rate estimates - Rates are based on published industry research.

Sensitivity to changes in assumptions

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

7. Related party transactions

Information of the related parties that had transection with the Company during the financial reporting period is as follows:

i. Related party name and relationship

Name of related parties	Nature of relationship of the related parties
Golden Fame Co., Ltd (Golden Fame)	The main shareholder of the company is a rlation in the second degree with president of parent company
Lucky Star Worldwide Limited (Lucky Star)	The main shareholder of the company is a rlation in the second degree with president of parent company

ii. Significant transactions with related parties

(1) Key management personnel compensation

	2023	2022
Short-term employee benefits	$69,404	$83,517
Post-employment benefits	432	432
Total	$69,836	$83,949

(Note) including the rental fee for house using by key management.

(2) Others

A. The Group's loans are jointly and severally guaranteed by related parties.
B. For the year ended of December 2022, the Group recovered the additional interest expenses of $20,000 thousand paid to related parties Golden Fame and Lucky Star due to the delay in the payment of investment funds for mergers in 2021 and the interest derived from the relevant payment period, which was included in the other income-others.

8. Assets pledged as security

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

	Carrying amount		
	31 Dec 2023	31 Dec 2022	Guaranteed debt content
Other financial assets – current-Reserve Account, certificate of deposit	$42,100	131,801	Long-term and short-term loans
Property and plant	564,673	-	Short-term loans
Total	$606,773	$131,801	

9. Commitments and contingencies

(1) Amounts available under unused letters of credit as of 31 December 2023 were USD3,572 thousand.

(2) Guaranteed notes issued to the bank due to borrowing as of 31 December 2023 were $1,365,000 thousand, and USD58,000 thousand.

(3) The Group filed a lawsuit with Shenzhen Haojian Electronics Co., Ltd. due to a dispute over a sale and purchase contract, demanding that Shenzhen Haojian Electronics Co., Ltd. overdue the payment of RMB 3,991 thousand and the interest up to the payment date. In this case, the civil judgment of the People’s Court of Qianhai Cooperation District, Shenzhen, Guangdong Province was judged in the civil judgment of the People’s Court of Shenzhen Qianhai Cooperation Zone, Guangdong Province on 29 July 2020. Shenzhen Haojian Electronics Co., Ltd. was required to pay RMB 3,991 thousand for the goods and the interest up to the payment date. And its sole shareholder, Cheng Qiang, was jointly and severally responsible for the repayment. However, Shenzhen Haojian Electronics Co., Ltd. lodged an appeal. On 12 April 2021, the lawyer informed us that we had won the case and the case has entered the execution of freezing the debtor’s property on 8 July 2021, and the court had remitted to the designated account. The execution of this case has been completed; however, Shenzhen Haojian

Electronics Co., Ltd. filed a retrial for this case, and the Group have appointed a lawyer to represent us in the retrial defense, the case was rejected by the court during the retrial procedure. The Group won the case again, and the case has been concluded.

(4) To adjust the operating strategy, the Group and the seller signed the share purchase agreement, which acquired Achieve Goal Limited and its subsidiaries: Tzeng Shyng Plastic Product (Heyuan) Co., Ltd. and Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. As of 31 December 2020, due to Guangzhou Lili Industrial Co., Ltd. couldn't pay off the mature debts, Ganzhou Dongxin Chemical Materials Co., Ltd. applied bankruptcy liquidation to Guangzhou Intermediate People's Court. The details of debt receivables the Guangzhou Lili Industrial Co., Ltd. submitted requested the Group's Sub-Subsidiary, Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. to pay off the debt amounted to RMB 12,374 thousand. Few days ago,the court dismissed the prosecute of the plaintiff Guangzhou Lili Industrial Co., Ltd. Meanwhile, the dispute of set-off in bankruptcy between the original owner of Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. and Guangzhou Lili Industrial Co., Ltd. is still being trialed by the court. Also, a commitment has been issued, if the case finally requires compensation, the seller will fulfill it. After the Group's assessment, the aforementioned case has no significant impact on current operation.

(5) A California tableware company filed a patent infringement lawsuit to the group's subsidiary at the United States District Court of California, after comparing the patent at issue by the US patent attorneys, the Group believes that the product design of the Group has existed in the US sales market for a long time. It is a long-established general process design, which is still different from the patent at issue, and the parties isn't standing in this case. As of January 2022, both parties in this case have conciliated, and plaintiff had withdraw the charge.

(6) A company in Utah, USA, allege that the group infringe their patent, and ask the group to pay compensation. As of the date releasing report, both parties are still under negotiation and the contingency has been evaluated.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

Financial assets

	31 Dec 2023	31 Dec 2022
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	$521,942	$389,718
Acounts receivables	955,016	1,011,577
Other receivables	14,333	39,283
Other financial assets - current	42,100	131,801
Refundable deposits	15,530	7,417
Total	$1,548,921	$1,579,796

Financial liabilities

	31 Dec 2023	31 Dec 2022
Financial liabilities measured at amortized cost:		
Short-term loans	$1,541,310	$1,332,313
Short-term notes payable	14,963	44,991
Amounts payables	240,686	121,610
Other payables	359,291	347,138
Long-term loans (including current portion)	210,390	290,390
Lease liabilities (including current and non- current)	104,972	46,064
Total	$2,471,612	$2,182,506

(2) Financial risk management objectives and policies

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

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

(3) Market risk

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

A. Foreign currency risk

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

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore forming a natural hedge. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

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

When NTD strengthens/weakens against USD by 1%, the loss for the years ended 31 December 2023 and 2022 decreases/increases by $1,475 thousand and $3,581 thousand, respectively.

B. Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. The interest rate sensitivity analysis is as follow:

When the market interest rate is +/－ ten basis points, the loss for the years ended 31 December 2023 and 2022 decreases/increases by $1,203 thousand and $1,146 thousand, respectively.

(4) Credit risk management

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

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

The Group's top ten customer accounts receivable as of 31 December 2023 and 2022 accounted for 83.35% and 80.26% of the Group's total accounts receivable, respectively The credit concentration risk of other accounts receivables is insignificant.

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

In addition, when the Group assesses that it cannot reasonably expect to recover the financial assets (such as the issuer or debtor's major financial difficulties, or has gone bankrupt), it shall recognize 100% of the allowance loss.

(5) Liquidity risk management

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group’s financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
31 Dec 2023					
Loans	$1,624,677	$132,292	-	-	$1,756,969
Short-term notes payable	$14,963	-	-	-	$14,963
Accounts payables	$599,977	-	-	-	$599,977
Lease liabilities	$30,904	$50,402	$36,954	$1,830	$120,090
31 Dec 2022					
Loans	$1,395,787	$165,194	$70,812	-	$1,631,793
Short-term notes payable	$44,991	-	-	-	$44,991
Accounts payables	$468,748	-	-	-	$468,748
Lease liabilities	$21,684	$16,140	$8,474	$5,052	$51,350

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term loan	Short-term note payables	Long-term loan	Lease liabilities	Total liabilities arising from financing activities
1 Jan 2023	$1,332,313	$44,991	$290,390	$46,064	$1,713,758
Cash flow	208,997	(30,028)	(80,000)	(28,308)	70,661
Non-cash movement	-	-	-	87,450	87,450
Exchange differences	-	-	-	(234)	(234)
31 Dec 2023	$1,541,310	$14,963	$210,390	$104,972	$1,871,635

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loan	Short-term note payables	Long-term loan	Lease liabilities	Total liabilities arising from financing activities
1 Jan 2022	$1,369,554	-	$716,845	$38,780	$2,125,179
Cash flow	(37,241)	$44,991	(426,455)	(25,136)	(443,841)
Non-cash movement	-	-	-	32,198	32,198
Exchange differences	-	-	-	222	222
31 Dec 2022	$1,332,313	$44,991	$290,390	$46,064	$1,713,758

(7) Fair values of financial instruments

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

a. The carrying amount of cash and cash equivalents, trade 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 etc.) at the reporting date.

c. 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 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 GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

d. 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 interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group’s financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Book value	
	31 Dec 2023	31 Dec 2022
Financial liabilities：		
Short-term loan	$1,541,310	$1,332,313
Short-term notes payable	$14,963	$44,991
Long-term loans (including current portion)	$210,390	$290,390

	Fair value	
	31 Dec 2023	31 Dec 2022
Financial liabilities：		
Short-term loan	$1,541,310	$1,332,313
Short-term notes payable	$14,963	$44,991
Long-term loans (including current portion)	$209,259	$289,149

(8) Fair value measurement hierarchy

A. The definition of 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 and subsidiaries determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group’s assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis, fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis.

(9) Significant assets and liabilities denominated in foreign currencies

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

	31 Dec 2023		
	Foreign currencies (in thousands)	Foreign exchange rate	NTD (in thousands)
Financial assets			
Monetary items:			
USD	$42,329	30.75	$1,299,712
RMB	$107	4.327	$463
Financial liabilities			
Monetary items:			
USD	$37,526	30.705	$1,152,236
Exchange gains, net of monetary financial liabilities and assets			
USD and RMB			$35,032

	31 Dec 2022		
	Foreign currencies (in thousands)	Foreign exchange rate	NTD (in thousands)
Financial assets			
Monetary items:			
USD	$40,106	30.71	$1,231,655
RMB	$3,837	4.408	$16,913
Financial liabilities			
Monetary items:			
USD	$28,443	30.71	$873,485
Exchange gains, net of monetary financial liabilities and assets			
USD and RMB			$79,133

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10) Capital management

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

13. <u>Other disclosure</u>

(1) Information at significant transactions for the year ended 31 December 2023:

A. Financing provided to others: None.
B. Endorsement/Guarantee provided to others: None.
C. Securities held as of 31 December 2023: None.
D. Individual securities acquired or disposed of with accumulated amount exceeding the lowers of NT$100 million or 20% of the capital stock: None.
E. Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.
F. Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.
G. Related party transactions for purchases and sales amounts exceeding the lower of $100 million or 20% of the capital stock: Please refer to Attachment 1.
H. Receivables from related parties with amounts exceeding the lower of $100 million or 20% of capital stock as of 31 December 2023: Please refer to Attachment 2.
I. Financial instruments and derivative transactions: None
J. Others: Significant inter-company transactions during the reporting periods: Please refer to Attachment 5.

(2) Reinvestment business related information:

Those who directly or indirectly have significant influence, control or joint venture control on the invested company that is not in the mainland area should disclose their name, location, main business project, original investment amount, ending shareholding situation, Relevant information such as period profit and loss and recognized investment profit and loss: Please refer to Attachment 3.

(3) Information on investments in mainland China:

A. Information on investments in mainland China：Please refer to Attachment 4.
B. For the year ended 31 December 2023, the following significant transactions with the investee companies in China directly or indirectly through the third area and the relevant prices, payment terms and unrealized gains and losses:

(a)Purchase, ending balance of related payables and their weightings: Please refer to Attachment 1.
(b)Sales, the ending balance of related receivables and their weightings: Please refer to Attachment 1.
(c)The amount of property transactions and the amount of profits and losses: None.
(d)Ending balance of endorsements/guarantees or collateral provided and the purposes: None.
(e)The maximum balance, ending balance, interest rate range and total interest of the financial intermediation in current period: None.
(f)Transactions that have significant impact on the profit or loss of current period or the financial position: None.

(4) Information of major shareholders as of 31 December 2023: Please refer to Attachment 6.

14. Segment information

The operating income of the company comes from the Household Products Division. As it is a single operating department, it does not disclose the application of its departmental information.

Regional information:

(a)Revenue from external customers: revenue is classified based on the country where the customer is located

Regional	2023	2022
Asia	$154,065	$227,256
America	4,425,418	5,147,317
Europe	158,056	231,177
Other	14,883	15,456
Total	$4,752,422	$5,621,206

(b)Non- current Asset

Country	31 Dec 2023	31 Dec 2022
Taiwan	$879,197	$860,873
China	824,615	905,231
Other	670,775	192,633
Total	$2,374,587	$1,958,737

(c)Important customer information

2023			2022		
Client Name	Amount	% of revenue	Client Name	Amount	% of revenue
Customer A	$2,552,750	53.71%	Customer A	$2,872,524	51.10%
Customer B	$644,520	13.56%	Customer B	$740,079	13.17%

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RELATED PARTY TRANSACTIONS WITH PURCHASE OR SALES AMOUNT OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Attachment 1

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction(Note 1)		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
Jia Wei Lifestyle, Inc.	Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	sub-subsidiary	Purchases	$2,175,736	70.94%	Net 30 days from the end of the month	-	-	($719,828)	99.70%	
Jia Wei Lifestyle, Inc.	Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	sub-subsidiary	Purchases	$821,726	26.79%	Net 30 days from the end of the month	-	-	-	-	Recognized as advance payments $16,822
Jia Wei Lifestyle, Inc.	Freshlink Product Development, LLC.DBA PREPARA	subsidiary	Sales	$178,407	3.91%	Net 180 days from the end of the month	-	-	$12,181	1.27%	

Note 1 : If the transcation detail is difference from the general trading terms, the differents and the reasons should be stated in the unit price and the collection/ payment terms columns.

Note 2: If there is an advance payment (payment), the reason, contractual terms, amount, and differences from the general transaction terms should be stated in the note column.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer’s stock has no par value or the par value per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet .

Note 4： All the above transactions were eliminated on consolidation.

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Attachment 2

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 1)	Turnover Ratio (Times)	Overdue		Amounts Received in Subsequent Periods	Allowance for Doubtful Accounts
					Amount	Action Taken		
Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	Jia Wei Lifestyle, Inc.	sub-subsidiary	$719,828	5.00	-	-	$670,106	-

Note 1: Please fill in separately according to accounts receivable, bills, other receivables... etc.

Note 2：All the above transactions were eliminated on consolidation.

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (Not including investment in Mainland China)

Attachment 3

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized(Note 2(2))	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
Jia Wei Lifestyle, Inc.	Golden Star Ocean Ltd.	Seychelles	Investment holding	$1,484,100 (USD48,500)	$1,484,100 (USD48,500)	-	100.00%	$1,325,017	($20,766)	($20,766)	subsidiary
Golden Star Ocean Ltd.	Tzeng Shyng Industries Corp.	Seychelles	International trade	-	-	-	100.00%	(USD2,939) (Note 3)	($20,714)	($20,714)	sub-subsidiary
Golden Star Ocean Ltd.	First Design Global, Inc.	California, USA	International trade	-	-	-	0.16% (Note 3)	(USD1,997)	($31,737)	($51)	sub-subsidiary
Jia Wei Lifestyle, Inc.	Achieve Goal Limited	Darawa, USA	Investment holding	$688,524 (USD23,600)	$688,524 (USD23,600)	-	100.00%	$768,823	($123,529)	($123,529)	subsidiary
Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	New York, USA	Household products design and trade	$483,398 (USD16,000)	$422,250 (USD14,000)	-	100.00%	$240,230	($39,464)	($39,464)	subsidiary
Jia Wei Lifestyle, Inc.	First Design Global, Inc.	California, USA	International trade	$143,875 (USD5,000)	$143,875 (USD5,000)	-	99.84%	$36,800	($31,737)	($31,686)	subsidiary
Jia Wei Lifestyle, Inc.	Jia Wei Lifestyle Vietnam Limited Company	Vietnam	Productions and sales of household products	$401,209 (USD12,500)	-	-	100.00%	$387,202	($6,065)	($6,065)	subsidiary

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as the main financial statements in accordance with local laws and regulations,

the disclosure of information about the foreign invested company may only disclose relevant information to the holding company.

Note 2: For those who are not in the circumstances described in (Note 1), fill in according to the following regulations:

（1）All columns above should be filled, and the nature of relationships should be stated in the Note column.

（2）Net income (loss) should be stated in the Investee Company column.

（3）It is only necessary to fill in the profit and loss amount of each subsidiary recognized by the (public offering) company for direct reinvestment and each invested company evaluated by the equity method, and the rest is not required.

Note 3: It is the book value at the end of the investment period of the M&A entity

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

INFORMATION ON INVESTMENT IN MAINLAND CHINA

Attachment 4

(1)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method ofInvestment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Profits/ Losses of the Investee Company	Percentage of Ownership (Direct or Indirect Investment)	Share of Profits/Losses(Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Gamma Optical Investment (Samoa) Co.,Ltd.	Manufacturing and processing of optical products, conductive films and related materials	-	2	$141,963	—	—	$141,963	—	—	—	—	—
Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	Production and sales of household products	USD$16,500 ($514,305)	2	$461,311 (USD15,812)	—	—	$461,311 (USD15,812)	($76,581)	100.00%	($76,581) (2).B	$467,891 (USD15,238)	—
Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	Production and sales of household products	USD$6,500 ($202,605)	2	$227,213 (USD7,788)	—	—	$227,213 (USD7,788)	($39,379)	100.00%	($39,379) (2).B	$155,791 (USD5,074)	—

(2)

Accumulated Outflow of Investment from Taiwan to Mainland China at the end of year	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note5)
$832,270 (USD28,087,831.39)	$864,225 (USD29,087,831.39)	$1,415,773

(Note 1) : The methods for investment in Mainland China are categorized into the following three types. Please specify the type.

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in the third area (Please specify the name of the company in third region).

(3) Others.

(Note 2) : In Share of Profits/Losses column

(A) If it is in preparation and there is no investment gain or loss, it should be indicated

(B) The recognition basis of investment gains and losses is divided into the following three types, which should be specified

1. The approved financial statements have been checked by all international accounting firms in cooperation with the Republic of China Accounting Firm.

2. The financial statements of the visa are reviewed by the Taiwanese parent company's visa accountant.

3.Other

(Note 3) : The table is expressed in thousands of New Taiwan Dollars.

(Note 4) : All the above transactions were eliminated on consolidation.

(Note 5) : 60% of combined net worth.

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

Attachment 5

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Jia Wei Lifestyle, Inc.	First Design Global, Inc.	1	Sales revenue (sales)	$66,277	General trading terms	1.39%
0	Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	1	Sales revenue (sales)	$178,407	General trading terms	3.75%
0	Jia Wei Lifestyle, Inc.	Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	2	Cost of goods sold (Purchases)	$2,175,736	General trading terms	45.78%
0	Jia Wei Lifestyle, Inc.	Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	2	Cost of goods sold (Purchases)	$821,726	General trading terms	17.29%
0	Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	1	Other expenses	$38,646	General trading terms	0.81%
0	Jia Wei Lifestyle, Inc.	First Design Global, Inc.	1	Other expenses	$2,360	General trading terms	0.05%
0	Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	1	Accounts receivable	$12,181	General trading terms	0.24%
0	Jia Wei Lifestyle, Inc.	First Design Global, Inc.	1	Accounts receivable	$72,471	General trading terms	1.45%
0	Jia Wei Lifestyle, Inc.	Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	2	Accounts payable	$719,828	General trading terms	14.37%
0	Jia Wei Lifestyle, Inc.	Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	2	Advance payments	$16,822	General trading terms	0.34%
0	Jia Wei Lifestyle, Inc.	Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	2	Other receivables	$579,705	General Business	11.57%
0	Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	1	Other payables	$6,536	General Business	0.13%

Note 1： The parent company and its subsidiaries are coded as follows:

No.1. The parent company is coded "0".

No.2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2： Transactions are categorized as follows:

No.1. Transactions from parent company to a subsidiary.

No.2. Transactions from parent company to a sub-subsidiary.

No.3. Transactions between subsidiaries.

No.4. Transactions from a subsidiary to a sub-subsidiary.

No.5. Transactions between sub-subsidiary.

Note 3： Regarding the percentage of transaction amount to consolidated net revenue or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4： The important transactions in this form may be listed by the company in accordance with the principle of materiality.

Note 5： All the above transactions were eliminated on consolidation.

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

MAJOR SHAREHOLDER INFORMATION

Attachment 6

Unit：Share

Major shareholder	stock	
	Number of shares	Percentage of ownership
Smart Invsetment Limited	10,345,034	12.88%
Myott Invsetmen Co., LTD.	7,611,310	9.47%
DA-FA Universal Invsetment Limited	7,018,294	8.74%
Omega Invsetment Limited	5,780,000	7.19%

Note 1: The information of major shareholders in this table is based on the last business day of the end of each quarter by Taiwan Depository & Clearing Corporation, calculating that shareholders hold 5% or above of the company’s ordinary shares and special shares that have completed unregistered delivery (including treasury shares). The above information. As for the share capital recorded in the company's financial report and the company's actual number of shares delivered without physical registration, there may be differences or differences due to different calculation bases.

Note 2: If the above-mentioned information belongs to the shareholders' delivery of shares to the trust, it is disclosed in individual accounts by the trustor who opened the trust account by the trustee. As for the shareholder’s declaration of insider’s equity holding more than 10% of the shares in accordance with the Securities Exchange Act, his shareholding includes his own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. For information on insider’s equity declaration, please refer to Public information observatory.

Attachment II

JIA WEI LIFESTYLE, INC.
PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
31 DECEMBER 2023 AND 2022

Address: 14F.-4, No. 296, Sec. 4, Xinyi Rd., Da’an Dist., Taipei City 106, Taiwan (R.O.C.)

Telephone: +886-2-7733-5368

The reader is advised that these parent company only 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.

Independent Auditors' Report

To Jia Wei Lifestyle, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Jia Wei Lifestyle, Inc. (the "Company") and as of 31 December 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements 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 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 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 most significant in our audit of 2023 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.

1. Revenue Recognition

The main source of revenue for the Company is the sale of household goods and recognized by the Company amounted to $4,562,431 thousand. Since the products are mainly for overseas companies and shipped by sea, the revenue is recognized when the ownership and control of the promised goods are transferred to the customer and the performance obligation is fulfilled, we therefore considered this a key audit matter.

Our audit procedures included (but were not limited to), understanding and testing the effectiveness of internal control in the sales cycle at the time of revenue recognition, selecting samples (including the newly added top ten customers in this period) to perform test of control , selecting samples to perform test of details, such as check sales orders, finished product delivery orders, sales invoices, export declarations and subsequent payments, etc., including checking whether the sales was appropriately recognized and the recipient of the payment is the same company, performing cut-off tests before and after the balance sheet date, performing analytical procedures on sales products, regions, monthly sales revenue and gross profit margin. We also considered the appropriateness of disclosures of operating revenue in Notes 4.(17) and 6.(14) to the parent company only financial statements.

2. Loss allowance for accounts receivable

As of 31 December 2023, the Company's accounts receivable and loss allowance amounted to $960,815 thousand and $8,939 thousand, respectively. The net accounts receivable accounted for 19% of the total assets. Since the loss allowance for receivables is measured by the lifetime expected credit loss, the measurement process must appropriately group the account receivables and determine the use of relevant assumptions in the analytical and measurement procedures, including the appropriate accounting aging schedule and the loss rate of each aging interval. The measurement of expected credit losses involved judgment, analysis and estimation, while the measurement results would affect the net amount of accounts receivable, we therefore considered this a key audit matter.

Our audit procedures included (but not limited to) analyzing the appropriateness of the grouping method of accounts receivable; understanding the appropriateness of the management's provision of allowances for bad debts; testing the provision matrix the Company and its subsidiaries adopted, including assessing whether the aging interval is reasonably determined; testing the statistical information related to the average loss rate based on the monthly roll rate, and assessing its reasonableness; selecting samples to perform test the correctness of the aging; selecting samples to check the collection situation after the period of accounts receivable and assessing the recoverability. We also considered the appropriateness of the disclosures regarding the expected credit impairment loss of accounts receivable in Notes 4.(7), 5.(2) and 6.(15) of the parent company only financial statements.

3. Impairment assessment of investments accounted for using equity method

As of 31 December 2023, the reinvestment amount was material and goodwill was generated with the reinvestment. While the amount was material using the equity method, impairment assessment was based on the assessment of management, which also involved accounting assumptions, we therefore considered this a key Audit matter.

Our audit procedures included (but not limited to), understanding and evaluating the rationality of the management ’s basis and procedures for assessing the impairment of the asset, including analyzing the sales model and regions involved; evaluating the management's assessment approaches and assumptions of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as discount rates , involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of equity, company -specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their model such as gross margin, growth rates, and the expected future market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also considered the appropriateness of disclosures of investments accounted for using equity method in Notes 4.(11), 5.(3) and 6.(5) to the parent company only financial statements.

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 for such internal control as management determines is necessary to enable the preparation of 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 ability to continue as a 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 auditor's 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of in the Republic of China, we exercise professional judgment and maintain 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 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.

Chen,Cheng-Chu

Lee,Fang-Wen

Ernst & Young, Taiwan

8 March 2024

Notice to Readers

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management , Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	31 December 2023		31 December 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4,6(1),12	$424,003	9	$313,028	6
Accounts receivable, net	4,6(2),12	867,224	17	914,111	19
Accounts receivable-related parties, net	4,6(2),7	84,652	2	115,520	2
Other receivables	4,12	10,325	0	35,757	1
Other receivables-related parties	7,12	581,319	11	663,361	14
Inventories	4,6(3)	8,273	0	709	0
Prepayments	4,6(4),7	72,812	2	137,069	3
Other financial assets, current	8,12	42,100	1	131,801	3
Other current assets, current		-	-	297	0
Total current assets		2,090,708	42	2,311,653	48
Non-current assets					
Investments accounted for under the equity method	4,6(5)	2,758,072	56	2,528,864	51
Property, plant and equipment	4,6(6)	11,850	0	7,820	0
Right-of-use assets	4,6(16)	18,802	0	4,872	0
Deferred tax assets	4,6(20)	98,729	2	55,789	1
Refundable deposits	12	3,040	0	2,675	0
Other non - current assets		222	0	222	0
Total non - current assets		2,890,715	58	2,600,242	52
Total Assets		$4,981,423	100	$4,911,895	100

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

English Translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	31 December 2023		31 December 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	6(8),8	$1,299,632	26	$1,332,313	27
Short-term notes payable	6(9)	14,963	0	44,991	1
Contract liabilities- current	4,6(14)	10,178	0	12,648	0
Accounts payable	12	2,174	0	7,169	0
Accounts payable-related parties	7,12	719,828	14	424,612	9
Other payables	4,6(11),7,12	241,720	5	253,255	5
Provisions	4,6(20)	84,815	2	123,120	3
Current portion of long-term loans	6(10)	80,000	2	60,000	1
Lease liabilities-Current	4,6(16)	8,267	0	4,745	0
Other current liabilities		16,162	0	14,389	0
Total current liabilities		2,477,739	49	2,277,242	46
Non-current liabilities					
Long-term loans	6(10)	130,390	3	230,390	5
Deferred tax liabilities	4,6(20)	2,994	0	6,730	0
Lease liabilities-Non current	4,6(16)	10,679	0	299	0
Total non-current liabilities		144,063	3	237,419	5
Total liabilities		2,621,802	52	2,514,661	51
Equity attributable to the parent company	6(13)				
Capital					
Common stock		803,004	16	803,004	16
Additional paid-in capital		682,138	14	682,138	14
Retained earnings					
Legal reserve		203,202	4	179,454	4
Special reserve		-	-	-	-
Undistributed earnings		684,338	14	723,175	15
Total retained earnings		887,540	18	902,629	19
Other equity		(13,061)	(0)	9,463	0
Total equity		2,359,621	48	2,397,234	49
Total liabilities and equity		$4,981,423	100	$4,911,895	100

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

English Translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating Revenue	4,6(14),7	$4,562,431	100	$5,457,600	100
Operating costs	4,6(3),7	(3,165,193)	(69)	(3,956,815)	(73)
Unrealized gross profit		16,317	0	15,830	0
Gross profit		1,413,555	31	1,516,615	27
Operating expenses	4,6(17)				
Sales and marketing expenses	7	(477,703)	(11)	(539,256)	(10)
General and administrative expenses		(151,089)	(3)	(179,911)	(3)
Research and development expenses		(55,199)	(1)	(33,258)	(0)
Expected credit impairment gains (losses)	4,6(15)	(6,863)	(0)	566	0
Subtotal		(690,854)	(15)	(751,859)	(13)
Operating income		722,701	16	764,756	14
Non-operating income and expense	4,6(18)				
Interest income		4,544	0	4,172	0
Other income	7	8,590	0	24,232	0
Other gains and losses		30,051	1	117,774	2
Finance costs		(53,004)	(1)	(42,847)	0
Share of profit or loss of associates	4,6(5)	(221,510)	(5)	(160,299)	(3)
Subtotal		(231,329)	(5)	(56,968)	(1)
Income from continuing operations before income tax		491,372	11	707,788	13
Income tax (expense)	4,6(20)	(104,959)	(2)	(143,031)	(3)
Profit from continuing operations		386,413	9	564,757	10
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	4,6(5),6(19)	(28,156)	(1)	46,912	1
Income tax related to items that may be reclassified subsequently		5,632	0	(9,382)	(0)
Subtotal		(22,524)	(1)	37,530	1
Total comprehensive income		$363,889	8	$602,287	11
Earnings per share (NTD)	6(21)				
Earnings per share-basic		$4.81		$7.03	
Earnings per share-diluted		$4.79		$6.98	

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

English translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Equity	Total	Total Equity
			Leagal reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations		
Balance as of 1 January 2022	$803,004	$682,138	$124,150	37,984	$657,541	($28,067)	$2,276,750	$2,276,750
Legal reserve	-	-	55,304	-	(55,304)	-	-	-
Cash dividends	-	-	-	-	(481,803)	-	(481,803)	(481,803)
Reversal of special reserve	-	-	-	(37,984)	37,984	-	-	-
Net income for the year ended 31 December 2022	-	-	-	-	564,757	-	564,757	564,757
Other comprehensive income, net of tax for the year ended 31 December 2022	-	-	-	-	-	37,530	37,530	37,530
Total comprehensive income	-	-	-	-	564,757	37,530	602,287	602,287
Balance as of 31 December 2022	$803,004	$682,138	$179,454	-	$723,175	$9,463	$2,397,234	$2,397,234
Balance as of 1 January 2023	$803,004	$682,138	$179,454	-	$723,175	$9,463	$2,397,234	$2,397,234
Legal reserve	-	-	23,748	-	(23,748)	-	-	-
Cash dividends	-	-	-	-	(401,502)	-	(401,502)	(401,502)
Net income for the year ended 31 December 2023	-	-	-	-	386,413	-	386,413	386,413
Other comprehensive income, net of tax for the year ended 31 December 2023	-	-	-	-	-	(22,524)	(22,524)	(22,524)
Total comprehensive income	-	-	-	-	386,413	(22,524)	363,889	363,889
Balance as of 31 December 2023	$803,004	$682,138	$203,202	-	$684,338	($13,061)	$2,359,621	$2,359,621

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

English translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	2023	2022
Cash flows from operating activities:		
Net income before tax	$491,372	$707,788
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expanse adjustments:		
Depreciation	19,043	10,988
Expected credit impairment losses (gains)	6,863	(566)
Interest expense	53,004	42,847
Interest income	(4,544)	(4,172)
Share of loss of associates accounted for using equity	221,510	160,299
Unrealized gross (profit)	(16,317)	(15,830)
Inventory valuation and obsolescence loss	1,448	-
Changes in operating assets and liabilities:		
Accounts receivable	40,024	8,672
Accounts receivable-related parties	30,868	200,180
Other receivables	25,401	(35,649)
Other receivables-related parties	82,042	(106,771)
Inventories	(9,012)	(709)
Prepayments	64,257	49,081
Other current assets	297	(297)
Contract liabilities	(2,470)	(5,084)
Accounts payable	(4,995)	(5,757)
Accounts payable-related parties	295,216	106,716
Other payables	(14,595)	91
Other current liabilities	1,773	9,407
Cash generated from operations	1,281,185	1,121,234
Interest received	4,575	4,091
Income tax (paid) refund	(184,308)	1,721
Net cash provided by operating activities	1,101,452	1,127,046

Items	2023	2022
Cash flows from investing activities:		
Acquisition of investments accounted for equity method	(462,557)	(208,548)
Acquisition of property, plant and equipment	(12,259)	(3,854)
(Increase) Decrease in refundable deposits	(365)	511
Decrease in other financial assets - others	89,701	238,489
(Increase) in non-current assets	-	(222)
Net cash (used in) provided by investing activities	(385,480)	26,376
Cash flows from financing activities:		
(Decrease) in short-term loans	(32,681)	(37,241)
Increase in short-term notes payable	300,516	256,991
Decrease in short-term notes payable	(330,544)	(212,000)
Repayments of long-term loans	(80,000)	(426,455)
Cash payments for the principal portion of the lease liability	(10,842)	(5,129)
Cash dividends	(401,502)	(481,803)
Interest paid	(49,944)	(62,013)
Net cash (used in) financing activities	(604,997)	(967,650)
Net increase in cash and cash equivalents	110,975	185,772
Cash and cash equivalents at beginning of year	313,028	127,256
Cash and cash equivalents at end of year	$424,003	$313,028

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

(Amounts in thousands of New Taiwan Dollars unless otherwise Stated)

1. History and organization

Jia Wei Lifestyle Inc. (the Company) was incorporated on 21 April 2005. The Company's common shares were publicly listed on the Taipei Exchange (TPEx) on 27 February 2008. Due to business needs, its registered office and the main business location were moved to the 14F.-4, No. 296, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) on 14 August 2019, and it was approved by the Ministry of Economy on 5 November 2019 Letter, the company name was changed to Jia Wei Lifestyle, Inc. The main business project is the design, development, manufacturing and sales of household products.

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

The parent company only financial statements of the Company for the years ended 31 December 2023 and 2022 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 8 March 2024.

3. Newly issued or revised standards and interpretations

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

The Company applied International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations issued, revised or amended which are recognized by the Financial Supervisory Commission (FSC) and became effective for annual periods beginning on or after 1 January 2023. The nature and the impact of each new standard and amendment have no material effect on the Company.

(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 Company as at the end of the reporting period are listed below.

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

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

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

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

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

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

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

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

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. The remaining new or amendedstandards and interpretations have no material impact on the Company.

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

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

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

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

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

(b) IFRS 17 "Insurance Contracts"

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

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

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

(c) Lack of Exchangeability – Amendments to IAS 21

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

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

4. Summary of material accounting policies

(1)Statement of Compliance

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

(2) Basis of Preparation

The parent company only financial statements were prepared in accordance with the Regulations. According to 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 statement 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 equity method and, accordingly, made necessary adjustments.

Except for financial instruments measured at fair value, the parent company only financial statements have been prepared on historical cost basis. The Parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The functional currency presented in the parent company only financial statements of the Company is New Taiwan Dollars ("NT Dollars" or "NT$").

Transactions in foreign currencies are initially recorded by the Company in the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Non-monetary items that are measured at fair value in a foreign currency should be translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

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

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

(4) Translation of financial statements in foreign currency

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

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

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

(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
(b) The Copmany holds the asset primarily for the purpose of trading
(c) The Company expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or 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 current when:
(a) The Company expects to settle the liability in its normal operating cycle
(b) The Company holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Copmanydoes not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits (including ones that have maturity within three months) and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

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

i. Financial instruments: Recognition and Measurement

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

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

A. the Company's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

(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.

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 represents 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 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, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

ii. 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 not reduce the carrying amount in the balance sheet.

The Copmany 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; and
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 measures as follow:

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 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 allowance for losses using the lifetime expected credit loss amount.

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.

iii. 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 Copmany 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.

iv. 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 assets, financial liabilities or both 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 cancelled 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.

v. Offsetting of financial instruments

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

(8) Fair value measurement

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

A. In the principal market for the asset or liability, or

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

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

(9) Inventories

Inventories are valued at lower of 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 – Purchase cost on average basis
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.

(10) Non-current assets for sale

Non-current assets or disposal Companys to be sold refer to those who can be sold immediately under general conditions and business practices under current circumstances, and are highly likely to complete the sale within one year. Non-current assets classified as for sale and the disposal Company are measured by the lower of the carrying amount and fair value less the disposal cost.

Property, plant and equipment and intangible assets once classfied as held for sale are not depreciated or amortized.

(11) Investments accounted for using the equity method

The Company's investment in subsidiaries is based on the provisions of Article 21 of Regulations Governing the Preparation of Financial Reports by Securities Issuers."Investments using the equity method" are expressed and adjusted as necessary to make the current profit and loss and other comprehensive losses of the individual financial statements.Profits and losses for the current period and other comprehensive profits and losses in the financial statements prepared on the combined basis are the same as those attributable to the owners of the parent company, and the owners' equity in the individual financial statements is the same as the equity attributable to the owners of the parent company in the financial statements prepared on the combined basis. These adjustments mainly take into account the treatment of investment subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different reporting entity levels, and debit or credit "Use of Equity "Investments using the equity method", "Shares of profits and losses of subsidiaries, affiliates and joint ventures using the equity method" or "Shares of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures 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. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture 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 or joint venture. After the interest in the associate or joint venture 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 or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, 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 or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture 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 or joint venture.

The financial statements of the associate or joint venture 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 IAS 28 Investments in Associates and Joint Ventures. 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 costs include 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 recognizes 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:

Machinery and Equipment	5~12 years
Other Facilities	1～20 years
Leasehold improvements	the shorter one of the useful life or lease term

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 residual values, useful lives and methods of depreciation of property, planr and equipment 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 Company assesses whether the contract, 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, maximising 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 Company 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 amortised 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 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 present them as a 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, excluding capitalized development costs, are not capitalized and expenditures are reflected in profit or loss for the year in which the expenditures are incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least once at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is 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 necognized in profit or loss.

Patents

The patent right has been granted for a period of ten years by the relevant government agency.

	Patent
Durability	Limited
Amortization method	Straight-line amortization
Internally generated or external acquisition	External acquisition

(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 Companys 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 Companys 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 (Company of units), then to the other assets of the unit (Company of units) pro rata on the basis of the carrying amount of each asset in the unit (Company 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 probably 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.

(17) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follow:

<u>Sale of goods</u>

The Company sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is household products and revenue is recognized based on the consideration stated in the contract.

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. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 30 to 180 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 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 has 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 lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

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

(18) Borrowing costs

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) Post-employment benefits

All regular employees of the Company is 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, not associated with the Company. Therefore fund assets are not included in the parent company only financial statements.

For the defined contribution plan, the Company 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.

(20) Income tax

Income tax expense (benefit) 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.

<u>Deferred income tax</u>

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; and, 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 and associates, 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; and, 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 and associates, 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 Company 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 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.

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(21) Business combinations and goodwill

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

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

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

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

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

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

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

5. Significant accounting judgements, estimates and assumptions

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

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:

(1) 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 company's 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.

(2) Accounts Receivables-estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime is measured by the amount of 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 hat expects to receive (evaluate 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.

(3) 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.

6. Contents of significant accounts

(1) Cash and cash equivalents

	31 Dec 2023	31 Dec 2022
Cash on hand	$1,218	$1,161
Demand deposits	422,785	311,710
Cash in transit	-	157
Total	$424,003	$313,028

(2) Accounts receivable, net

	31 Dec 2023	31 Dec 2022
Account receivables	$876,163	$933,266
Less: loss allowance	(8,939)	(19,155)
Subtotal	867,224	914,111
Accounts receivable-related parties	84,652	115,520
Total	$951,876	$1,029,631

Accounts receivables were not pledged.

The estimation of the impairment loss of the company's receivables is in accordance with IFRS 9. Please refer to Note 6.(15) for more details on loss allowance of trade receivables for the year ended 31 December 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(3) Inventories

	31 Dec 2023	31 Dec 2022
Finished goods	$8,273	$709

The cost of inventories recognized as expenses in 2023 and 2022 are $ 3,165,193 thousand and $ 3,956,815 thousand respectively, including the loss of recognized inventory valuation and obsolescence $1,448 thousand and $0, respectively.

(4) Prepayment

	31 Dec 2023	31 Dec 2022
Payment in advance (Note)	$34,870	$107,874
Overpaid Vat	7,957	5,441
Other	29,985	23,754
Total	$72,812	$137,069

(Note):Including prepaid for related parties, please refer to Note 7.(2)E for more details.

(5) Investments Accounted For Under the Equity Method

	31 Dec 2023		31 Dec 2022	
	Amount	Percentage of ownership	Amount	Percentage of ownership
Investments in subsidiary:				
Achieve Goal Limited	$768,823	100.00%	$913,897	100.00%
Freshlink Product Development,LLC	240,230	100.00%	198,908	100.00%
Golden Star Ocean Ltd.	1,325,017	100.00%	1,347,572	100.00%
First Design Global,Inc.	36,800	99.84%	68,487	99.84%
Jia Wei Lifestyle VietNam Limited Company	387,202	100.00%	-	-
Total	$ 2,758,072		$ 2,528,864	

1. The Company acquired Golden Star Ocean Ltd and Achieve Goal Limited 100% equity in an investment agreement on 5 June 2019 and acquired Freshlink Product Development, LLC DBA PREPARA 100% equity in an investment agreement on 18 July 2019. By investment eagreement was controlled on 1 August 2019, so it was included in the consolidated entity. Golden Star Ocean Ltd and Achieve Goal Limited 100% owned subsidiaries are also included in the consolidated entity.

2. The Company adjusted its operating strategy and acquired the 100% equity of Freshlink Product Development LLC. on 3 July 2019 by the board of directors and an investment agreement was signed for an acquisition contract, the transaction amount was USD 3,500 thousand, the shares were transited and paid on 26 July 2019. As of 8 March 2024, the board of directors authorized cash capital increase of USD 13,000 thousand and finished cash capital increase of USD 12,500 thousand.

3. The Company adjusted its operating strategy and acquired the 100% equity of Achieve Goal Limited held by Golden Fame Co., Ltd. from Golden Fame Co., Ltd. on 17 April 2019 by the board of directors and on 28 May 2019 by shareholders 'meeting. An investment agreement was signed for an acquisition contract on 5 June 2019, and the transaction amount was not higher than USD 23,600 thousand. The company approved the amount of USD 23,600 thousand according to the investment review committee of the Ministry of Economic Affairs. As of 31 Decrmber 2023, the Company had remitted USD 23,600 thousand, and completed the transfer.

4. The Company adjusted its operating strategy and acquired its 100% equity interest in Golden Star Ocean Ltd. from Lucky Star Worldwide Ltd. on 17 April 2019 by the board of directors and on 28 May 2019 by shareholders' meeting. An investment agreement was signed for an acquisition contract on 5 June 2019, and the transaction amount was not higher than USD 57,000 thousand; in addition, on 15 October 2019 the price adjustment mechanism was started to reduce the purchase price to USD 48,500 thousand. It is equivalent to $ 1,484,100 thousand). As of 31 Decrmber 2023, the Company had paid $1,484,100 thousand in accordance with the contract, and completed the transfer.

5. Due to the need for the operation and improvement of the financial structure of First Design Global, Inc., the board of directors of the Company authorized cash capital increase of USD7,000 thousand. As of 8 March 2024, the Company had finished capital increase of USD6,000 thousand.

6. The company approved an investment of USD 12,500 thousand in Vietnam on 11 August 2023, and increased the investment amount by USD 7,000 thousand on January 15 2024. As of 8 March 2024, a total of USD 12,500 thousand has been invested.

7. Subsidiaries of the Company conducted impairment tests on the cash-generating unit, and calculated the recoverable amount of the cash-generating unit based on its value in use. After assessing that the Company did not recognize any impairment loss in 2023 and 2022, Please refer to consolidated financial statements Note 6. (22) for more details.

Investment subsidiaries are expressed as "investments using the equity method" in individual financial reports, and make necessary evaluation adjustments.

Share of profit or loss of subsidiaries and affiliated companies recognized by the equity method recognized by the Company in the 2023 and 2022 was ($221,510) thousand and ($160,299) thousand respectively. Share of other comprehensive income(loss) of subsidiaries and affiliated companies's recognition of the equity method was adopted in the 2023 and 2022 were ($22,524) thousand and $37,530 thousand, respectively.

(6) Property, plant and equipment

	Buildings	Machinery and equipment	Other facilities	Construction in progress and equipment awaiting examination	Total
Cost:					
As of 1 Jan 2023	-	-	$25,512	-	$25,512
Additions	-	-	1,160	$11,099	12,259
Disposals	-	-	-	-	-
Reclassified	-	-	9,194	(9,194)	-
As of 31 Dec 2023	-	-	$35,866	$1,905	$37,771
As of 1 Jan 2022	-	-	$20,784	$874	$21,658
Additions	-	-	1,833	2,021	3,854
Disposals	-	-	-	-	-
Reclassified	-	-	2,895	(2,895)	-
As of 31 Dec 2022	-	-	$25,512	-	$25,512
Depreciation and impairment:					
As of 1 Jan 2023	-	-	$17,692	-	$17,692
Depreciation	-	-	8,229	-	8,229
Disposals	-	-	-	-	-
As of 31 Dec 2023	-	-	$25,921	-	$25,921
As of 1 Jan 2022	-	-	$11,776	-	$11,776
Depreciation	-	-	5,916	-	5,916
Disposals	-	-	-	-	-
As of 31 Dec 2022	-	-	$17,692	-	$17,692
Net carrying amour as at:					
31 Dec 2023	-	-	$9,945	$1,905	$11,850
31 Dec 2022	-	-	$7,820	-	$7,820

(7) Intangible assets

	Patents	Computer software	Total
Cost:			
As of 1 Jan 2023	$15,320	$9,193	$24,513
Addition-acquired separately	-	-	-
As of 31 Dec 2023	$15,320	$9,193	$24,513
As of 1 Jan 2022	$15,320	$9,193	$24,513
Addition-acquired separately	-	-	-
As of 31 Dec 2022	$15,320	$9,193	$24,513
Amortization and impairment:			
As of 1 Jan 2023	$15,320	$9,193	$24,513
Amortization	-	-	-
As of 31 Dec 2023	$15,320	$9,193	$24,513
As of 1 Jan 2022	$15,320	$9,193	$24,513
Amortization	-	-	-
As of 31 Dec 2022	$15,320	$9,193	$24,513
Net carrying amount as at:			
31 Dec 2023	-	-	-
31 Dec 2022	-	-	-

The company recognized amortization expense of intangible assets under the statement of comprehensive income:

	2023	2022
Operating costs	-	-

(8) Short-term borrowings

A.

	31 Dec 2023	31 Dec 2022
Purchase loans	$296,558	$166,462
Unsecured bank loans	1,003,074	1,165,851
Total	$1,299,632	$1,332,313

B. Coupon rate、expiry date、unused amount as following:

	31 Dec 2023	31 Dec 2022
Coupon rate	1.97% -6.98%	1.75% -5.65%
Expiry date	2024.2.27~2024.6.24	2023.1.13~2023.6.24

The Company's unused short-term loans of credit amounted to $1,321,594 thousand and $2,365,244 thousand as of 31 December 2023 and 2022, respectively.

C. Short-term borrowings provide guarantees for repayment of deposits from households. Please refer to Note 8 for guarantees.

(9) Short-term notes payable

31 Dec 2023

Guarantee agency	Face value	Discount value	Book value	Interest rate(%)	Collateral	Book value of collateral
Commercial paper payable						
China Bills Finance Corporation	$15,000	($37)	$14,963	1.938%	None	-

31 Dec 2022

Guarantee agency	Face value	Discount value	Book value	Interest rate(%)	Collateral	Book value of collateral
Commercial paper payable						
China Bills Finance Corporation	$45,000	($9)	$44,991	1.868%	None	-

(10) Long-term borrowings

Lenders	31 Dec 2023	Interest Rate(%)	Redemption
Unsecured Long-Term Loan from E.SUN Bank	$210,390	2.10%	Effective 6 October 2022 to 6 October 2026. The principal is repaid in 20 installments, the principal is amortized at $20,000 thousand each quarter, and the balance was settled by the due date.
Subtotal	210,390		
Less: Due within one year	(80,000)		
Total	$130,390		

Lenders	31 Dec 2022	Interest Rate(%)	Redemption
Unsecured Long-Term Loan from E.SUN Bank	$290,390	1.85%	Effective 6 October 2022 to 6 October 2026. The principal is repaid in 20 installments, the principal is amortized at $20,000 thousand each quarter, and the balance was settled by the due date.
Subtotal	290,390		
Less: Due within one year	(60,000)		
Total	$230,390		

Long-term borrowings are secured by certificates of deposits and deposits from the compensating account. Please refer to Note 8 for the guarantee status.

(11) Other payables

Details of other payables are as follows:

	31 Dec 2023	31 Dec 2022
Accrued employee compensation and director remuneration	$50,529	$71,316
Interest payable	5,723	2,663
Other accrued expenses	178,932	179,057
Other payables-other(related parties)	6,536	219
Total	$241,720	$253,255

(12) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 are $2,934 thousand and $2,774 thousand, respectively.

Short-term for paid leave liability

As of 31 December 2023 and 2022, the accrued liabilities for paid leave were $3,894 thousand and $3,498 thousand, respectively, which were recognized in other payables .

(13) Equities

I. Common stock

A. On 19 June 2019, the company used private equity to issue cash capital increase 14,975 thousand new shares, with a nominal value of 10 per share, issued at a premium of 19.624 per share, and paid-in capital of $149,750 thousand. On 19 June 2019 is the base date for capital increase. The change registration has been completed on 13 August 2019. The equity obligations of private placement new shares are the same as those of ordinary shares already issued. However, in accordance with the provisions of the Securities Exchange Law, privately-raised ordinary shares may not be freely transferred within three years after issuance.

B. As of 31 December 2023 and 2022, both of the company's rated share capital were $2,050,000 thousand, with a face value of $10 per share, divided into 205,000 thousand shares, and issued capital are $803,004 thousand, divided into 80,300 thousand shares (including 11,730 thousand shares of private equity). All outstanding stock have been paid and each share has one voting right and the right to receive dividends.

II. Additional paid-in capital

	31 Dec 2023	31 Dec 2022
Share premium	$672,119	$672,119
Share options of convertible bonds	4,908	4,908
Employee stock options	5,111	5,111
Total	$682,138	$682,138

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.

III. Retained earnings and dividend policies

The company’s shareholders’ meeting held on 29 May 2023 passed a resolution to amend the company’s articles of association. After the amendment, the surplus distribution can be made after the end of each annual financial year. The revised articles of association stipulate that the company shall estimate and retain taxable contributions, make up for losses in accordance with the law, estimate retention of employee remuneration and directors’ remuneration, and reserve 10% of the statutory surplus when surplus is distributed every half of the fiscal year; but when the statutory surplus reserve has reached the total paid-in capital of the company, this is not the case. If necessary, the special surplus reserve will be drawn or converted according to law. If there is surplus, the cumulative undistributed surplus of the first half of the fiscal year will be the shareholder Dividends shall be distributed by the board of directors and shall be resolved by the board of directors when they are distributed in cash; if new shares are to be issued, they shall be submitted to the shareholders meeting for distribution after a resolution.

The current year's earnings, if any, shall first be used to pay all taxs and offset against prior years' operating losses and then be distributed as follows: 10% as legal reserve, and appropriate or reverse for special reserve until the legal reserve equals the Company's paid-in capital. The remaining earnings, if any, may be appropriated along with the accumulated unappropriate earnings according to a resolution proposed by the Board of Directors and resolved by the shareholders'meeting.

The Company shall distribute the whole or a part of the reserve in accordance with the laws or regulations of the competent authority in consideration of financial, business, and management factors. If the distribution is made in cash, the board of directors may make a resolution in accordance with Article 241 of the Company Act, and report to the shareholders' meeting without submitting a request for approval to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as financial situation of the company and capital budgets in the future. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. Dividend distribution should account for more than 20% of the total distributable earnings. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized 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.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The distribution of earnings and dividends for 2023 and 2022 were approved by the board of directors held on 8 March 2024 and the stockholders' meeting held on 29 May 2023, respectively. The details of distribution are as follows:

	Appropriation of earnings		Dividend per share	
	2023	2022	2023	2022
Legal reserve	\$38,641	\$56,476	—	—
Special reserve (Revesal)	\$13,061	(\$28,066)	—	—
Cash dividend	\$240,901	\$642,403	\$3.00	\$8.00

(14) Operating revenues

	2023	2022
Revenue from contracts with customer:		
Sale of goods	$4,562,431	$5,457,600

i. Disaggregation of revenue

The Company is a single operating department. The income generated from the sale of goods is $4,562,431 thousand and $5,457,600 thousand for the years ended 31 December 2023 and 2022, respectively which is recognized at a certain point in time.

ii. Contract balances

	31 Dec 2023	31 Dec 2022
Contract liabilities - current	$10,178	$12,648

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

	2023	2022
The opening balance transferred to revenue	($15,187)	($15,950)
The amount incurred and transferred to revenue during the period	(17,060)	(42,599)
Increase in receipts in advance during the period	29,777	53,465

iii. Transaction price allocated to unsatisfied performance obligations

None

iv. Assets recognized from costs to fulfil a contract

None

(15) Expected credit impairment (losses) gains

	2023	2022
Operating expenses – Expected credit impairment (losses) gains		
Accounts receivables	($6,863)	$566

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

The Company condsiders the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

31 December 2023

Group 1

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	-	-	-	-	-	$8,760	$8,760
Loss ratio	-	-	-	-	-	100%	
Lifetime expected credit losses	-	-	-	-	-	8,760	8,760
Subtotal	-	-	-	-	-	-	-

Part of the account balance of the Company whose overdue days are more than 121 days, and provided with 100% of the allowance.

Group 2

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$948,529	$3,507	$-	$15	$4	$-	$952,055
Loss ratio	0.00% ~0.02%	0.02%	1.10%	12.56%	80.60%	100%	
Lifetime expected credit losses	172	1	-	2	4	-	179
Subtotal	$948,357	$3,506	-	$13	-	-	951,876
Carrying amount of accounts receivables							$951,876

31 Decmber 2022

Group 1

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	-	-	-	-	-	$16,340	$16,340
Loss ratio	-	-	-	-	-	100%	
expected credit losses	-	-	-	-	-	16,340	16,340
Subtotal	-	-	-	-	-	-	-

Part of the account balance of the Company whose overdue days are more than 121 days, and provided with 100% of the allowance.

Group 2

		Overdue					
	Not yet due	<=30 days	31-90 days	61-90 days	91-120 days	>=120 days	Total
Gross carrying amount	$966,318	$52,863	$9,576	$484	$3,111	$94	$1,032,446
Loss ratio	0.02%	0.07%	1.18%	6.54%	75.33%	100%	
expected credit losses	197	36	113	32	2,343	94	2,815
Subtotal	$966,121	$52,827	$9,463	$452	$768	-	1,029,631
Carrying amount of accounts receivables							$1,029,631

The movement in the provision for impairment of accounts receivables for the years ended 31 December 2023 and 2022 are as follows:

	Accounts receivables
Beginning balance at 1 January 2023	$19,155
Net recognize (reversal)	6,863
Write off	(17,079)
Ending balance at 31 December 2023	$8,939
Beginning balance at 1 January 2022	$19,721
Net recognize (reversal)	(566)
Write off	-
Ending balance at 31 December 2022	$19,155

(16) Leases

Company as a lessee

The Company leases various properties, including real estate such as buildings and office equipment. The lease terms range from 3 to 5 years.

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

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	31 Dec 2023	31 Dec 2022
Buildings	$18,511	$4,480
Office equipment	291	392
Total	$18,802	$4,872

During the years ended 31 December 2023 and 2022, the Company have added right-of-use assets amounted to $24,744 thousand and $4,437 thousand, respectively.

(b) Lease liabilities

	31 Dec 2023	31 Dec 2022
Current	$8,267	$4,745
Non-current	10,679	299
Total	$18,946	$5,044

Please refer to Note 6.(18)(D) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022, and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at 31 December 2023 and 2022.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	2023	2022
Buildings	$10,714	$4,968
Office equipment	100	104
Total	$10,814	$5,072

C. Income and costs relating to leasing activities

	2023	2022
The expenses relating to short-term leases	$3,627	$8,521
Fees for low-value asset leases (excluding short-term leases for low-value asset leases)	-	-
Changes in lease payments not included in the measurement of lease liabilities	9	6

D. Cash outflow relating to leasing activities

During the years ended 31 December 2023 and 2022, the Company's total cash outflows for leases amounted to $14,854 thousand and $13,850 thousand, respectively.

E. Extension and termination options

Option to extend lease and option to terminate lease

Some of the Company's property rental agreement agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(17) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	-	$143,818	$143,818	-	$144,156	$144,156
Labor and health insurance	-	$6,602	$6,602	-	$5,980	$5,980
Pension	-	$2,934	$2,934	-	$2,774	$2,774
Share-based payment transation	-	-	-		-	-
Director's remuneration	-	$28,902	$28,902	-	$35,320	$35,320
Other employee benefits expense	-	$5,060	$5,060	-	$4,540	$4,540
Depreciation	-	$19,043	$19,043	-	$10,988	$10,988
Amortization	-	-	-	-	-	-

The number of employees in this year and the previous year was 70 and 59 respectively, of which the directors, who weren't concurrent employees were 5 and 5 people, respectively.

A. Average employee benefit in 2023 and 2022 were $2,437 thousand and $ 2,916 thousand.
B. Average salaries in 2023 and 2022 were $ 2,213 thousand and $ 2,670 thousand.
C. Average salaries variable proportion was -17.12%.
D. The Company has established the Audit Committee in replace of supervisors and therefore the supervisors' remuneration for the years ended 31 December 2023 and 2022 were both $0 。
E. According to the Company's articles of incorporation is formulated in accordance with the local laws, no less than 3% 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 supervisor which shall be distributed by the resolution of the board of directors. In addition, the monthly fixed amount of independent directors shall be paid according to the directors and supervisors. The method of remuneration is distributed.

As the year ended of 31 December 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors to be 4% profit of the current year and 4% profit of the current year $21,364 thousand and $21,364 thousand, respectively.

As the year ended of 31 December 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors to be 4% profit of the current year and 4% profit of the current year $30,758 thousand and $30,758 thousand, respectively.

On 29 May 2023, the Shareholders' meeting resolved to distribute employee compensation and director remuneration for the year 2022 in cash, amounting to $30,772 thousand and $30,772 thousand, respectively, which is not significantly different from the amount recognized as expenses in the financial statements for that year, as of 8 March 2024, all have been distributed.

(18) Non-operating income and expenses

A. Interest income

	2023	2022
Financial assets at amortized cost	$4,544	$4,172

B. Other income

	2023	2022(Note)
Other	$8,590	$24,232

Note: Including other income recovered from related parties, please refer to Note7.(4)(b).

C. Other gains and losses

	2023	2022
(Loss) on disposal of property, plant and equipment	-	-
Foreign exchange gains, net	$34,158	$122,027
Others	(4,107)	(4,253)
Total	$30,051	$117,774

D. Finance costs

	2023	2022
Interest on borrowings from bank	($52,628)	($42,653)
Interest on lease liabilities	(376)	(194)
Total	($53,004)	($42,847)

(19) Components of other comprehensive income

For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	($28,156)	-	($28,156)	$5,632	($22,524)
Total of other comprehensive income(loss)	($28,156)	-	($28,156)	$5,632	($22,524)

For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	$46,912	-	$46,912	($9,382)	$37,530
Total of other comprehensive income(loss)	$46,912	-	$46,912	($9,382)	$37,530

(20) Income tax

A. The major components of income tax expense are as follows:

Income tax expense recognized in profit or loss

	2023	2022
Current income tax (expense):		
Current income tax charge	($84,815)	($123,120)
Prepaid income tax	(61,188)	(55)
Deferred income tax (expense) benefit:		
Related to the origination and reversal of temporary difference	41,044	23,850
Related to the origin occurrence and reversal of tax losses	-	(43,706)
Total income tax (expense)	($104,959)	($143,031)

Income tax relating to components of other comprehensive income

	2023	2022
Deferred income tax:		
Income tax relating to components of other comprehensive income	$5,632	($9,382)

B. A reconciliation between income tax expense and benefit before tax at applicable tax rate was as follows:

	2023	2022
Accounting profit before tax from continuing operations	$491,372	$707,788
Income tax calculated at the parent company's legal tax rate	($98,274)	($141,557)
Deferred tax assets/ liabilities in respect of income tax	-	-
Corporate income surtax on undistributed retained earnings	(6,685)	(1,474)
Total income tax (expense) recognized in profit or loss	($104,959)	($143,031)

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

For the year ended 31 December 2023

	Beginning balance as of 1 Jan 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income recognized in other comprehensive income	Ending balance as of 31 Dec 2023
Temporary differences				
Unrealized foreign currency exchange (gains) losses	($4,364)	$1,370	-	($2,994)
Allowance for losses	1,733	(1,733)	-	-
Investment losses under equity method	53,349	41,038	-	94,387
Exchange differences on translation of foreign operations	(2,366)	-	$5,632	3,266
Other	707	369	-	1,076
Deferred tax (expense)/ benefit		$41,044	$5,632	
Net deferred tax assets	$49,059			$95,735
Reflected in balance sheet as follows:				
Deferred tax assets	$55,789			$98,729
Deferred tax liabilities	$6,730			$2,994

For the year ended 31 December 2022

	Beginning balance as of 1 Jan 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income recognized in other comprehensive income	Ending balance as of 31 Dec 2022
Temporary differences				
Unrealized foreign currency exchange losses (gains)	$1,085	($5,449)	-	($4,364)
Allowance for losses	1,429	304	-	1,733
Investment losses under equity method	24,455	28,894	-	53,349
Exchange differences on translation of foreign operations	7,016	-	($9,382)	(2,366)
Unused tax losses	43,707	(43,707)	-	-
Other	605	102	-	707
Deferred tax (expense)/ benefit		($19,856)	($9,382)	
Net deferred tax assets	$78,297			$49,059
Reflected in balance sheet as follows:				
Deferred tax assets	$78,297			$55,789
Deferred tax liabilities	-			$6,730

D. The following table contains information of the unused tax losses of the Company:

Year	Tax losses for the period	Unused tax losses as at 31 Dec 2023	Unused tax losses as at 31 Dec 2022	Expiration year
2016	$378,256	-	$20,853	2026
2017	$157,857	-	157,857	2027
2018	$39,823	-	39,823	2028
	Subtotal	-	218,533	
	Used in current year	-	(218,533)	
	Net amount	-	-	

E. The assessment of income tax returns

As of 31 December 2023, the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021

F. Unrecognized deferred tax assets

As of 31 December 2023 and 2022, deferred tax assets that have not been recognized both amount to $0.

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year 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 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.

	2023	2022
A. Basic earnings per share		
Net income	$386,413	$564,757
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	80,300	80,300
Basic earnings per share	$4.81	$7.03

	2023	2023
B. Diluted earnings per share		
Net income	$386,413	$564,757
Effect of dilution:		
Employee compensation-stock (thousand shares)	385	621
Weighted average number of ordinary shares outstanding after dilution (thousand shares)	80,685	80,921
Diluted earnings per share	$4.79	$6.98

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

Information of the related parties that had transection with the Company during the financial reporting period is as follows:

(1) Related party name and relationship

Name of related parties	Nature of relationship of the related parties
Freshlink Product Development,LLC DBA PREPARA (Prepara)	Subsidiary
First Design Global, Inc. (FDG)	Subsidiary
Jia Wei Lifestyle VietNam Limited Company	Subsidiary
Tzeng Shyng Industries Corporation. (Seychelles) (TZ)	Sub-subsidiary
Tzeng Shyng Plastic Product (Heyuan) Co., Ltd. (TSP)	Sub-subsidiary
Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. (TSM)	Sub-subsidiary

Golden Fame Co., Ltd.(Golden Fame)	The main shareholder of the Company is a relation in the second degree with president.
Lucky Star Worldwide Limited(Lucky Star)	The main shareholder of the Company is a relation in the second degree with president.

(2) Significant transactions with the related parties

A. Sales

	2023	2022
Prepara	$178,407	$147,596
FDG	66,277	25,115
Total	$244,684	$172,711

The sales prices and collection terms to related parties were not significantly different from those of sales to non-related parties. The sales price to other related parties were determined through mutual agreement in reference to market conditions, and the collection periods are180 days after shipment.

B. Purchases

	2023	2022
TSP	$2,175,737	$2,551,079
TSM	821,726	1,173,148
Total	$2,997,463	$3,724,227

The price of the Company's purchase of goods from the related parties were negotiated by both parties with reference to market conditions; the payment terms of the Company's purchase of goods to the related partits are equivalent to those of ordinary manufacturers, and the payment periods are 30 days and in addioion, because TSM need to stock up, the payment method is advance payment.

C. Accounts receivable-related parties

	31 Dec 2023	31 Dec 2022
Prepara	$12,181	$90,597
FDG	72,471	24,923
Total	$84,652	$115,520

D. Other receivable-related parties

Non-financial financing	31 Dec 2023	31 Dec 2022
Prepara	$42	$419
FDG	1,572	-
TSP(Note)	579,705	616,331
Subtotal	581,319	616,750
Financial financing		
Prepara	-	46,611
Total	$581,319	$663,361

(Note): Purchases payable not yet due.

E. Prepayment

	31 Dec 2023	31 Dec 2022
TSM	$16,822	$88,584

F. Accounts payable-related parties

	31 Dec 2023	31 Dec 2022
TSP	$719,828	$424,612

G. Other payable-related parties

	31 Dec 2023	31 Dec 2022
Prepara	$6,536	$219

(3) Key management personnel compensation

	2023	2022
Short-term employee benefits(Note)	$69,404	$83,517
Post-employment benefits	432	432
Total	$69,836	$83,949

(Note) including the rental fee for house using by key management.

(4) Others

(a) The Company's loans are jointly and severally guaranteed by related parties.

(b) For the year ended of 31 December 2022, the Company recovered the additional interest expenses of $20,000 thousand paid to related parties Golden Fame and Lucky Star due to the delay in the payment of investment funds for mergers in 2021 and the interest derived from the relevant payment period, which was included in the other income - others.

(c) For the year ended of 31 December 2022, the Company paid business consulting fees $22,368 thousand to FDG, and listed under other expense.

(d) For the year ended of 31 December 2023, the Company paid advertising fees $13,509 thousand and business consulting fees $24,834 thousand to Prepara, and listed under advertising and other expense, respectively.

(e) (d) For the year ended of 31 December 2022, the Company paid shipping fees $75,209 thousand and business consulting fees $20,646 thousand to Prepara, and listed under shipping fee and other expense, respectively.

8. Assets pledged as security

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

	Carrying amount		
Assets pledged for security	31 Dec 2023	31 Dec 2022	Guaranteed debt content
Other financial assets - current	$42,100	$131,801	Long and short-term loans

9. Commitments and contingencies

(1) Amounts available under unused letters of credit as of 31 December 2023 were USD3,572 thousand.
(2) Guaranteed notes issued to the bank due to borrowing as of 31 December 2023 were $1,356,000 thousand, and USD58,000 thousand.
(3) The Company filed a lawsuit with Shenzhen Haojian Electronics Co., Ltd. due to a dispute over a sale and purchase contract, demanding that Shenzhen Haojian Electronics Co., Ltd. overdue the payment of RMB 3,991 thousand and the interest up to the payment date . In this case, the civil judgment of the People’s Court of Qianhai Cooperation District, Shenzhen, Guangdong Province was judged in the civil judgment of the People’s Court of Shenzhen Qianhai Cooperation Zone, Guangdong Province on 29 July 2020. Shenzhen Haojian Electronics Co., Ltd. was required to pay RMB 3,991 thousand for the goods and the interest up to the payment date. And its sole shareholder, Cheng Qiang, was jointly and severally responsible for the repayment. However, Shenzhen Haojian Electronics Co., Ltd. lodged an appeal. On 12 April 2021, the lawyer informed us that we had won the case and the case has entered the execution of freezing the debtor’s property on 8 July 2021, and the court had remitted to the designated account. The execution of this case has been completed; however, Shenzhen Haojian Electronics Co., Ltd. filed a retrial for this case, and the Company have appointed a lawyer to represent us in the retrial defense, the case was rejected by the court during the retrial procedure. The Company won the case again, and the case has been concluded.
(4) To adjust the operating strategy, the Company and the seller signed the share purchase agreement, which acquired Achieve Goal Limited and its subsidiaries: Tzeng Shyng Plastic Product (Heyuan) Co., Ltd. and Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. As of 31 December 2020, due to Guangzhou Lili Industrial Co., Ltd. couldn’t pay off the mature debts, Ganzhou Dongxin Chemical Materials Co., Ltd. applied bankruptcy liquidation to Guangzhou Intermediate People's Court. The details of debt receivables the Guangzhou Lili Industrial Co.,

Ltd. submitted requested the Company’s Sub-Subsidiary, Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. to pay off the debt amounted to RMB 12,374 thousand. Few days ago,the court dismissed the prosecute of the plaintiff Guangzhou Lili Industrial Co., Ltd.. Meanwhile, the dispute of set-off in bankruptcy between the original owner of Tzeng Shyng Melamine Products (Heyuan) Co., Ltd. and Guangzhou Lili Industrial Co., Ltd. is still being trialed by the court. Also, a commitment has been issued, if the case finally requires compensation, the seller will fulfill it. After the Company’s assessment, the aforementioned case has no significant impact on current operation.

(5) A California tableware company filed a patent infringement lawsuit to the Company's subsidiary at the United States District Court of California, after comparing the patent at issue by the US patent attorneys, the Company believes that the product design of the Company has existed in the US sales market for a long time. It is a long-established general process design, which is still different from the patent at issue, and the parties isn't standing in this case. As of January 2022, both parties in this case have conciliated, and plaintiff had withdraw the charge.

(6) A company in Utah, USA, allege that the company infringe their patent, and ask the Company to pay compensation. As of the date releasing report, both parties are still under negotiation and the contingency has been evaluated.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

Financial assets

	31 Dec 2023	31 Dec 2022
Financial assets at amortized cost		
Cash and cash equivalents (excluding cash on hand)	$422,786	$311,710
Accounts receivables	951,876	1,029,631
Other receivables	591,645	699,118
Other financial assets - current	42,100	131,801
Refundable deposits	3,040	2,675
Total	$2,011,447	$2,174,935

Financial liabilities

	31 Dec 2023	31 Dec 2022
Financial liabilities at amortized cost:		
Short-term loans	$1,299,632	$1,332,313
Short-term notes payable	14,963	44,991
Accounts payables	722,002	431,781
Other payables	241,720	253,255
Long-term loans (including current portion)	210,390	290,390
Lease liabilities (including current portion)	18,946	5,044
Total	$2,507,653	$2,357,774

(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 activates. 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, due approval process by the Board of Directors 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 of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity 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.

A. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense 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 forming a natural hedge. 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 as 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. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for 2023 and 2022 are decreased/increased by $74 thousand and $5,410 thousand, respectively.

B. Interest rate risk

Interest rate risk is the risk that the fair value of 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 bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. The interest rate sensitivity analysis is as follow:

A change of 10 basis points of interest rate in a reporting period could cause the profit for 2023 and 2022 to decrease/increase by $1,060 thousand and $1,224 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 accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

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

As of 31 December 2023 and 2022, amounts receivables from top ten customers represent 87.85% and 84.51% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the 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. Consequently, there is no significant credit risk for these counter parties.

In addition, when the Company assesses that it cannot reasonably expect to recover the financial assets (such as the issuer or debtor's major financial difficulties, or has gone bankrupt), it shall recognize 100% of the allowance loss.

The Company will promptly dispose of such investment in debt instruments with increased credit risk to reduce credit losses.When using IFRS 9 to assess expected credit losses, the assessment of forward-looking information (which can be obtained without undue cost or investment) includes general economic information and industry information, etc., will adjust the loss rate further considering significant impact on the forward-looking information.

(5) Liquidity risk managemen

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. 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 as of the end of the reporting period.

Non-derivative financial instruments

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
31 Dec 2023					
Loans	$1,383,000	$132,292	-	-	$1,515,292
Short-term notes payable	$14,963	-	-	-	$14,963
Payables	$963,722	-	-	-	$963,722
Lease liabilities	$8,550	$10,811	$11	-	$19,372
31 Dec 2022					
Loans	$1,395,787	$165,194	$70,812	-	$1,631,793
Short-term notes payable	$44,991	-	-	-	$44,991
Payables	$685,036	-	-	-	$685,036
Lease liabilities	$4,813	$214	$97	-	$5,124

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term loans	Short-term notes payable	Long-term loans	Lease liabilities	Total liabilities from financing activities
1 Jan 2023	$1,332,313	$44,991	$290,390	$5,044	$1,672,738
Cash flow	(32,681)	(30,028)	(80,000)	(11,218)	(153,927)
Non-cach movement	-	-	-	25,120	25,120
31 Dec 2023	$1,299,632	$14,963	$210,390	$18,946	$1,543,931

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loans	Short-term notes payable	Long-term loans	Lease liabilities	Total liabilities from financing activities
1 Jan 2022	$1,369,554	-	$716,845	$9,906	$2,096,305
Cash flow	(37,241)	$44,991	(426,455)	(5,323)	(424,028)
Non-cach movement	-	-	-	461	461
31 Dec 2022	$1,332,313	$44,991	$290,390	$5,044	$1,672,738

(7) Fair values of financial instruments

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

a. The carrying amount of cash and cash equivalents, trade 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 etc.) at the reporting date.

c. 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 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 GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

d. 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 interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Company's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Book value	
	31 Dec 2023	31 Dec 2022
Financial liabilities：		
Short-term loans	$1,299,632	$1,332,313
Short-term notes payable	$14,963	$44,991
Long-term loans (current portion included)	$210,390	$290,390

	Fair value	
	31 Dec 2023	31 Dec 2022
Financial liabilities：		
Short-term loans	$1,299,632	$1,332,313
Short-term notes payable	$14,963	$44,991
Long-term loans (current portion included)	$209,259	$289,149

(8) Fair value measurement hierarchy

A. The definition of 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 determine 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.

(9) Significant assets and liabilities denominated in foreign currencies

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

	31 Dec 2023		
	Foreign currencies (in thousands)	Foreign exchange rate	NT$ (in thousands)
Financial assets			
Monetary items:			
USD	$61,208	30.71	$1,879,392
RMB	$107	4.3352	$464
Non-Monetary items:			
USD	$20,331	30.71	$624,372
VND	$300,856,218	0.001287	$387,202
Financial liabilities			
Monetary items:			
USD	$60,969	30.71	$1,872,053
The exchange (loss) gains of monetary financial assets and liabilities			
USD and RMB			$34,158

	31 Dec 2022		
	Foreign currencies (in thousands)	Foreign exchange rate	NT$ (in thousands)
Financial assets			
Monetary items:			
USD	$60,177	30.71	$1,848,036
RMB	$3,837	4.408	$16,913

Non-Monetary items:			
USD	$24,409	30.71	$749,600
Financial liabilities			
Monetary items:			
USD	$42,556	30.71	$1,306,895
The exchange (loss) gains of monetary financial assets and liabilities			
USD and RMB			$122,027

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency)

(10) 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 payment to shareholders, returning capital to shareholders or issuing new shares.

13. Other disclosure

A. Information at significant transactions and on investees for the years ended 31 December 2023:

(a) Financing provided to others: None.
(b) Endorsement/Guarantee provided to others: None.
(c) Securities held as of 31 December 2023: None.
(d) Individual securities acquired or disposed of with accumulated amount exceeding the lowers of $100 million or 20% of the capital stock: None.
(e) Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.
(f) Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.
(g) Related party transactions for purchases and sales amounts exceeding the lower of $100 million or 20% of the capital stock: Please refer to Attachment 1.
(h) Receivables from related parties with amounts exceeding the lower of $100 million or 20% of capital stock as of 31 December 2023: Please refer to Attachment 2.

(i) Financial instruments and derivative transactions: None

B. Reinvestment business related information:

Those who directly or indirectly have significant influence, control or joint venture control on the invested company that is not in the mainland area should disclose their name, location, main business project, original investment amount, ending shareholding situation, Relevant information such as period profit and loss and recognized investment profit and loss: Please refer to Attachment 3.

C. Information on investments in mainland China:

(a) Information on investments in mainland China：Please refer to Attachment 4.
(b) For the years ended 31 December 2023, the following significant transactions with the investee companies in China directly or indirectly through the third area and the relevant prices, payment terms and unrealized gains and losses:
   i. Purchase, ending balance of related payables and their weightings: Please refer to Attachment 1.
   ii. Sales, the ending balance of related receivables and their weightings: Please refer to Attachment 1.
   iii. The amount of property transactions and the amount of profits and losses: None.
   iv. Ending balance of endorsements/guarantees or collateral provided and the purposes: None.
   v. The maximum balance, ending balance, interest rate range and total interest of the financial intermediation in current period: None.
   vi. Transactions that have significant impact on the profit or loss of current period or the financial position: None.

D. Information of major shareholders as of 31 December 2023: Please refer to Attachment 5.

JIA WEI LIFESTYLE, INC. AND INVESTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RELATED PARTY TRANSACTIONS WITH PURCHASE OR SALES AMOUNT OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Attachment 1

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction(Note 1)		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
Jia Wei Lifestyle, Inc.	Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	sub-subsidiary	Purchases	$2,175,736	70.94%	Net 30 days from the end of the month	-	-	($719,828)	99.70%	
Jia Wei Lifestyle, Inc.	Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	sub-subsidiary	Purchases	$821,726	26.79%	Net 30 days from the end of the month	-	-	-	-	Recognized as advance payments $16,822
Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	subsidiary	Sales	$178,407	3.91%	Net 180 days from the end of the month	-	-	$12,181	1.27%	

Note 1 : If the transcation detail is difference from the general trading terms, the differents and the reasons should be stated in the unit price and the collection/ payment terms columns.

Note 2: If there is an advance payment (payment), the reason, contractual terms, amount, and differences from the general transaction terms should be stated in the note column.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer’s stock has no par value or the par value per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet .

Note 4：All the above transactions were eliminated on consolidation.

JIA WEI LIFESTYLE, INC. AND INVESTEES

AS OF 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Attachment 2

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 1)	Turnover Ratio (times)	Overdue		Amounts Received in Subsequent Periods	Allowance for Doubtful Accounts
					Amount	Action Taken		
Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	Jia Wei Lifestyle, Inc.	sub-subsidiary	$719,828	5.00	-	-	$670,106	-

Note 1: Please fill in separately according to accounts receivable, bills, other receivables... etc.

Note 2：All the above transactions were eliminated on consolidation.

JIA WEI LIFESTYLE, INC. AND INVESTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (Not including investment in Mainland China)

Attachment 3

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(2))	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
Jia Wei Lifestyle, Inc.	Golden Star Ocean Ltd.	Seychelles	Investment holding	$1,484,100 (USD48,500)	$1,484,100 (USD48,500)	-	100.00%	$1,325,017	($20,766)	($20,766)	subsidiary
Golden Star Ocean Ltd.	Tzeng Shyng Industries Corp.	Seychelles	International trade	-	-	-	100.00%	(USD2,939) (Note 3)	($20,714)	($20,714)	sub-subsidiary
Golden Star Ocean Ltd.	First Design Global, Inc.	California, USA	International trade	-	-	-	0.16% (Note 3)	(USD1,997)	($31,737)	($51)	sub-subsidiary
Jia Wei Lifestyle, Inc.	Achieve Goal Limited	Darawa, USA	Investment holding	$688,524 (USD23,600)	$688,524 (USD23,600)	-	100.00%	$768,823	($123,529)	($123,529)	subsidiary
Jia Wei Lifestyle, Inc.	Freshlink Product Development,LLC.DBA PREPARA	New York, USA	Household products design and trade	$483,898 (USD16,000)	$422,550 (USD14,000)	-	100.00%	$240,230	($39,464)	($39,464)	subsidiary
Jia Wei Lifestyle, Inc.	First Design Global, Inc.	California, USA	International trade	$143,875 (USD5,000)	$143,875 (USD5,000)	-	99.84%	$36,800	($31,737)	($31,686)	subsidiary
Jia Wei Lifestyle, Inc.	Jia Wei Lifestyle Vietnam Limited Company	Vietnam	Productions and sales of household products	$401,209 (USD12,500)	- -	-	100.00%	$387,202	($6,065)	($6,065)	subsidiary

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as the main financial statements in accordance with local laws and regulations,

the disclosure of information about the foreign invested company may only disclose relevant information to the holding company.

Note 2: For those who are not in the circumstances described in (Note 1), fill in according to the following regulations:

（1）All columns above should be filled, and the nature of relationships should be stated in the Note column.

（2）Net income (loss) should be stated in the Investee Company column.

（3）It is only necessary to fill in the profit and loss amount of each subsidiary recognized by the (public offering) company for direct reinvestment and each invested company evaluated by the equity method, and the rest is not required.

Note 3: It is the book value at the end of the investment period of the M&A entity

JIA WEI LIFESTYLE, INC. AND INVESTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

INFORMATION ON INVESTMENT IN MAINLAND CHINA

Attachment 4

(1)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method ofInvestment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Profits/ Losses of the Investee Company	Percentage of Ownership (Direct or Indirect Investment)	Share of Profits/Losses(Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Gamma Optical Investment (Samoa) Co.,Ltd.	Manufacturing and processing of optical products, conductive films and related materials	-	2	$141,963	—	—	$141,963	—	—	—	—	—
Tzeng Shyng Plastic Product (Heyuan) Co., Ltd.	Production and sales of household products	USD$16,500 ($514,305)	2	$461,311 (USD15,812)	—	—	$461,311 (USD15,812)	($76,581)	100.00%	($76,581) (2).B	$467,891 (USD15,238)	—
Tzeng Shyng Melamine Products (Heyuan) Co., Ltd.	Production and sales of household products	USD$6,500 ($202,605)	2	$227,213 (USD7,788)	—	—	$227,213 (USD7,788)	($39,379)	100.00%	($39,379) (2).B	$155,791 (USD5,074)	—

(2)

Accumulated Outflow of Investment from Taiwan to Mainland China at the end of year	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note5)
$832,270 (USD28,087,831.39)	$864,225 (USD29,087,831.39)	$1,415,773

(Note 1) : The methods for investment in Mainland China are categorized into the following three types. Please specify the type.

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in the third area (Please specify the name of the company in third region).

(3) Others.

(Note 2) : In Share of Profits/Losses column

(A) If it is in preparation and there is no investment gain or loss, it should be indicated

(B) The recognition basis of investment gains and losses is divided into the following three types, which should be specified

1. The approved financial statements have been checked by all international accounting firms in cooperation with the Republic of China Accounting Firm.

2. The financial statements of the visa are reviewed by the Taiwanese parent company's visa accountant.

3.Other

(Note 3) : The table is expressed in thousands of New Taiwan Dollars.

(Note 4) : All the above transactions were eliminated on consolidation.

(Note 5) : 60% of combined net worth.

JIA WEI LIFESTYLE, INC. AND INVESTEES

AS OF 31 DECEMBER 2023

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

MAJOR SHAREHOLDER INFORMATION

Attachment 5

Unit：Share

Major shareholder	stock	
	Number of shares	Percentage of ownership
SMART INVESTMENT LIMITED	10,345,034	12.88%
MYOTT INVESTMENT CO., LTD.	7,611,310	9.47%
DA FA UNIVERSAL INVESTMENT LIMITED	7,018,294	8.74%
OMEGA INVESTMENT LIMITED	5,780,000	7.19%

Note 1: The information of major shareholders in this table is based on the last business day of the end of each quarter by Taiwan Depository & Clearing Corporation, calculating that shareholders hold 5% or above of the company’s ordinary shares and special shares that have completed unregistered delivery (including treasury shares). The above information. As for the share capital recorded in the company's financial report and the company's actual number of shares delivered without physical registration, there may be differences or differences due to different calculation bases.

Note 2: If the above-mentioned information belongs to the shareholders' delivery of shares to the trust, it is disclosed in individual accounts by the trustor who opened the trust account by the trustee. As for the shareholder’s declaration of insider’s equity holding more than 10% of the shares in accordance with the Securities Exchange Act, his shareholding includes his own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. For information on insider’s equity declaration, please refer to Public information observatory.