Stock Code: 1786

科妍生物科技
SciVision Biotech

SciVision Biotech Inc.

2024 Annual Report

Annual Report Access Website: http://mops.twse.com.tw/
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Company Annual Report and Related Information Website: Same as above

Printed on May 25, 2025

1. Name, Title, Contact Number, and Email Address of the Spokesperson and Deputy Spokesperson:
Spokesperson: Han, Tai-Xian
Title: President
Phone: (07)823-2258
Email: service@scivision.com.tw
Deputy Spokesperson: Kuo, Ju-Ling
Title: Vice President
Phone: (07)823-2258
Email: service@scivision.com.tw

2. Addresses and Phone Numbers of the Head Office, Branches, and Plants:
Head Office: No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City
Phone: (07)823-2258
Main Plant: No. 9, S. 6th Rd., Qianzhen Dist., Kaohsiung City
Biotech Plant 1: No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City
Phone: (07)823-2258

3. Stock Transfer Agency – Name, Address, Website, and Phone Number:
Name: HORIZON SECURITIES CO., LTD.
Address: No. 236-3, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City
Phone: (02)2326-8818
Website: www.honsec.com.tw

4. Names, Firm, Address, Website, and Phone Number of the Certified Public Accountants for the Most Recent Fiscal Year:
CPAs: CPA Li, Fang-Wen and CPA Hung, Kuo-Sen
Firm: Ernst & Young CPAs
Address: No. 2-17, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City
Phone: (07)238-0011
Website: http://www.ey.com/tw/zh_tw

5. Name of the Trading Market for Overseas Listed Securities and How to Access Information on Such Securities: None.

6. Company Website: www.scivision.com.tw

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I. Report to Shareholders

1.2024 Business Performance

(1)Implementation Results of Business Plan

The Company’s operating revenue for 2024 was NT$883,310 thousand, an increase of NT$170,322 thousand or approximately 23.89% compared to NT$712,988 thousand in 2023. The growth in operating revenue was primarily due to concurrent increases in sales of anti-adhesion products and Synovial Fluid Supplements.

(2)Budget Execution

The Company did not disclose financial forecasts for 2024; therefore, there is no information regarding budget achievement.

(3)Financial Income and Expenditure and Profitability Analysis

Unit: NT$ thousand (except Basic Earnings Per Share in NT dollars)

Item	Year	2024	2023	Increase (Decrease) (%)
Financial Income and Expenditure	Operating Revenue	883,310	712,988	23.89%
	Gross Profit	655,684	512,494	27.94%
	Net Income After Tax	242,254	177,900	36.17%
Profitability Analysis	Return on Assets (%)	10.29%	8.24%	24.87%
	Return on Equity (%)	12.77%	10.94%	16.73%
	Net Profit Margin (%)	27.43%	24.95%	9.92%
	Basic Earnings Per Share	3.51	2.66	31.95%

(4)Research and Development Status (Technologies or Products Successfully Developed in 2024)

FUYANMEI Poly-L-Lactic Acid, GIOVANIS Dermal Implant, and Patent: "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product"

2. Overview of the 2025 Business Plan

(1)Management Policy

Centered around the Company’s core patented CHAP hyaluronic acid platform and the “Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product,” the Company will continue to develop four major product categories: Aesthetic Medicine, Geriatric Care, Surgical Applications, and Urological System. SciVision Biotech Inc. will persist in advancing innovative R&D to develop competitive and commercially valuable products. While maintaining its leading position in the Taiwan market, the Company will actively expand into new domestic and overseas markets to establish a global footprint.

(2) Estimated Sales Volume, Basis for Estimation, and Major Production and Marketing Policies

The Company has entered into distribution agreements with both domestic and overseas customers. Business plans are estimated based on customers' delivery schedules, the progress of market promotion, and historical production and sales data. The management team establishes overall goals and strategies, including specific plans for R&D, production, and sales, and implements them step by step.

3. Future Company Development Strategies

Combining the innovative capabilities of new biomedical materials with the Company's core CHAP hyaluronic acid patent platform and the "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product," SciVision Biotech Inc. aims to create next-generation technologies and service domains. By leveraging extensive experience in manufacturing and quality management, the Company will offer customers a diverse range of niche products and value-added services, deepening and broadening partnerships.

4. Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

(1) External Competitive Environment

In recent years, the Company has faced increasing competition from domestic and international manufacturers, along with tightened drug pricing under Taiwan's National Health Insurance system, which has compressed profit margins. In response, the Company has intensified efforts in regulatory approvals for target markets and actively collaborated with reputable and professional distributors in various regions to explore emerging markets. The Company is dedicated to product research and innovation, expanding both the breadth and depth of its product portfolio while optimizing product quality. Efforts are focused on developing competitive and differentiated products. The Company has invested additional professional manpower and resources to pursue international collaborations, establish new technology platforms, raise technological thresholds, and achieve goals of technological diversification, market internationalization, and product diversification.

(2) Regulatory Environment

With the formal implementation of the European Union's new Medical Device Regulation (MDR), regulatory requirements for medical devices have become increasingly stringent worldwide. The Company possesses extensive practical experience in regulatory audits and compliance. The Company undergoes annual GMP inspections conducted by Taiwan's health authorities, EU-notified bodies, and health authorities from countries where international customers are located. These practices help mitigate the operational impacts that may arise from regulatory changes.

(3) Macroeconomic Environment

As the global impact of the pandemic subsides and medical institutions resume routine examinations, new challenges have emerged in recent years due to the deterioration of U.S.-China relations, the Russia-Ukraine war, and fluctuations in U.S. tariff and exchange rate policies. These factors have led to global economic instability, affecting consumer demand for aesthetic medical products. However, from a long-term perspective, with global population aging and rising living standards, healthcare and aesthetic medical expenditures are taking up an increasing share of GDP. The biotechnology industry has become a trend-setting sector. The SciVision team continues to enhance its R&D capabilities, improve production and service efficiency, and will continue to strengthen its presence in the Taiwan market while expanding into international markets as part of its global strategy.

II. Corporate Governance Report

1. Information on directors, presidents, vice presidents, assistant managers, heads of departments and branches

(1)Directors

1. Directors' Information

Apr. 29, 2025

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	ROC	Han, Kai-Cheng	Male 61-70	2002.06.14	2023.06.28	3	1,887,880	2.82	1,887,880	2.62	419,540	0.58	0	0.00	National University of Kaohsiung, EMBA Graduate Institute Director, BOARDTEK ELECTRONICS CORPORATION	Director, UNI-PROFIT INDUSTRIAL LIMITED	Director	Han, Tai-Wei	Brother	-
Director	ROC	Yang, Ming-Gong	Male 61-70	2014.06.18	2023.06.28	3	2,936,230	4.38	2,936,230	4.07	2,712,682	3.76	0	0.00	Chairman/Responsible Person, MAIN SUPER ENTERPRISES CO., LTD. Responsible Person, Dongguan Huabao Electronics Factory	Representative of Legal Entity Director, JESS-LINK PRODUCTS CO., LTD. President, TOP POINT INVESTMENTS LTD. Director, IVY LIFE SCIENCES CO., LTD.	Director	Yang, Li-Shu-Lan	Spouse	-
Director	ROC	Yang, Li-Shu-Lan	Female 61-70	2020.06.22	2023.06.28	3	2,712,682	4.04	2,712,682	3.76	2,936,230	4.07	0	0.00	Responsible Person, Chang Chen Technology Co., Ltd. Vice President, MAIN SUPER ENTERPRISES CO., LTD.	Responsible Person, TOP POINT INVESTMENTS LTD.	Director	Yang, Ming-Gong	Spouse	-
Director	ROC	Han, Tai-Wei	Male 51-60	2017.06.14	2023.06.28	3	255,813	0.38	255,513	0.35	0	0.00	0	0.00	Ph.D. in Environmental Biology and Fisheries Science, National Taiwan Ocean University	Legal Representative, Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	Chairman	Han, Kai-Cheng	Brother	-
Director	ROC	Pan, Zong-Wei	Male 41-50	2017.06.14	2023.06.28	3	2,848	0.00	2,848	0.00	0	0.00	0	0.00	Master's Degree, Institute of Marine Resources, National Sun Yat-sen University Researcher, Institute of Marine Resources, National Sun Yat-sen University	Vice President, SciVision Biotech Inc. Responsible Person, Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	None	None	None	-
Director	ROC	Kuo, Ju-Ling	Female 51-60	2023.06.28	2023.06.28	3	438,511	0.65	438,511	0.61	0	0.00	0	0.00	Department of Accounting, College of Law and Business, National Chung Hsing University Senior Auditor, KPMG	—	None	None	None	

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Chen, Zhao-Long	Male 71-80	2023.06.28	2023.06.28	3	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor of Medicine, Kaohsiung Medical University Honorary Doctorate, Cheng Shiu University Honorary Doctorate, Universidad Autónoma de Asunción (Paraguay) Honorary Doctorate, Universidad de San Carlos de Guatemala	Chairman, Chen Chao-Long Liver Transplantation Foundation Chairman, Chen Chao-Long Academic Foundation Director, Fooyin University Director, Taipei Medical University Honorary Superintendent, Kaohsiung Chang Gung Memorial Hospital Chairman, CHO PHARMA INC. Director, FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. TAIWAN BRANCH Independent Director, King's Town Bank Co., Ltd. Director, Taiwan Bio-Development Foundation Chairman, MICROBIO (Shanghai) Co., Ltd. Independent Director, NAN LIU ENTERPRISE CO., LTD.	None	None	None	
Independent Director	ROC	Chen, Rong-Chao	Male 51-60	2019.06.25	2023.06.28	3	0	0.00	0	0.00	0	0.00	0	0.00	Department of Accounting, College of Law and Business, National Chung Hsing University Master of Laws, National Chung Cheng University Certified Public Accountant, Wat CPA Firm	Independent Director, YA HORNG ELECTRONIC CO., LTD. Member of the Compensation Committee, JUNG SHING WIRE CO., LTD. Independent Director, COMPUCASE ENTERPRISE CO., LTD.	None	None	None	-
Independent Director	ROC	Chen, Shui-Cong	Male 51-60	2020.06.22	2023.06.28	3	0	0.00	0	0.00	0	0.00	0	0.00	Graduate Program in Law (incomplete), National Chengchi University Department of Law, National Taiwan University Legal Advisor, Kaohsiung City Council	Attorney-at-law, CHEN & KUO ATTORNEYS-AT-LAW Independent Director, EST GLOBAL APPAREL CO., LTD.	None	None	None	-

2. Independence analysis of directors and supervisors

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Han, Kai-Cheng	Han has over 20 years of expertise in the management and strategic operations of the biotechnology industry. As the Chairman of the Board, he communicates and interacts with all directors regarding strategic business operations. He possesses capabilities in business, marketing, and industrial technology. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (2) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0
Yang, Ming-Gong	Yang is equipped with corporate governance, business, and marketing expertise, and is capable of providing timely advice to the Company's Board of Directors on matters related to operational management. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Not an employee of the Company or its affiliated enterprises. (2) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (3) Not a director, supervisor, or employee of another company where more than half of the Company's board seats or voting shares are under the control of the same person. (4) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (5) Not a director (or supervisor), supervisor (or inspector), managerial officer, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the Company. (6) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yang, Li-Shu-Lan	Yang is equipped with corporate governance, business, and marketing expertise, and is capable of providing timely advice to the Company's Board of Directors on matters related to operational management. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Not an employee of the Company or its affiliated enterprises. (2) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (3) Not a director, supervisor, or employee of another company where more than half of the Company's board seats or voting shares are under the control of the same person. (4) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (5) Not a director (or supervisor), supervisor (or inspector), managerial officer, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the Company. (6) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0
Han, Tai-Wei	Han is focused on management and strategic planning in the biotechnology industry and is capable of providing timely advice to the Company's Board of Directors on matters related to operational management. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Neither the individual nor his/her spouse, minor children, or others on whose behalf shares are held own 1% or more of the Company's total issued shares or rank among the top 10 shareholders. (2) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (3) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (4) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Pan, Zong-Wei	Pan is focused on management and strategic planning in the biotechnology industry and is capable of providing timely advice to the Company's Board of Directors on matters related to operational management. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Neither the individual nor his/her spouse, minor children, or others on whose behalf shares are held own 1% or more of the Company's total issued shares or rank among the top 10 shareholders. (2) Not related to any other director as a spouse, within the second degree of kinship by blood or marriage, or within the third degree of direct blood relation. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (4) Not a director, supervisor, or employee of another company where more than half of the Company's board seats or voting shares are under the control of the same person. (5) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (6) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Kuo, Ju-Ling	Kuo possesses professional expertise in corporate governance, business, and financial accounting, and is capable of providing timely advice to the Company's Board of Directors on matters related to operational management. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Neither the individual nor his/her spouse, minor children, or others on whose behalf shares are held own 1% or more of the Company's total issued shares or rank among the top 10 shareholders. (2) Not related to any other director as a spouse, within the second degree of kinship by blood or marriage, or within the third degree of direct blood relation. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (4) Not a director, supervisor, or employee of another company where more than half of the Company's board seats or voting shares are under the control of the same person. (5) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (6) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	0
Chen, Zhao-Long (Independent Director)	Chen is a graduate of the School of Medicine at Kaohsiung Medical University and currently serves as Honorary Superintendent of Kaohsiung Chang Gung Memorial Hospital. He has extensive experience in clinical medicine and surgery. His professional expertise contributes to enhancing the quality of corporate governance and the supervisory functions of the Audit Committee. Not involved in any of the circumstances listed under Article 30 of the Company Act.	(1) Not an employee of the Company or its affiliated enterprises. (2) Neither the individual nor his/her spouse, minor children, or others on whose behalf shares are held own 1% or more of the Company's total issued shares or rank among the top 10 shareholders. (3) Not related to any other director as a spouse, within the second degree of kinship by blood or marriage, or within the third degree of direct blood relation. (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total issued shares of the Company, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Paragraph 1 or Paragraph 2, Article	2
Chen, Rong-Chao (Independent Director)	Chen holds a degree in Accounting from the College of Law and Business at National Chung Hsing University and a Master of Laws from National Chung Cheng University. Chen currently practices as a certified public accountant at Wat CPA Firm. Chen possesses professional and practical experience in business, law, finance, and accounting. His expertise helps strengthen corporate governance and the oversight functions of the Audit Committee. Not involved in any of the circumstances listed under Article 30 of the Company Act.		2

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Shui-Cong (Independent Director)	Chen holds a degree in Law from National Taiwan University and attended the Master's Program in Law at National Chengchi University (incomplete). Chen currently serves as an attorney at CHEN & KUO ATTORNEYS-AT-LAW. Chen possesses professional and practical experience in business and law. His expertise helps strengthen corporate governance and the oversight functions of the Audit Committee. Not involved in any of the circumstances listed under Article 30 of the Company Act.	27 of the Company Act. (5) Not a director, supervisor, or employee of another company where more than half of the Company's board seats or voting shares are under the control of the same person. (6) Not a director (or supervisor), supervisor (or inspector), or employee of another company or institution where the Chairman or President (or equivalent) of the Company is the same person or spouse. (7) Not a director (or supervisor), supervisor (or inspector), managerial officer, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the Company. (8) Not a professional, sole proprietorship, partnership, company, or institutional owner, partner, director (or council member), supervisor (or inspector), managerial officer, or spouse thereof who provides audit services or receives total remuneration exceeding NT$500,000 within the past two years for business, legal, financial, or accounting services to the Company or its affiliates. (9) Not elected as a director pursuant to Article 27 of the Company Act by a government agency, juristic person, or its representative.	1

Note 1: Professional qualifications and experience: Describes the professional qualifications and experience of each director and supervisor. For members of the Audit Committee possessing accounting or financial expertise, their accounting or financial background and work experience shall be specified. Additionally, whether they fall under any circumstance stipulated in Article 30 of the Company Act shall be stated.

Note 2: Independent directors shall disclose compliance with independence criteria, including but not limited to whether they or their spouses or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates; the number and proportion of Company shares held by them, their spouses, or second-degree relatives (including shares held under the names of others); whether they serve as directors, supervisors, or employees of specific related companies (as defined in Paragraphs 5 to 8, Article 3, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliates in the past two years.

3. Board Diversity and Independence

(1) Board Diversity

According to Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall consider diversity, and an appropriate diversity policy shall be formulated based on the Company's operational mode, business nature, and development needs. The Company has a total of nine directors, including three independent directors. The professional backgrounds of the Board members cover biotechnology, business, finance, and management experience. They possess the necessary industry knowledge, operational judgment, international market perspective, leadership, and decision-making capabilities to provide professional advice from various perspectives, thereby enhancing the Company's operational performance and management efficiency.

The Company emphasizes board diversity with the following goals: no more than one-third of directors concurrently serving as managers of the Company; promoting gender equality with at least one female director; and covering at least four of the following core competencies: business management, leadership and decision-making, industry knowledge, finance and accounting, and law.

The Company achieved its board diversity management goals in 2024, as detailed below:

A. Basic Qualifications and Values

Names of directors	Nationality	Sex	Employee of the Company	Age				Length of service of independent directors
				41-50	51-60	61-70	71-80	
Han, Kai-Cheng	ROC	Male	✓			✓		
Yang, Ming-Gong	ROC	Male				✓		
Yang, Li-Shu-Lan	ROC	Female				✓		
Han, Tai-Wei	ROC	Male			✓			
Kuo, Ju-Ling	ROC	Female	✓		✓			
Pan, Zong-Wei	ROC	Male	✓	✓				
Chen, Zhao-Long	ROC	Male					✓	2
Chen, Rong-Chao	ROC	Male			✓			6
Chen, Shui-Cong	ROC	Male			✓			5

B. 多元核心

Names of directors	Operational judgment capability	Accounting and financial analysis capability	Business management capability	Crisis management capability	Industry knowledge	International market perspective	Leadership capability	Decision-making capability	Legal expertise
Han, Kai-Cheng	✓	✓	✓	✓	✓	✓	✓	✓	
Yang, Ming-Gong	✓	✓	✓	✓	✓	✓	✓	✓	
Yang, Li-Shu-Lan	✓	✓	✓	✓	✓	✓	✓	✓	
Han, Tai-Wei	✓	✓	✓	✓	✓	✓	✓	✓	
Kuo, Ju-Ling	✓	✓	✓	✓	✓	✓	✓	✓	

Pan, Zong-Wei	✓	✓	✓	✓	✓	✓	✓	✓	
Chen, Zhao-Long	✓	✓	✓	✓	✓	✓	✓	✓	
Chen, Rong-Chao	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Shui-Cong	✓	✓	✓	✓	✓	✓	✓	✓	✓

(2) Independence of the Board of Directors

The Company has a total of nine directors, of which three are independent directors, accounting for 33.33% of all board seats. There are no circumstances where more than half of the board members are spouses or within the second degree of kinship as stipulated in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

(2)President, Vice President, Associate Managers, Heads of Departments and Branches

Apr. 28, 2024

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	ROC	Han, Kai-Cheng	Male	2002.06.14	1,887,880	2.62	419,540	0.58	–	–	National University of Kaohsiung, EMBA Graduate Institute Director, BOARDTEK ELECTRONICS CORPORATION	Director, UNI-PROFIT INDUSTRIAL LIMITED	President	Han, Tai-Xian	Brother	
President	ROC	Han, Tai-Xian	Male	2021.05.06	1,693,015	2.35	443,208	0.61	–	–	Researcher, Institute of Biological Sciences, National Sun Yat-sen University Department of Accounting, College of Law and Business, National Chung Hsing University		Chairman	Han, Kai-Cheng	Brother	
Vise President	ROC	Kuo, Ju-Ling	Female	2020.05.07	438,511	0.61	–	–	–	–	Department of Accounting, College of Law and Business, National Chung Hsing University Senior Auditor, KPMG	–	–	–	–	
Vise President	ROC	Pan, Zong-Wei	Male	2020.05.07	2,848	0.00	–	–	–	–	Master’s Degree, Institute of Marine Resources, National Sun Yat-sen University Researcher, Institute of Marine Resources, National Sun Yat-sen University	Responsible Person, Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	–	–	–	
Associate Manager, Quality Assurance	ROC	Cai, You-Zhen	Female	2020.06.01	29,991	0.04	–	–	–	–	Master’s Degree, Institute of Food Science, National Pingtung University of Science and Technology Assistant Researcher, Global Innovation Nano Technology CO., LTD.	–	–	–	–	

Note: Where the President or an equivalent top manager is the same person as the Chairperson, or is a spouse or first-degree relative of the Chairperson, the reason, rationality, necessity, and response measures must be disclosed: No such situation.

2. Compensation of Directors, Independent Directors, Supervisors, President, and Vice Presidents

(1)Compensation of Directors and Independent Directors:

NT$ thousands; %

Title	Name	Compensation								Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F) (Note 2)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairperson	Han, Kai-Cheng	720	720	0	0	11,433	11,433	454	454	12,607 5.20%	12,607 5.20%	12,571	12,571	577	577	2,650	0	2,650	0	28,405 11.73%	28,405 11.73%	No
Director	Yang, Ming-Gong																					
Director	Yang, Li-Shu-Lan																					
Director	Han, Tai-Wei																					
Director	Pan, Zong-Wei																					
Director	Kuo, Ju-Ling																					
Independent Director	Chen, Zhao-Long	1,080	1,080	0	0	0	0	165	165	1,245 0.51%	1,245 0.51%	0	0	0	0	0	0	0	0	1,245 0.51%	1,245 0.51%	No
Independent Director	Chen, Rong-Chao																					
Independent Director	Chen, Shui-Cong																					

1. Please describe the policy, system, standards, and structure of remuneration for independent directors, and explain the correlation between the level of remuneration and factors such as duties, risks, and time commitment:

   Directors of the Company may receive compensation for executing Company business. The amount is determined based on their level of participation in Company operations and the value of their contributions, taking into consideration the "Rules for Board Performance Evaluation." Internal performance evaluations are conducted annually, considering evaluation items such as: understanding of Company goals and missions, awareness of responsibilities, internal relationship management and communication, professional expertise and continuing education, and internal control. The evaluation results serve as a reference for setting individual director compensation. Reasonable remuneration is provided and, in accordance with the Articles of Incorporation, the Board of Directors is authorized to determine compensation with reference to industry standards. In addition, if the Company is profitable during the year, in accordance with Article 18 of the Articles of Incorporation, no more than 5% of the profit may be allocated as director compensation (independent directors are not entitled to this allocation). The actual allocation ratio and amount are reviewed by the Compensation Committee and submitted to the Board of Directors for resolution.

   In light of the responsibilities and independence of independent directors, the Company determines their remuneration based on a fixed monthly amount per person, regardless of the Company's profits or losses. The amount is determined with reference to industry standards and submitted annually to the Compensation Committee for review and subsequently to the Board of Directors for resolution.
2. The actual amount of retirement or pension payments disbursed in 2024 was NT$0 thousand; the recognized expense for retirement and pension provisions was NT$577 thousand.
3. Other than the disclosures above, in the most recent year, there were no other remuneration payments received by directors for providing services (such as acting as a consultant for the parent company, companies included in the financial report, or investees, where such roles are not as employees).

Compensation Scale

Range of Compensation	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Less than NT$1,000,000	Han, Tai-Wei、Kuo, Ju-Ling、Chen, Zhao-Long、Chen, Rong-Chao、Chen, Shui-Cong	Han, Tai-Wei、Kuo, Ju-Ling、Chen, Zhao-Long、Chen, Rong-Chao、Chen, Shui-Cong	Han, Tai-Wei、Chen, Zhao-Long、Chen, Rong-Chao、Chen, Shui-Cong	Han, Tai-Wei、Chen, Zhao-Long、Chen, Rong-Chao、Chen, Shui-Cong
NT$1,000,000 to NT$1,999,999	Yang, Ming-Gong、Yang, Li-Shu-Lan、Pan, Zong-Wei	Yang, Ming-Gong、Yang, Li-Shu-Lan、Pan, Zong-Wei	Yang, Ming-Gong、Yang, Li-Shu-Lan	Yang, Ming-Gong、Yang, Li-Shu-Lan
NT$2,000,000 to NT$3,499,999	-	-		
NT$3,500,000 to NT$4,999,999	-	-	Kuo, Ju-Ling、Pan, Zong-Wei	Kuo, Ju-Ling、Pan, Zong-Wei
NT$5,000,000 to NT$9,999,999	Han, Kai-Cheng	Han, Kai-Cheng	-	-
NT$10,000,000 to NT$14,999,999	-	-	Han, Kai-Cheng	Han, Kai-Cheng
NT$15,000,000 to NT$29,999,999	-	-	-	-
NT$30,000,000 to NT$49,999,999	-	-	-	-
NT$50,000,000 to NT$99,999,999	-	-	-	-
More than NT$100,000,000	-	-	-	-
Total	9	9	9	9

(2)Compensation for President and Vice Presidents

Unit: NT$ thousands; Thousand share; %

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances(C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation from ventures other than subsidiaries or from the parent company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Han, Kai-Cheng	12,934	12,934	776	776	3,971	3,971	3,546	0	3,546	0	21,227 8.76%	21,227 8.76%	No
President	Han, Tai-Xian													
Vice President	Kuo, Ju-Ling													
Vice President	Pan, Zong-Wei													

Compensation Scale

Range of Compensation	Names of President and Vice Presidents	
	The Company	All companies in the consolidated financial statements
Less than NT$1,000,000		
NT$1,000,000 to NT$1,999,999		
NT$2,000,000 to NT$3,499,999	Pan, Zong-Wei	Pan, Zong-Wei
NT$3,500,000 to NT$4,999,999	Kuo, Ju-Ling	Kuo, Ju-Ling
NT$5,000,000 to NT$9,999,999	Han, Kai-Cheng、Han, Tai-Xian	Han, Kai-Cheng、Han, Tai-Xian
NT$10,000,000 to NT$14,999,999	-	-
NT$15,000,000 to NT$29,999,999	-	-
NT$30,000,000 to NT$49,999,999	-	-
NT$50,000,000 to NT$99,999,999	-	-
More than NT$100,000,000	-	-
Total	4	4

(3)The name of the manager who distributes employees' compensation and the distribution status

Unit: NT$ thousands; %

<table>
<tr><th rowspan="7">Managers</th><th>Title</th><th>Name</th><th>Stock</th><th>Cash</th><th>Total</th><th>Ratio of Total Amount to Net Income (%)</th></tr>
<tr><td>CEO</td><td>Han, Kai-Cheng</td><td rowspan="6">0</td><td rowspan="6">3,968</td><td rowspan="6">3,968</td><td rowspan="6">1.64%</td></tr>
<tr><td>President</td><td>Han, Tai-Xian</td></tr>
<tr><td>Vice President</td><td>Kuo, Ju-Ling</td></tr>
<tr><td>Vice President</td><td>Pan, Zong-Wei</td></tr>
<tr><td>Associate Manager, Quality Assurance</td><td>Cai, You-Zhen</td></tr>
<tr><td>Manager, R&D Department</td><td>Chen, Tuo-Cheng</td></tr>
</table>

(4) Comparative Analysis of the Total Compensation Paid to the Company's Directors, President, and Vice Presidents as a Percentage of Net Income After Tax by the Company and All Companies Included in the Consolidated Financial Statements Over the Past Two Years, and Explanation of the Compensation Policy, Standards and Structure, Procedures for Determination, and the Correlation with Operational Performance and Future Risk:

1. Analysis of the total compensation paid to the Company's directors, President, and Vice Presidents as a percentage of net income after tax over the past two years:

Unit: NT$ thousands; %

Title	2024				2023			
	Total amount		Percentage of profit after tax		Total amount		Percentage of profit after tax	
	The Company	All companies included in the Consolidated Financial Statements	The Company	All companies included in the Consolidated Financial Statements	The Company	All companies included in the Consolidated Financial Statements	The Company	All companies included in the Consolidated Financial Statements
Director	13,852	13,852	5.71	5.71	13,906	13,906	7.82	7.82
President, and Vice President	21,227	21,227	8.76	8.76	20,324	20,324	11.42	11.42

2. The policies, standards, and portfolios for the payment of compensation, the procedures for determining compensation, and the correlation with business performance:

(1) Directors

The Company's compensation policy for directors is based on Article 15 of the Articles of Incorporation, which authorizes the Board of Directors to determine director remuneration by considering their participation in the Company's operations, contribution value, and general industry standards. In addition, according to Article 18 of the Articles of Incorporation, if the Company is profitable in a given year, no more than 5% of the annual profit shall be allocated as directors' compensation. However, if there is any accumulated deficit, it must first be offset. The Company has also established the Rules for Board Performance Evaluation, authorizing the Board to consider directors' participation in operations, contribution value, and any special contributions as a comprehensive basis for performance evaluation and compensation. Independent directors receive fixed remuneration and are not entitled to any additional compensation. Compensation for directors concurrently serving as employees is determined according to the Company's internal policies.

Performance evaluations of the Board are conducted at least once a year and cover the entire Board, individual members, and functional committees. Evaluation indicators include participation in Company operations, enhancement of board decision-making quality, understanding of the Company's goals and mission, recognition of responsibilities, and awareness of functional committee duties.

(2) President and Vice Presidents

According to Article 18 of the Articles of Incorporation, if the Company is profitable in a given year, not less than 5% of annual profit shall be allocated as employee compensation. However, if there is any accumulated deficit, it must first be offset. The compensation for the President and Vice Presidents includes salary, bonuses, and employee compensation. Salary is determined based on academic background, professional experience, seniority, and job characteristics. Bonuses are calculated by considering the achievement of corporate, departmental, and individual performance. Performance evaluation items include financial indicators (such as revenue growth rate, expense control rate, budget execution rate, gross profit and net profit growth rate) and non-financial indicators (such as completion of strategic assignments, participation in sustainable development), and are used as the basis for calculating compensation ratios. The Company also considers industry benchmarks to provide reasonable remuneration.

(3) The Company established its Compensation Committee in December 2011. The Committee reviews market practices and considers the relevance between individual performance, Company performance, and future risks. The Committee convenes at least twice a year to review and assess policies, systems, standards, and structures related to performance evaluations and compensation for directors and executives. The Committee makes recommendations based on its assessments, which are then submitted to the Board of Directors for discussion, in order to achieve a balance between risk control and sustainable corporate development.

3. Implementation of Corporate Governance

(1)Operation of the Board of Directors:

From the most recent fiscal year to the date of publication, the Board of Directors convened 6 times (A). Directors' attendance is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairperson	Han, Kai-Cheng	6	0	100%	
Director	Yang, Ming-Gong	6	0	100%	
Director	Yang, Li-Shu-Lan	6	0	100%	
Director	Han, Tai-Wei	6	0	100%	
Director	Kuo, Ju-Ling	6	0	100%	
Director	Pan, Zong-Wei	6	0	100%	
Independent Director	Chen, Zhao-Long	6	0	100%	
Independent Director	Chen, Rong-Chao	5	1	83%	
Independent Director	Chen, Shui-Cong	5	1	83%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; therefore, Article 14-3 of the Securities and Exchange Act is not applicable. For related information, please refer to the "Audit Committee Operations" section of this annual report.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Term/Date of Board Meetings	Name of Director	Motion Content	Reasons for Interest Avoidance	Voting Participation
2024.03.07 1st Meeting of 2024	Han, Kai-Cheng Kuo, Ju-Ling Pan, Zong-Wei	2024 Management Team Compensation Proposal	Personal conflict of interest	Abstained from voting in accordance with the law
2024.08.08 3rd Meeting of 2024	Han, Kai-Cheng Kuo, Ju-Ling Pan, Zong-Wei	2023 Employee Compensation Distribution for Managers	Personal conflict of interest	Abstained from voting in accordance with the law
2025.03.06 1st Meeting of 2025	Han, Kai-Cheng Kuo, Ju-Ling Pan, Zong-Wei	2025 Management Team Compensation Proposal	Personal conflict of interest	Abstained from voting in accordance with the law
2025.05.08 2nd Meeting of 2025	Han, Kai-Cheng Kuo, Ju-Ling Pan, Zong-Wei	1. 2024 Employee Compensation Distribution for Managers 2. 2025 Management Team Compensation Proposal	Personal conflict of interest	Abstained from voting in accordance with the law

3. Publicly listed companies shall disclose information regarding the assessment cycle, period, scope, methods, and content of the Board of Directors' self-evaluation (or peer evaluation), and complete the Board performance evaluation implementation table.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content
Conducted annually	From Jan. 1, 2024 to Dec. 31, 2024	Performance evaluation of the Board of Directors, individual Board members, and functional committees	Self-evaluation by the Board of Directors, functional committees, and individual Board members	A. Board of Directors Performance Evaluation 1. Participation in the Company's operations 2. Enhancing the quality of Board decision-making 3. Board composition and structure 4. Board member selection and continuing education 5. Internal control B. Individual Board Member Performance Evaluation 1. Understanding of the Company's goals and missions 2. Awareness of Board duties 3. Participation in the Company's operations 4. Internal relationship management and communication 5. Professional competence and continuing education 6. Internal control C. Functional Committee Performance Evaluation 1. Participation in the Company's operations 2. Understanding of committee duties 3. Enhancing the quality of committee decision-making 4. Committee composition and member selection 5. Internal control

4. Evaluation of Goals and Implementation Status for Strengthening Board Functions in the Current and Most Recent Year (e.g., Establishing an Audit Committee, Enhancing Information Transparency):

(1) Goals for Strengthening Board Functions

A. On August 24, 2011, the Company's Board adopted the Corporate Governance Best Practice Principles to establish sound corporate governance and enhance Board functionality. These principles were revised on November 4, 2021, to reflect the Company's current status. Article 20 of the Principles sets out the Board diversity policy to strengthen Board structure. At present, the Board has achieved diversification in expertise, gender, and age.

B. To enhance Board functionality and prioritize maximizing shareholder interests, the Company has appointed three independent directors, each with tenure not exceeding nine years. No more than two Board members are related as spouses or within the second degree of kinship. Additionally, the number of Board members who are also employees of companies included in the consolidated financial statements is less than one-third of total Board seats.

C. To improve corporate governance, the Company has established functional committees to assist the Board in overseeing and managing corporate operations. In 2020, the Audit Committee was established, composed entirely of independent directors, convening at least once per quarter to supervise matters such as certified public accountants, financial reports, internal control, regulatory compliance, and risk management. The Compensation Committee, composed entirely of independent directors, convenes at least twice a year to objectively evaluate the compensation policies and systems for directors and executives, providing recommendations to the Board for decision-making.

D. The Company has established “Rules for Proceedings of Board Meetings” to ensure compliance and discloses directors’ attendance and major Board resolutions on the Market Observation Post System and the Company’s website.

E. To encourage continuing education for directors, the Company designates personnel to arrange training courses for Board members from time to time.

F. To mitigate risks borne by directors and executives in the course of their duties, the Company purchases Directors & Officers Liability Insurance (D&O Insurance) annually.

(2) Implementation Evaluation

Upholding the principle of operational transparency, the Company promptly discloses significant Board resolutions on the Market Observation Post System after each Board meeting to safeguard shareholder interests. Additionally, the Company discloses meeting proposals and resolution results on its website in a timely manner to enhance information transparency.

(2) Operations of Audit Committee:

The Company's Board of Directors resolved to establish the "Audit Committee Charter" and the Audit Committee on May 7, 2020. The committee is composed of three independent directors, holds at least one meeting per quarter, and may convene additional meetings as needed. All committee members are independent directors, one of whom is a financial expert. All three independent directors meet the qualifications stipulated by relevant laws and regulations regarding expertise, professional experience, independence, and concurrent independent directorships. The Audit Committee conducts regular internal performance evaluations. Each member serves a three-year term and may be re-elected. Resolutions require approval by more than half of all members.

1. The main duties of the Audit Committee are as follows:
   (1) To supervise and review the fair presentation of the Company's financial statements
   (2) To oversee and evaluate the effectiveness of the internal control system
   (3) To monitor the Company's compliance with legal and regulatory requirements
   (4) To review the acquisition or disposal of assets, significant lending of funds, endorsements or guarantees for others, and matters involving directors' conflicts of interest
   (5) To review the public offering, issuance, or private placement of equity-related securities
   (6) To appoint, dismiss, or determine the compensation of the certified public accountant
2. From January 1 to December 31, 2024, the Audit Committee focused on the following:
   (1) Communication with accountants and management regarding financial reports and operational status
   (2) Reviewing and communicating with the internal audit department about the effectiveness of internal control systems
   (3) Reviewing proposals submitted under procedures for acquisition or disposal of assets
3. The 2023 performance evaluation of the Audit Committee covered five major areas: participation in Company operations, understanding of committee duties, improvement of decision-making quality, composition and selection of committee members, and internal control. The evaluation was conducted through internal questionnaires. The overall evaluation result was rated as excellent, indicating that the committee effectively performed its functions.

4. Professional Qualifications and Experience of Audit Committee Members:

Title / Name / Criteria		Professional Qualifications and Experiences	Independence
Independent Director (convener)	Chen, Rong-Chao	Department of Accounting, College of Law and Business, National Chung Hsing University; Master of Law, National Chung Cheng University. Currently a practicing CPA at Wat CPA Firm. Possesses expertise and practical experience in business, legal affairs, finance, and accounting. His professional background enhances the Board's governance quality and the supervisory functions of the Audit Committee.	The independent directors themselves, their spouses, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliates; do not hold shares in the Company; do not serve as directors, supervisors, or employees of companies having a specific relationship with the Company; and do not provide business, legal, financial, accounting, or other professional services to the Company or its affiliates. The above assessments confirm that they meet the independence criteria.
Independent Director	Chen, Zhao-Long	Medical Degree from Kaohsiung Medical University; Honorary Doctorates from Cheng Shiu University, Universidad Autónoma de Asunción (Paraguay), and Universidad de San Carlos de Guatemala. Currently Honorary Superintendent at Kaohsiung Chang Gung Memorial Hospital. With extensive experience in healthcare and surgery, his expertise contributes to enhancing the Board's governance and the Audit Committee's oversight.	
Independent Director	Chen, Shui-Cong	Bachelor's degree in Law from National Taiwan University; graduate studies in Law at National Chengchi University (unfinished). Currently an attorney at CHEN & KUO ATTORNEYS-AT-LAW. Possesses professional and practical experience in business and law. His expertise supports the improvement of Board governance and Audit Committee oversight.	

5. The Audit Committee held 4 meetings (A) in 2024 and the attendance of independent directors is shown below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remark
Convener	Chen, Rong-Chao	4	0	100%	
Member	Chen, Zhao-Long	4	0	100%	
Member	Chen, Shui-Cong	4	0	100%	

Other mentionable items:

1.If any of the following circumstances occur, the dates of Audit Committee meetings, sessions, contents of motion, the contents of objections, reservations or significant recommendations of independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified.

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

(2) Except for the aforementioned matters, there were no other decisions that were not approved by the Audit Committee but received approval from more than two-thirds of the directors: None.

Term/Date of Audit Committee Meeting	Motion Content	Audit Committee Resolution Result	The Company's Handling of the Audit Committee's Opinion
2024.03.07 1st Meeting of 2024	1. 2023 Internal Control System Statement. 2. 2023 Business Report and Financial Statements. 3. Proposal for 2023 Earnings Distribution and Cash Distribution from Capital Surplus. 4. Appointment and Remuneration of the Company's Certified Public Accountants. 5. Amendment of Certain Articles of the "Articles of Incorporation."	Passed the motion without objection.	Passed the motion without objection.
2024.05.09 2nd Meeting of 2024	1. 2024 Q1 Consolidated Financial Statements. 2. Amendment of Certain Articles of the "Audit Committee Charter."	Passed the motion without objection.	Passed the motion without objection.
2024.08.08 3rd Meeting of 2024	1. 2024 Q2 Consolidated Financial Statements. 2. Establishment of the "Operating Guidelines for Financial and Business Transactions Between Related Parties."	Passed the motion without objection.	Passed the motion without objection.
2024.11.07 4th Meeting of 2024	1. 2024 Q3 Consolidated Financial Statements. 2. Amendment of Certain Articles of the "Internal Control System" and Establishment of the "Sustainability Information Management Procedures." 3. 2025 Annual Internal Audit Plan.	Passed the motion without objection.	Passed the motion without objection.

2.Regarding the recusal of independent directors from matters involving conflicts of interest, there were no cases to report, including the names of independent directors, the content of the agenda items, the reasons for recusal due to potential conflicts of interest, and their participation in the voting: None.

3.Communication between independent directors and the internal audit manager and the auditor:

The Company has established an Audit Committee. At least once a year, the Committee meets privately with the head of internal audit and the certified public accountants, without the presence of other directors or management. Communication covers internal audit findings and internal control assessments. The CPA also reports on the review or audit of financial statements. If there are other significant issues or if the independent directors, audit manager, or CPA deem it necessary, meetings can be convened on an ad hoc basis.

(1) Summary of Communication Between Independent Directors and the Internal Audit Manager

Date	Key Topics	Communication Outcome	Frequency
2024.03.07	• 2023 Internal Audit Deficiencies and Follow-up on Improvements • 2023 Internal Control System Statement	No objections during the meeting	The internal audit department reports to the independent directors quarterly on the execution of audit tasks.
2024.05.09	• Q1 2024 Internal Audit Deficiencies and Follow-up on Improvements	No objections during the meeting	
2024.08.08	• Q2 2024 Internal Audit Deficiencies and Follow-up on Improvements	No objections during the meeting	
2024.11.07	• Q3 2024 Internal Audit Deficiencies and Follow-up on Improvements • 2025 Annual Internal Audit Plan	No objections during the meeting	

(2) Summary of Communication Between Independent Directors and the Auditor

Date	Key Topics	Communication Outcome	Frequency
2024.03.07	Audit of Q4 2023 Consolidated Financial Statements	The Audit Committee approved the 2023 Financial Statements, which were submitted to the Board of Directors for approval and subsequently announced and filed with the competent authority on schedule.	The CPA attends at least one meeting annually to report key audit matters and audit opinions to the independent directors.
2024.05.09	Review of Q1 2024 Consolidated Financial Statements	The Audit Committee approved the Q1 2024 Financial Statements, which were submitted to the Board of Directors for approval and subsequently announced and filed with the competent authority on schedule.	
2024.08.08	Review of Q2 2024 Consolidated Financial Statements	The Audit Committee approved the Q2 2024 Financial Statements, which were submitted to the Board of Directors for approval and subsequently announced and filed with the competent authority on schedule.	
2024.11.07	Review of Q3 2024 Consolidated Financial Statements	The Audit Committee approved the Q3 2024 Financial Statements, which were submitted to the Board of Directors for approval and subsequently announced and filed with the competent authority on schedule.	

(3) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company established the "Corporate Governance Best Practice Principles" on August 24, 2011, and amended the principles on November 4, 2021. The document has been disclosed on the Market Observation Post System and the Company's website for shareholder reference.	No significant differences
2. Shareholding structure & shareholders' rights				
1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has appointed a spokesperson and deputy spokesperson to handle shareholder suggestions or disputes.	No significant differences
2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company has engaged a stock affairs agent to assist with stock-related matters. The Company monitors the shareholdings of directors, managerial officers, and shareholders holding more than 10%, and files shareholding information of directors and managerial officers in a timely manner. It also identifies the major shareholders who exercise actual control over the Company and their ultimate controllers, and maintains good relationships with major shareholders.	No significant differences
3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established relevant control mechanisms in accordance with laws and regulations within its internal control system and the "Procedures for the Management of Related Party Transactions."	No significant differences
4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has formulated the "Procedures for the Prevention of Insider Trading," which apply to all directors, managerial officers, and employees. These procedures prohibit any conduct that may involve insider trading and are regularly promoted through internal awareness campaigns or training sessions.	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members?	✓		(1) 1. The Company's "Corporate Governance Best Practice Principles" have stipulated the policy on board diversity. The members of the Board are appointed based on the Company's operations, business model, and development needs, and all board members possess various professional expertise in their respective fields. 2. The Company's Board of Directors consists of nine seats (including three independent directors). The board members possess diverse and complementary professional backgrounds and strong international perspectives, with two female members. 3. The Board has established a diversity policy regarding its composition, which is disclosed on the Company's website.	No significant differences
2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		✓	(2) The Company has not voluntarily established other functional committees.	Future establishment will be considered based on the Company's operational status and scale.
3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?	✓		(3) The Company's Board of Directors approved the "Rules for Board Performance Evaluation" on March 24, 2020. It stipulates that the Board must conduct at least one performance evaluation annually for the Board, board members, the Compensation Committee, and the Audit Committee. Internal evaluations shall be conducted at the end of each year in accordance with these Rules. The performance evaluation of the Board includes the following five dimensions: 1. Participation in the Company's operation 2. Enhancement of the quality of board decisions 3. Composition and structure of the Board 4. Selection and continuous education of directors 5. Internal control The performance evaluation of board members includes the	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			following criteria: 1. Understanding of the Company's goals and missions 2. Awareness of directors' duties 3. Participation in the Company's operations 4. Internal relationship management and communication 5. Professionalism and continuous education of directors 6. Internal control The performance evaluation of the Audit Committee includes the following criteria: 1. Participation in the Company's operation 2. Understanding of the functional committee's duties 3. Enhancement of the quality of decisions made by the functional committee 4. Composition and member selection of the functional committee 5. Internal control The performance evaluation of the Compensation Committee includes the following criteria: 1. Participation in the Company's operation 2. Understanding of the functional committee's duties 3. Enhancement of the quality of decisions made by the functional committee 4. Composition and member selection of the functional committee 5. Internal control The evaluation is carried out by the Finance Department using internal questionnaires. The evaluation covers four aspects: board operations, director participation, Audit Committee operations, and Compensation Committee operations. The assessments include directors' evaluations of board operations, self-evaluation of director participation, Audit Committee members' evaluations of committee operations, and Compensation Committee members' evaluations of committee operations. The results of these evaluations serve as a reference for the nomination or	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			selection of directors and for determining individual directors' and functional committee members' compensation. After collecting all questionnaires each January, the Company's Finance Department analyzes the results according to the established rules and reports them to the Board of Directors. Improvement measures are proposed based on the suggestions provided by the directors. The Company completed the performance evaluations for the Board, board members, Audit Committee, and Compensation Committee in January 2025. The evaluation results were reported in the Board meeting held on March 6, 2025. The evaluation scores ranged from 98 to 99, with overall performance rated as excellent.	
4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Company's Audit Committee conducts annual evaluations of the independence and competency of the certifying CPA, for instance, by obtaining the Audit Quality Indicators (AQI) report and the independence declaration from the CPA firm. These materials serve as references for resolutions on the appointment and compensation of the certifying CPA, and the evaluation results are submitted to the Board of Directors. The most recent evaluation was approved by the Audit Committee on March 6, 2025, and subsequently approved by the Board on the same date. Evaluation Results: 1. The independence and competency of the certifying CPA are in compliance with the regulations. 2. The Company has not retained the same CPA for certification for five consecutive years. ◦	No significant differences
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and	✓		The Company resolved at the Board of Directors meeting on August 10, 2023, to appoint a managerial-level executive to serve as the Corporate Governance Officer in order to safeguard shareholders' rights and interests and to enhance the Board's functions. The implementation status in 2024 is as follows:	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			1.Handled matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law. 2.Prepared minutes of the Board of Directors and the Shareholders' Meetings. 3.Assisted directors with onboarding and continued education. 4.Provided directors with the information necessary to perform their duties. 5.Assisted directors in complying with applicable laws and regulations. 6.Reported to the Board of Directors the results of the qualification review of independent directors during nomination, election, and throughout their tenure, in accordance with relevant laws and regulations. 7.Handled matters related to changes in directors.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		To establish open, transparent, and effective communication channels with stakeholders, the Company has set up a stakeholder section on its website, which also provides a contact window and contact information for filing complaints. A designated person is responsible for handling and responding to related inquiries, which serve as a reference for improving corporate governance.	No significant differences
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed "HORIZON SECURITIES CO., LTD. – Stock Affairs Department" as its professional stock affairs agent to handle Shareholders' Meeting-related matters.	No significant differences
7. Information Disclosure 1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has established a website to disclose information related to financial operations and corporate governance, and makes public announcements and filings via the Market Observation Post System (MOPS) as required.	No significant differences
2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has set up an English-language website. The finance and business departments are responsible for collecting and disclosing corporate information. A spokesperson has been designated to externally release financial and business-related information.	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		(3) Due to processing and procedural timing, the 2024 annual financial report was not announced and filed within two months after the end of the fiscal year; however, it was approved by the Board of Directors on March 7, 2024, and subsequently announced. The first, second, and third quarter financial reports were announced and filed on May 9, August 8, and November 7, 2024, respectively—each ahead of the regulatory deadline. Monthly operating results are generally announced before the 10th of each month.	No significant differences
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Employee Rights: In addition to establishing an Employee Welfare Committee and implementing a pension system in accordance with regulations, the Company also provides employees with additional group insurance coverage. The Company places great importance on employee rights by offering facilities such as an employee cafeteria and lactation rooms, as well as relevant policies to protect employee interests. 2. Employee Care: The Company provides comprehensive training programs for employees, organizes birthday celebrations and travel activities, and fosters a relationship of mutual trust and support with employees. 3. Investor Relations: The Company discloses information through the Market Observation Post System (MOPS) and its official website, enabling investors to fully understand the Company's operational status. Communication with investors is conducted through the Shareholders' Meeting and the spokesperson mechanism. The Company values and properly handles feedback from investors. 4. Supplier Relations: The Company establishes long-term and close partnerships with suppliers based on the principle of win-win cooperation, with the aim of pursuing mutual trust, mutual benefit, and sustainable development. 5. Stakeholder Rights: A stakeholder section is provided on the Company's website, which lists relevant contact information and designated contact windows to safeguard the rights and interests of stakeholders and to ensure effective communication channels.	No significant differences

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			6. Director Training: The Company's directors undergo continuing education in accordance with relevant regulations and regularly or occasionally attend professional training courses. 7. Implementation of Risk Management Policies and Risk Assessment Standards: The Company has established and effectively implemented internal control and internal audit systems to mitigate operational risks. 8. Customer Policy Implementation: The Company enters into distribution agreements with key customers to maintain long-term, stable, and cooperative relationships. 9. Directors' Liability Insurance: Since 2011, the Company has purchased liability insurance for its directors and renews the policy annually before expiration.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: Based on the result of the 11th Corporate Governance Evaluation in 2024, the Company was ranked within the 66%–80% bracket. In the future, the Company will prioritize enhancements in strengthening the structure and operations of the Board of Directors, improving information transparency, and further implementing sound corporate governance practices.				

Note: Evaluation of the Auditor's Independence and Suitability

Item	Independence Assessment Criteria	Evaluation Results	Compliance with Independence
1	The certifying CPA has no significant financial interest in the Company.	✓	Yes
2	The certifying CPA avoids any improper relationship with the Company.	✓	Yes
3	The certifying CPA shall ensure that their assistants adhere to principles of integrity, impartiality, and independence.	✓	Yes
4	The certifying CPA is not currently, and has not within the past two years, served as a director, supervisor, or manager of the Company, or held any position that would have a significant impact on the audit engagement; the CPA also confirms they will not assume any such positions during the audit period.	✓	Yes
5	During the audit period, neither the certifying CPA nor their spouse or dependents hold positions at the Company as directors, supervisors, managers, or in roles that directly and significantly affect the audit. If any relatives within the fourth degree of kinship hold such positions, measures must be taken to reduce any breach of independence to an acceptable level.	✓	Yes
6	The certifying CPA has not accepted gifts or hospitality of significant value from the Company or its directors, supervisors, or managers (any value must not exceed the standard for normal social courtesy).	✓	Yes
7	The certifying CPA's name shall not be used by others.	✓	Yes
8	The certifying CPA shall not engage in financial lending or borrowing with the Company, except for normal transactions with financial institutions.	✓	Yes
9	The certifying CPA shall not engage in any other business that may impair their independence.	✓	Yes
10	The certifying CPA shall not receive commissions related to the engagement.	✓	Yes
11	The certifying CPA shall not hold any shares in the Company.	✓	Yes
12	The certifying CPA shall not be employed by the Company or receive fixed compensation from the Company.	✓	Yes
13	The certifying CPA shall not have joint investments or share profits with the Company.	✓	Yes
14	The certifying CPA shall not be involved in the Company's decision-making or management functions.	✓	Yes

(4) If the Company has established a Compensation Committee, its composition, responsibilities, and operation status should be disclosed:

1. Compensation Committee Member Information

Criteria / Title	Name	Professional Qualifications and Experiences	Independence	Number of members of other public companies' compensation committees
Independent Director (Convener)	Chen, Rong-Chao	Bachelor's in Accounting, College of Law and Business, National Chung Hsing University; Master's in Law, National Chung Cheng University. Currently a practicing CPA at Wat CPA Firm. Possesses expertise and practical experience in business, law, finance, and accounting, contributing to the improvement of the Board's corporate governance and the supervisory function of the Audit Committee.	None of the independent directors, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates; none hold shares in the Company; and none serve as directors, supervisors, or employees of companies having specific relationships with the Company. They also do not provide business, legal, financial, or accounting services to the Company or its affiliates. Based on the evaluation above, all members meet the criteria for independence.	2
Independent Director	Chen, Zhao-Long	M.D., Kaohsiung Medical University; Honorary Doctorates from Cheng Shiu University, Universidad Autónoma de Asunción (Paraguay), and Universidad de San Carlos de Guatemala. Currently Honorary Superintendent at Kaohsiung Chang Gung Memorial Hospital. With extensive experience in medical care and surgery, he contributes his professional knowledge to enhance the quality of corporate governance by the Board and the supervisory function of the Audit Committee.		2
Independent Director	Chen, Shui-Cong	Bachelor's in Law, National Taiwan University; completed Master's coursework at the Graduate Institute of Law, National Chengchi University. Currently an attorney at CHEN & KUO ATTORNEYS-AT-LAW. Possesses expertise and practical experience in business and legal affairs, contributing to the enhancement of the Board's corporate governance and the supervisory function of the Audit Committee.		1

2. Information on the operation of the Compensation Committee

(1) There are three (3) members of the Compensation Committee of the Company.

(2) The term of office of the current members: from June 28, 2023 to June 27, 2026; The most recent (2024) annual Compensation Committee met three (2) times (A) with the following membership and attendance:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance % (B/A)	Remark
Convener	Chen, Rong-Chao	2	-	100%	
Member	Chen, Zhao-Long	2	-	100%	
Member	Chen, Shui-Cong	2	-	100%	

Other items to be recorded:

1. In If the Board of Directors does not adopt or amend the recommendation of the Compensation Committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's handling of the recommendation of the Compensation Committee (if the compensation approved by the Board of Directors is better than the recommendation of the Compensation Committee, it shall state the difference and the reasons): None.
2. If the members of the Compensation Committee have objections or reservations to the resolutions of the Compensation Committee and there are records or written statements, they shall state the date and period of the Compensation Committee, the content of the resolutions, the opinions of all members, and the treatment of the opinions of the members: None.

Meeting Dates	Motion Content	Resolution	Handling of Committee Member Opinions by the Company
2024.03.07	1. Proposal for the distribution of employee and director compensation for 2023. 2. Proposal for the 2024 compensation of the executive management team.	All attending committee members approved the motions.	Submitted to the Board of Directors and passed without objection.
2024.08.08	1. Proposal for the distribution of director compensation for 2023. 2. Proposal for the distribution of executive employee compensation for 2023.	All attending committee members approved the motions.	Submitted to the Board of Directors and passed without objection.

3. The primary function of the Compensation Committee is to objectively and professionally evaluate the compensation policies and systems for the Company's directors and executive officers. The committee is required to convene at least twice a year and provide recommendations to the Board of Directors for decision-making reference.
   (1) Duties and Responsibilities of the Compensation Committee
      1.Periodically review the organizational rules of the Compensation Committee and propose amendments as needed.
      2.Establish and regularly review policies, systems, standards, and structures for the performance evaluation and compensation of directors and executive officers.
      3.Periodically evaluate and determine the compensation of directors and executive officers.
   (2) When performing the above duties, the Committee shall adhere to the following principles:
      1.Ensure that the Company's compensation arrangements comply with applicable laws and regulations and are sufficient to attract outstanding talent.
      2.The performance evaluation and compensation of directors and executive officers shall take into consideration industry standards, individual performance, the Company's operating results, and the reasonableness of the connection to future risks.
      3.Committee members shall not participate in discussions or voting on matters related to their own compensation.
4. Explanation of the 2024 Compensation Committee Performance Evaluation:
   The scope of the Company's Compensation Committee performance evaluation encompasses the following five key aspects:
   (1)Level of participation in Company operations
   (2)Understanding of the responsibilities of a functional committee
   (3)Enhancement of the decision-making quality of the functional committee
   (4)Composition and member selection of the functional committee
   (5)Internal control
   The performance evaluation was conducted using an internal questionnaire. The overall evaluation result of the Compensation Committee's performance was rated as excellent, and the committee has effectively fulfilled its duties.

(5) Implementation of Sustainable Development and Deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons:

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The Company has established a Sustainable Development Committee, with the President as the highest responsible person. The Company actively promotes performance in environmental, social, and corporate governance (ESG) aspects and compiles reports for the Board of Directors at least once a year. The Board reviews the implementation status and direction, and supervises the management team to make adjustments when necessary.	No significant differences
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		1. As the subsidiary is primarily engaged in providing labor services, the scope of risk assessment is mainly focused on the Company, considering the relevance to operations and its impact on material subjects. 2. Based on the principle of materiality and communication with internal and external stakeholders, combined with data assessed by various departments, the Company identifies key ESG issues and formulates corresponding management strategies and concrete implementation objectives to mitigate related risks. The Company's management strategies related to environmental, social, and corporate governance issues are as follows: Material Issue: Environment Assessment Content: Energy-saving, water conservation, waste management Management Strategy: 1. Energy-saving and carbon reduction policy: Promote energy-saving awareness, replace outdated equipment and lighting with energy-efficient products, enhance production efficiency, and reduce the use of non-renewable energy. 2. Greenhouse gas policy: As the Company's primary source of greenhouse gas emissions is carbon dioxide generated from electricity consumption, energy-saving and carbon reduction measures will continue to be implemented. 3. Water conservation policy: Promote water-saving among employees. 4. Waste management policy: Continue to reduce hazardous industrial waste and increase the reuse of recyclable waste.	No significant differences

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Social</td><td>Labor safety and employee benefits</td><td>Focus on labor safety and employee welfare. In addition to creating a safe and healthy working environment, the Company values employee training and offers generous benefits, fostering good labor relations and avoiding the risk of labor disputes, thereby achieving the goal of employee-centric management.</td></tr><tr><td>Corporate Governance</td><td>Compliance with corporate governance regulations</td><td>1. Continuously enhance corporate governance policies.
2. Stay informed of regulatory updates, review internal rules accordingly, and ensure legal compliance to reduce the risk of violations.</td></tr></table></td><td></td></tr>
<tr><td>3. Environmental issues
1) Does the company establish proper environmental management systems based on the characteristics of its industry?</td><td>✓</td><td></td><td>(1) The Company operates in the medical device industry. Its production environment is established in accordance with QMS regulatory requirements and complies with ISO 13485 standards. The Company is located in the Qianzhen Technology Industrial Park and is therefore subject to the relevant regulations of the Act for Establishment and Administration of Science Parks.</td><td>No significant differences</td></tr>
<tr><td>2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</td><td>✓</td><td></td><td>(2) The Company is committed to continuously improving the efficiency of resource utilization. For example, ceramic cups are used in place of disposable cups, and employees are encouraged to bring their own cups and reusable chopsticks. Waste sorting and recycling are actively enforced, and employees are urged to minimize unnecessary waste. Waste paper and cardboard boxes are collected for recycling. To prevent environmental pollution and resource waste caused by discarded toner cartridges, used cartridges from photocopiers and printers are returned to the original manufacturers for recycling, and eco-friendly toner is adopted.</td><td>No significant differences</td></tr>
<tr><td>3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?</td><td>✓</td><td></td><td>(3) The Company places great importance on climate change issues and continues to implement energy-saving and carbon reduction measures, such as replacing fuel-fired boilers with gas boilers for steam supply, and using low-power, high-brightness light bulbs for lighting. In daily office operations, the reuse of resources is encouraged. The Company uses electronic invoices and has implemented the government's electronic document exchange system to make document processing more convenient, reducing delivery time, paper usage, and postage costs.</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Abstract Illustration</th></tr>
<tr><td>4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</td><td>✓</td><td></td><td>(4) The Company is actively evaluating and planning for the statistical tracking and control of greenhouse gas emissions and will proactively comply with the relevant requirements of the sustainable development roadmap established by competent authorities in the future.
The Company has estimated the water consumption and total waste volume for the past two years as follows:
1. Water Consumption:<table><tr><th>Year</th><th>Water Consumption (tons)</th></tr><tr><td>2023</td><td>26,606</td></tr><tr><td>2024</td><td>30,588</td></tr></table>2. Waste:<table><tr><th>Year</th><th>Hazardous Industrial Waste (tons)</th><th>Non-Hazardous Industrial Waste (tons)</th></tr><tr><td>2023</td><td>0.057</td><td>72</td></tr><tr><td>2024</td><td>0.176</td><td>108</td></tr></table></td><td>No significant differences</td></tr>
<tr><td>4. Social issues
1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>✓</td><td></td><td>(1) The Company has established a Human Rights Policy section on its official website. Based on the spirit and fundamental principles of international human rights conventions such as the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights, the Company formulated its Human Rights Policy. The Company values and promotes diversity and inclusion, striving to provide equal opportunities. No differential treatment or any form of discrimination is tolerated based on race, gender, skin color, nationality or social origin, ethnicity, religion, or age. The Company provides employees with a safe and healthy working environment, fully complies with labor laws and employment regulations, prohibits forced labor and child labor, and is committed to maintaining a workplace free of violence, harassment, intimidation, and any internal or external threats, while also offering adequate safety protection for employees.</td><td>No significant differences</td></tr>
<tr><td>2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</td><td>✓</td><td></td><td>(2) The Company has implemented reasonable welfare measures, including compensation design, employee leave, and various employee benefits, which are established and enforced in accordance with relevant management regulations. A Staff Welfare Committee has been set up, and welfare funds are allocated annually to plan and provide high-quality benefits for employees, such as organizing company trips, birthday celebrations, birthday bonuses, and monetary gifts for weddings, funerals, and other occasions.</td><td>No significant differences</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			According to Article 18 of the Company's Articles of Incorporation, if the Company makes a profit in a fiscal year, no less than 5% shall be allocated as employee compensation. A performance evaluation system is in place, and annual performance appraisals are conducted, which serve as the basis for promotion and compensation decisions. Workplace Diversity and Equality: The Company emphasizes gender equality and equal opportunities in pay and promotion. In 2024, female employees accounted for an average of 57% of the workforce, and female supervisors accounted for an average of 32%.	
3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company has established comprehensive hardware and software infrastructure to ensure a safe and healthy working environment for all employees. Measures include necessary access control systems, regular labor safety training, a fully smoke-free indoor policy, installation of AED equipment and related training, and designated first-aid personnel. All of the Company's facilities, including the main plant and Biotech Plant 1, are certified under Taiwan's GMP and ISO 13485 medical device quality management systems.	No significant differences
4) Does the company provide its employees with career development and training sessions?	✓		(4) To support the mutual growth of employees and the Company, the training system is built upon the Company's business philosophy, long-term operational strategy, and talent development strategy. Through internal and external training, employees enhance their skills, adapt quickly to environmental changes, improve work performance, and raise the quality of products and services, thereby boosting both individual and organizational competitiveness. The aim is to align employees' career development with the Company's growth.	No significant differences
5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		(5) All products manufactured by the Company are certified under Taiwan Ministry of Health and Welfare's Good Manufacturing Practice (GMP) for medical devices and possess medical device licenses and international ISO 13485 quality management certification, as well as CE product certification. The Company strictly adheres to confidentiality agreements to protect client privacy and provides standardized and effective complaint-handling procedures for products and services. Contracts with clients clearly define responsibilities and relevant terms. For any related issues, customers can directly contact personnel listed on the Company's website. A customer service unit and stakeholder section are in place to uphold consumer rights and offer complaint channels.	No significant differences

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights If so, describe the results.	✓		(6) The Company has established a "Supplier Management Policy" requiring suppliers to comply with relevant regulations concerning environmental protection, labor rights, occupational safety and health, and ethical standards. Suppliers are evaluated based on legality, creditworthiness, protection of employee rights, occupational safety, and environmental considerations to ensure compliance with national laws and industry standards. On-site supplier assessments are conducted according to established procedures. If significant deficiencies are found, the Company will suspend cooperation with the supplier until corrective actions are completed.	No significant differences
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		✓	The Company has not yet prepared such reports. However, it will consider preparing them in a timely manner in response to international trends and market changes.	The Company will carefully evaluate whether to prepare a sustainability report in the future.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies: None.				
7. Other significant information for explaining the implementation status of sustainable development practices: (1) A brief overview of the Company's concrete outcomes in social engagement in 2024 is as follows: 1. Charitable donations to remote area schools: Supporting students in developing artistic skills after school and enhancing learning opportunities. 2. Charitable donations to military and social welfare organizations: Donations were made to military units, orphanages, and non-profit organizations as a means of giving back to society. (2) Transparency in information disclosure: The Company strictly prohibits insider trading by directors and employees to protect investor rights. (3) Protection of consumer rights: A dedicated department is responsible for handling after-sales services and customer complaints to safeguard customer interests.				

(5-1) Climate-Related Information for TWSE/TPEx Listed Companies:

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</td><td>To promote corporate sustainable development, the Company has established the “Sustainable Development Committee,” with the President appointing the chairperson and relevant members. Under the Sustainable Development Committee, there are three subgroups: the “Corporate Governance Task Force,” the “Greenhouse Gas Inventory Task Force,” and the “Social Responsibility Task Force.” These groups are responsible for developing and implementing sustainability policies, related management guidelines, and concrete action plans, and report annually to the Board of Directors.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the Company’s business, strategy, and finance in the short, medium, and long term.</td><td>For information regarding the impact of climate change risks and opportunities on business operations, strategy, and finances, please refer to Table 1.</td></tr>
<tr><td>3. Describe the financial impacts of extreme climate events and transition actions.</td><td>For the financial impact assessment of extreme weather and transition actions on the Company, please refer to Table 1.</td></tr>
<tr><td>4. Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</td><td>In accordance with the Company’s “Risk Management Policies and Procedures,” the highest governing body for risk management is the Board of Directors. The risk management team reports regularly to the Board on the implementation and results of risk management practices, overseeing the operation and effectiveness of the risk control mechanisms.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.</td><td>The Company adopts multiple scenario analyses. For the scenarios, parameters, assumptions, and analytical factors used, please refer to Appendix 2.</td></tr>
<tr><td>6. If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.</td><td>In response to climate-related risks, the Company conducts greenhouse gas inventories and analysis across Scope 1 (direct emissions), Scope 2 (indirect emissions from energy use), and Scope 3 (other indirect emissions), and has developed the following transition plans as well as indicators and targets for managing physical and transition risks:
(1) Energy-saving and emission-reduction plans to manage climate-related risks
<table>
<tr><th>No.</th><th>Plan Content</th></tr>
<tr><td>1</td><td>The Company regularly tracks consumption levels of water, electricity, gas, and fuel oil, as well as GHG emissions, analyzes usage patterns, and proposes adjustment plans.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><td>2</td><td>Air conditioners are set at an optimal temperature of 26°C; lights and air conditioning are turned off when meetings conclude or rooms are vacated.</td></tr>
<tr><td>3</td><td>Office equipment such as copiers, printers, computers, and monitors are turned off after working hours to reduce energy use.</td></tr>
<tr><td>4</td><td>Reduce paper usage and photocopying by using electronic documents where possible, reusing paper, or double-sided printing.</td></tr>
<tr><td>5</td><td>Use products bearing eco-labels or those that align with “green consumption” concepts.</td></tr>
<tr><td>6</td><td>Lighting in restrooms, pantries, and stairwells is controlled by manual or motion-sensor switches, without compromising safety.</td></tr>
</table>
(2) Indicators and targets for identifying and managing physical and transition risks
For the identification and management of physical and transition risks, the Company uses quantifiable indicators such as GHG emissions, electricity usage, water consumption, gas usage, and total waste volume. To effectively implement environmental policies and achieve the goal of managing physical and transition risks, the Company has established the following operational targets: energy conservation, GHG emission reduction, water conservation, and waste recycling.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, explain the basis for price setting.</td><td>The Company has not yet implemented an internal carbon pricing mechanism.</td></tr>
<tr><td>8. If climate-related targets are set, describe the covered activities, scopes of greenhouse gas emissions, planning periods, and annual progress achieved; if carbon offsets or renewable energy certificates (RECs) are used to meet the targets, explain the sources and amounts of carbon reduction or the number of RECs.</td><td>The Company has not yet set specific climate-related targets.</td></tr>
<tr><td>9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans. (See also 1-1 and 1-2)</td><td>According to the “Sustainable Development Roadmap for TWSE/TPEx Listed Companies” announced by the Financial Supervisory Commission on March 9, 2022, the Company is required to begin disclosing GHG inventory data starting in 2026 (Year 115 of the ROC calendar). Therefore, such disclosures are not yet included in this reporting year.</td></tr>
</table>

Table 1: Impact of Climate Change Risks and Opportunities on the Company's Business, Strategy, and Finance

Risk Type		Risk Awareness	Risk Factors	Impact	Short/ Mid/ Long Term	Mitigation Strategy
Transition Risk	Policy and Regulatory Risk	Policies and regulations related to climate change are actively promoted by the government	Compliance with government policies and regulations	Implementation of carbon pricing mechanisms to reduce GHG emissions increases operating costs	Short, mid, and long term	Establish and implement low-carbon emission measures
Transition Risk	Market Risk	Rising costs of raw material procurement	Carbon fee base rate decreasing under new regulations	Higher product prices or absorbing carbon fees increases product cost	Mid and long term	Reduce GHG emissions to lower emissions and production costs
Transition Risk	Reputational Risk	Market emphasis on whether companies are actively involved in low-carbon transition	Corporate reputation	Increased investor interest and enhanced opportunities for partnerships	Short, mid, and long term	Invest in transition plans to build a reputable corporate image
Physical Risk	Extreme Climate Change Risk	Physical risks from climate change may financially impact the Company	Extreme climate may affect raw material procurement and product shipment	Unstable supply chain may lead to increased operating costs	Mid and long term	Establish a diversified supply chain system

Table 2: Climate Risk Scenario Analysis

Scenario Assumption	Parameters	Analysis Result	Impact
High Emissions Scenario RCP8.5: (Note 1) No global efforts are made to reduce greenhouse gas emissions, resulting in high levels of CO_2 emissions.	The global temperature is projected to increase by nearly 4°C by 2100.	Qianzhen District, Kaohsiung City, where the Company is located, will be in Flood Risk Level 5 (Note 2)	Significantly increases flood risk at the Company's site, causing unstable supply chains and higher operational costs
2050 Net Zero Emissions Scenario (NZE): (Note 3) The global energy sector achieves net-zero carbon dioxide emissions by 2050.	The global temperature is projected to gradually decrease from 1.5°C by 2050.	The Company must actively implement net-zero plans and transition to low-energy, zero-emission production	Implementation of green transitions in production and office spaces will increase costs

Note 1: The Representative Concentration Pathways (RCPs) were introduced in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) to represent different global warming scenarios based on varying greenhouse gas concentration trajectories.

Note 2: The flood risk level of the Company's site is determined using data from the "Climate Change Disaster Risk Adaptation Platform," where risk is classified into five levels—the higher the level, the higher the risk.

Note 3: The Net Zero Emissions (NZE) scenario was proposed by the International Energy Agency (IEA) in its World Energy Outlook 2021, outlining strategies for climate transition.

(6) The implementation of integrity management and differences and reasons for the differences with the Code of Integrity Management of listed and OTC companies:

Evaluation Item	Implementation Status			Differences and reasons for the differences with the Code of Integrity Management of listed companies
	Y	N	Abstract Illustration	
1. Establishing ethical management policies and plans (1) Has the company established ethical management policies approved by the board of directors, clearly stating ethical management policies and practices in the rules and external documents, as well as the commitment of the board of directors and senior management to implement these policies actively?	✓		(1) The Company has adopted the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" as reference, and the Board of Directors approved the revision of the "Ethical Corporate Management Best Practice Principles" on May 7, 2020. These principles are designed to prevent unethical conduct and clearly stipulate that the Company's directors, managers, employees, or individuals with substantial control shall not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in other unethical behaviors, illegal acts, or breaches of fiduciary duties that may damage the Company's interests and reputation. The Company has also published its commitment to sound corporate governance, legal compliance, and business integrity on its website.	No significant differences
(2) Has the company established a mechanism for assessing the risk of unethical behavior, regularly analyzing and evaluating business activities with higher risks of unethical behavior within its business scope, and formulated preventive measures against unethical behavior based on this, at least covering the preventive measures against all the behaviors listed in the second paragraph of Article 7 of the "Ethical Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(2) To implement the integrity management policy and proactively prevent unethical conduct, the Company, in accordance with Article 2 of the "Codes of Ethical Conduct" and Article 15 of the "Ethical Corporate Management Best Practice Principles," approved the "Procedures for Reporting Illegal, Unethical, or Unfaithful Conduct" at the Board meeting on May 7, 2020, to ensure the effective execution of the Codes of Ethical Conduct and the Ethical Corporate Management Best Practice Principles. Based on Article 6 of the "Ethical Corporate Management Best Practice Principles," the Company has established prevention programs for unethical conduct, including the following: 1. Prohibition of bribery and acceptance of bribes 2. Prohibition of illegal political contributions 3. Prohibition of improper charitable donations or sponsorships 4. Prohibition of unreasonable gifts, entertainment, or other improper benefits 5. Prohibition of infringement on trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights 6. Prohibition of unfair competition 7. Prohibition of activities during the R&D, procurement, manufacturing, provision, or sale of products and services	No significant differences

Evaluation Item	Implementation Status			Differences and reasons for the differences with the Code of Integrity Management of listed companies
	Y	N	Abstract Illustration	
(3) Has the company clearly defined operating procedures, guidelines, penalties for violations, and complaint systems in its preventive measures against unethical behavior, implemented them effectively, and regularly reviewed and revised these measures?	✓		that directly or indirectly harm the rights, health, or safety of consumers or other stakeholders The Finance Department assessed the risk of unethical conduct for 2024 and concluded that the current regulations and systems effectively mitigate such risks, resulting in a low-risk evaluation. (3) The Company has established relevant operational procedures and codes of conduct within the “Ethical Corporate Management Best Practice Principles” to prevent unethical conduct, and has stipulated disciplinary and complaint mechanisms under Article 15 of the same Principles. The Company maintains a zero-tolerance policy toward corruption and strictly prohibits any form of bribery, fraud, misuse of corporate assets, or any behavior that compromises corporate interests for personal gain. To strengthen and implement integrity management, the Finance Department conducts regular assessments of unethical risk and updates the relevant prevention programs. Furthermore, to ensure that employees are consistently aware of anti-corruption and ethical standards, the Company has published the relevant rules on the internal website for employee reference and conducts company-wide training to promote integrity, honesty, and ethical values.	No significant differences
2. Implementation of Ethical Management (1) Has the company assessed the ethical records of its counterparts and clearly defined ethical behavior clauses in contracts signed with these counterparts?	✓		(1) The Company conducts its business activities in accordance with the principles of fairness, ethics, and strict compliance with relevant laws, regulations, and contractual terms. It also assesses counterparties based on the same principles and explicitly includes relevant integrity clauses in contracts.	No significant differences
(2) Has the company set up a unit dedicated to promoting corporate ethical management under the board of directors, and regularly (at least once a year) reported its ethical management policies, preventive measures against unethical behavior, and supervision and implementation to the board of directors?	✓		(2) The Company has designated the Finance Department as the dedicated unit responsible for ethical corporate management. This department assists in formulating the Ethical Corporate Management Best Practice Principles and is tasked with implementing integrity-related measures. Through annual educational and promotional activities related to the Ethical Corporate Management Best Practice Principles, the Company actively promotes integrity, honesty, and ethical values. The implementation status is reported to the Board of Directors at least once a year. In 2024, the status of ethical corporate management and the promotion of insider trading prevention was reported to the Board of Directors on November 7.	No significant differences

Evaluation Item	Implementation Status			Differences and reasons for the differences with the Code of Integrity Management of listed companies
	Y	N	Abstract Illustration	
(4) Has the company formulated policies to prevent conflicts of interest, provided appropriate channels for representation, and implemented them effectively?	✓		(3) The Company has stipulated conflict of interest clauses in the "Ethical Corporate Management Best Practice Principles" and the "Corporate Governance Best Practice Principles," requiring directors, managers, and all employees to avoid conflicts of interest and refrain from obtaining improper benefits. If any director has a conflict of interest with regard to matters discussed or resolved in Board meetings and such conflict is likely to harm the interests of the Company, the director shall recuse himself/herself from discussion and voting, and may not exercise voting rights on behalf of other directors. The Company has also established a robust internal control system and operating procedures, and provides training to all employees based on their job responsibilities to ensure clear role segregation and prevent internal conflicts of interest. Furthermore, the Company has set up open whistleblowing channels and a fair and reasonable investigation mechanism to further reduce the likelihood and impact of conflicts of interest.	No significant differences
(4) Has the company established effective accounting systems and internal control systems to implement ethical management, and has the internal audit unit formulated related audit plans based on the assessment results of the risk of unethical behavior, and carried out checks on the compliance of preventive measures against unethical behavior, or entrusted accountants to carry out the checks?	✓		(4) The Company has established accounting and internal control systems related to ethical corporate management. The internal audit unit formulates audit plans based on the risk assessment of unethical conduct. These plans include the audit subjects, scope, items, and frequency. The audit results are compiled into audit reports and submitted to the Audit Committee and the Board of Directors.	No significant differences
(5) Does the company regularly hold internal and external education and training on ethical management?	✓		(5) In 2024, the Company organized both internal and external training sessions on topics related to ethical corporate management (including intellectual property rights, the importance of patent rights, basic business integrity principles, anti-money laundering, fraud risk auditing practices and management, etc.), with a total of 220 participants and 110 training hours.	No significant differences

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences and reasons for the differences with the Code of Integrity Management of listed companies</th></tr>
<tr><th>Y</th><th>N</th><th>Abstract Illustration</th></tr>
<tr><td>3. Operation of the Company’s Reporting System
(1) Has the company established concrete whistleblower and reward systems, set up convenient whistleblowing channels, and assigned appropriate designated personnel for the reported subjects?

(2) Has the company established standard operating procedures for investigating reported matters, subsequent measures to be taken after the investigation is completed, and related confidentiality mechanisms?

(3) Does the company take measures to protect whistleblowers from undue treatment as a result of their reporting?</td><td>✓

✓

✓</td><td></td><td>(1) The Company supports a culture of transparency and integrity, encouraging internal employees and external parties to report any conduct that violates laws, regulations, or the Company’s policies through designated reporting channels. Anonymous reporting is allowed. The “Ethical Corporate Management Best Practice Principles” and the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct” have been established to define the whistleblowing system, including specific reporting channels, reward mechanisms, and the designated units responsible for handling reports, as follows:
1. Reporting channels: in-person reporting, phone reporting, website reporting, and suggestion box reporting.
2. Reward mechanism: appropriate compensation is provided to whistleblowers.
3. Designated responsible units:
(1) Spokesperson and Deputy Spokesperson: receive reports from shareholders, investors, and other stakeholders.
(2) Chief Financial Officer and Head of Internal Audit: receive reports from internal employees, customers, suppliers, and contractors.
(2) The “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct” establish standard operating procedures for investigating reports, follow-up actions to be taken after investigation, and confidentiality statements.
(3) The safety of whistleblowers shall be protected, and all matters shall be handled prudently in accordance with the confidentiality provisions. Whistleblowers shall not be subject to improper punishment for reporting.</td><td>No significant differences

No significant differences

No significant differences</td></tr>
<tr><td>4. Enhancing Information Disclosure
Does the company disclose the content and effectiveness of its integrity management guidelines on its website and public information observation station?</td><td>✓</td><td></td><td>The Company has disclosed the content of the “Ethical Corporate Management Best Practice Principles” on its official website and the Market Observation Post System (MOPS). In addition, the Company has disclosed the implementation and results of its ethical management practices on its website.</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences and reasons for the differences with the Code of Integrity Management of listed companies</th></tr>
<tr><th>Y</th><th>N</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">5. If the company has its own ethical management guidelines in accordance with the “Ethical Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the differences between its operation and the guidelines:
To establish a corporate culture of integrity and sound management, the Company has formulated its “Ethical Corporate Management Best Practice Principles” with reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and operates in accordance with these principles. There are no differences.</td></tr>
<tr><td colspan="5">6. Other important information that helps understand the company’s ethical management operations: (e.g., revisions to the Ethical Corporate Management Best Practice Principles)
Anti-corruption, ethical management, and the promotion of moral values are core values and fundamental principles of the Company’s operations. The Board of Directors has approved and adopted the “Corporate Governance Best Practice Principles,” “Ethical Corporate Management Best Practice Principles,” “Codes of Ethical Conduct,” “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct,” and “Supplier Management Policy” as the basis for compliance by all employees and business partners.</td></tr>
</table>

(7) Other important information that enhances understanding of the Company’s corporate governance practices may also be disclosed: The implementation status of relevant items may be accessed via the Market Observation Post System or the Company’s official website.

(8) Implementation status of the internal control system:

1. Internal Control Statement

SciVision Biotech Inc.
Internal Control System Statement

Date: March 6, 2025

Based on the results of the self-assessment of the internal control system for the year 2024, the Company hereby makes the following statement:

1. The Company acknowledges that establishing, implementing, and maintaining an internal control system is the responsibility of the Board of Directors and management. The Company has established such a system to provide reasonable assurance regarding the achievement of the following objectives: operational effectiveness and efficiency (including profitability, performance, and asset safeguarding), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.
2. Internal control systems have inherent limitations. Regardless of how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned objectives. Furthermore, the effectiveness of an internal control system may change due to changes in the environment or circumstances. Nevertheless, the Company's internal control system contains a self-monitoring mechanism, and corrective actions are promptly taken once deficiencies are identified.
3. The Company has determined the effectiveness of the design and implementation of its internal control system based on the criteria set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). These criteria categorize internal control into five components: 1) Control Environment; 2) Risk Assessment; 3) Control Activities; 4) Information and Communication; 5) Monitoring Activities. Each component includes several elements, as detailed in the Regulations.
4. The Company has adopted the above criteria to assess the effectiveness of the design and implementation of its internal control system.
5. Based on the results of the aforementioned assessment, the Company concludes that as of December 31, 2024, the design and implementation of its internal control system—including supervision and management of subsidiaries—are effective in achieving the objectives of operational effectiveness and efficiency, the reliability, timeliness, and transparency of reporting, and compliance with relevant rules and regulations. The system provides reasonable assurance for the achievement of these objectives.
6. This Statement will form a major part of the Company's annual report and public prospectus and will be publicly disclosed. Any false or concealed information in the public disclosure may result in legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was approved by the Board of Directors of the Company on March 6, 2025. Of the 9 directors in attendance, 0 expressed objections, and all others agreed to the content of this Statement.

SciVision Biotech Inc.

Chairman:
President:

2. In the case of commissioning an accountant to conduct a special review of the internal control system, the auditor's review report should be disclosed: None.

(9) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of the annual report publication:

Meeting Type	Date	Important Resolutions	Implementation Status
Board Meeting	2024.03.07	1.Approved the 2024 Business Plan	Handled in accordance with the resolution
		2.Approved the 2023 Internal Control System Statement	Disclosed in the 2023 Annual Report
		3.Approved the 2023 Business Report and Financial Statements	Submitted to the Shareholders' Meeting for approval
		4.Approved the 2023 Earnings Distribution and Capital Reserve Cash Distribution Proposal	Submitted to the Shareholders' Meeting for reporting
		5.Approved the 2023 Employee and Director Compensation Distribution Proposal 6.	Submitted to the Shareholders' Meeting for reporting
		7.Approved the 2024 Executive Management Team Compensation Plan	Handled in accordance with the resolution
		8.Approved the appointment of the Company's CPA and related fees	Handled in accordance with the resolution
		9.Approved the amendment to certain articles of the Articles of Incorporation	Submitted to the Shareholders' Meeting for resolution
		10.Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
		11.Approved matters related to the convening of the 2024 Annual General Meeting and acceptance of shareholder proposals	Handled in accordance with the resolution
		12.Approved the 2024 Director and Manager Liability Insurance	Handled in accordance with the resolution
Board Meeting	2024.05.09	1. Approved the 2024 Q1 Consolidated Financial Statements	Handled in accordance with the resolution
		2. Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
		3. Approved the amendment to certain articles of the "Audit Committee Charter"	Handled in accordance with the resolution
Board Meeting	2024.08.08	1. Approved the 2024 Q2 Consolidated Financial Statements	Handled in accordance with the resolution
		2. Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
		3. Approved the 2023 Director Compensation Distribution Proposal	Handled in accordance with the resolution
		4. Approved the 2023 Manager and Employee Compensation Distribution Proposal	Handled in accordance with the resolution
		5. Approved the renewal of short-term credit line with financial institutions	Handled in accordance with the resolution
		6. Established the "Regulations on Financial and Business Transactions Among Related Parties"	Handled in accordance with the resolution
Board Meeting	2024.11.07	1. Approved the 2024 Q3 Consolidated Financial Statements	Handled in accordance with the resolution

Meeting Type	Date	Important Resolutions	Implementation Status
		2. Approved the amendment to certain articles of the “Internal Control System” and the establishment of the “Sustainability Information Management Regulations”	Handled in accordance with the resolution
		3. Approved the 2025 Internal Audit Plan	Handled in accordance with the resolution
		4. Approved the application for bank accounts with financial institutions	Handled in accordance with the resolution
		5. Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
Board Meeting	2025.03.06	1. Approved the 2025 Business Plan	Handled in accordance with the resolution
		2. Approved the 2024 Internal Control System Statement	Disclosed in the 2024 Annual Report
		3. Approved the 2024 Business Report and Financial Statements	Submitted to the Shareholders’ Meeting for approval
		4. Approved the 2024 Earnings Distribution and Capital Reserve Cash Distribution Proposal	Submitted to the Shareholders’ Meeting for reporting
		5. Approved the 2024 Employee and Director Compensation Distribution Proposal	Submitted to the Shareholders’ Meeting for reporting
		6. Approved the 2025 Executive Management Team Compensation Plan	Handled in accordance with the resolution
		7. Approved the appointment of the Company's CPA and related fees	Handled in accordance with the resolution
		8. Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
		9. Approved matters related to the convening of the 2025 Annual General Meeting and acceptance of shareholder proposals	Handled in accordance with the resolution
		10. Approved the 2025 Director and Manager Liability Insurance	Handled in accordance with the resolution
		11. Approved the issuance of the third domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
Board Meeting	2025.05.08	1. Approved the 2025 Q1 Consolidated Financial Statements	Handled in accordance with the resolution
		2. Approved the record date for the issuance of new shares for the conversion of the second domestic unsecured convertible corporate bonds	Handled in accordance with the resolution
		3. Approved the amendment to certain articles of the Articles of Incorporation	Submitted to the Shareholders’ Meeting for resolution
		4. Approved the 2024 Director Compensation Distribution Proposal	Handled in accordance with the resolution
		5. Approved the 2024 Manager and Employee Compensation Distribution Proposal	Handled in accordance with the resolution
		6. Approved the application for bank accounts with financial institutions	Handled in accordance with the resolution
		7. Approved the 2025 Executive Management Team Compensation Plan	Handled in accordance with the resolution

(12) In the recent fiscal year and up to the date of the publication of the annual report, if any director disagreed with important resolutions passed by the board of directors and there is a record or written statement, the main content is: None.

4. Information on the Auditors' Fees

Unit: NT$ thousand

Firm	CPA Name	Review period	Audit Fees	Non-audit fee	Total	Remark
Ernst & Young	Li, Fang-Wen	2024.01.01-2024.12.31	2,000	0	2,000	
	Hung, Kuo-Sen					

Please specify the content of non-audit service fees: None.

(1) If the audit firm was changed and the audit fees paid in the year of the change were lower than those of the previous year, the Company shall disclose the amount, percentage, and reason for the reduction: Not applicable.

(2) If the audit fees have decreased by more than 10% compared to the previous year, the amount, percentage and reason for the decrease in audit fees should be disclosed: None.

5. Information on changing CPA: None.

6. The chairman of the company, the president, and the manager in charge of finance or accounting, who have worked in the accounting firm or its affiliates in the past year: None.

7. Changes in equity transfer and equity pledge of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% during the recent fiscal year and up to the date of the publication of the annual report:

(1) Changes in Shareholdings of Directors, Managerial Officers, and Major Shareholders:

April 29, 2025 (Book Closure Date) / Unit: shares

Title	Name	2024		As of April 29, 2025	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares
Chairman	Han, Kai-Cheng	0	0	0	0
Director	Yang, Ming-Gong	0	0	0	0
Director	Yang, Li-Shu-Lan	0	0	0	0
Director	Han, Tai-Wei	0	0	0	0
Director	Pan, Zong-Wei	0	0	0	0
Director	Kuo, Ju-Ling	0	0	0	0
Independent Director	Chen, Zhao-Long	0	0	0	0
Independent Director	Chen, Rong-Chao	0	0	0	0
Independent Director	Chen, Shui-Cong	0	0	0	0
President	Han, Tai-Xian	0	0	0	0
Vice President	Kuo, Ju-Ling	0	0	0	0
Vice President	Pan, Zong-Wei	0	0	0	0
Associate Manager, Quality Assurance	Cai, You-Zhen	0	0	0	0
Manager, R&D Department	Chen, Tuo-Cheng	0	0	0	0
Head of Finance & Accounting	Kuo, Ju-Ling	0	0	0	0
Corporate Governance Officer	Hsu, Hui-Wen	0	0	0	0

(2) Counterparties of Share Transfers or Pledged Shares Who Are Related Parties: None

8. Information on the Top 10 Shareholders Holding the Highest Percentages of Shares and Whether They Are Related Parties as Defined in Statement No. 6 of the Financial Accounting Standards, or Are Spouses or Relatives Within the Second Degree of Kinship

As of April 29, 2025 (Book Closure Date) / Unit: Shares

Name	Shares held		Spouse, underage children hold shares		Hold shares collectively in the name of others		Names and relationships of the top 10 shareholders who are related parties as defined in Statement No. 6 of the Financial Accounting Standards, or are spouses or within the second degree of kinship:		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Yang, Ming-Gong	2,936,230	4.07%	2,712,682	3.76%	-	-	Yang, Li-Shu-Lan Yang, Li-Hao Yang, Dong-Lu	Spouses Father and son Father and son	
Tu, Shui-Cheng	2,753,000	3.81%	-	-	-	-	-	-	
Yang, Li-Shu-Lan	2,712,682	3.76%	2,936,230	4.07%	-	-	Yang, Ming-Gong Yang, Li-Hao Yang, Dong-Lu	Spouses Mother and son Mother and son	
TOP POINT INVESTMENTS LTD.	2,532,029	3.51%	-	-	-	-	-	-	
Representative Yang, Li-Shu-Lan	2,712,682	3.76%	2,936,230	4.07%	-	-	Yang, Ming-Gong Yang, Li-Hao Yang, Dong-Lu	Spouses Mother and son Mother and son	
Cheng, Chun-Chung	2,188,000	3.03%	-	-	-	-	-	-	
Han, Kai-Cheng	1,887,880	2.62%	419,540	0.58%	-	-	Han, Tai-Xian	Brother	
Wu, Fu-Ching	1,826,267	2.53%	1,070,168	1.48%	-	-	-	-	
Yang, Li-Hao	1,767,895	2.45%	584,486	0.81%	-	-	Yang, Ming-Gong Yang, Li-Shu-Lan Yang, Dong-Lu	Father and son Mother and son Brother	
Han, Tai-Xian	1,693,015	2.35%	443,208	0.61%	-	-	Han, Kai-Cheng	Brother	
Yang, Dong-Lu	1,643,835	2.28%	594,853	0.82%	-	-	Yang, Ming-Gong Yang, Li-Shu-Lan Yang, Li-Hao	Father and son Mother and son Brother	

9. The number of shares held by the company, the directors of the company, the managers and the businesses directly or indirectly controlled by the company in the same invested business, and the calculation of the combined shareholding ratio:

Aggregate Shareholding Ratio

Unit: Share; %

Investee (Note 1)	Investment by the company		Investment by directors, supervisors, managers and those who directly or indirectly control the business		Consolidated Investment	
	Shares	%	Shares	%	Shares	%
UNI-PROFIT INDUSTRIAL LIMITED	390,000	100%	-	-	390,000	100%
Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	Note 2	100%	-	-	Note 2	100%
Talent CRO Inc.	800,000	100%			800,000	100%
CANDACE BIOMEDICAL INC.	4,100,000	100%			4,100,000	100%

Notes:

1. This refers to long-term investments accounted for using the equity method.
2. This refers to limited liability companies that do not issue shares; hence, no number of shares is available.

III. Fundraising situation

1. Capital and shares

(1) Sources of capital:

Unit: thousand share; NT$ thousand

Date	Price	Authorized Share Capital		Share capital received		Remark		
		Shares	Amount	Shares	Amount	Source of Share Capital	The use of property other than cash to offset the payment of shares	Other
2001.11	10	10,000	100,000	5,000	50,000	Establishment through cash injection of NTD 50,000 thousand	None	Note 1
2001.12	10	10,000	100,000	10,000	100,000	Capital increase by cash of NTD 50,000 thousand	None	Note 2
2002.10	10	50,000	500,000	25,000	250,000	Capital increase by cash of NTD 100,000 thousand	Technical contribution of NTD 50,000 thousand	Note 3
2004.11	15	50,000	500,000	33,350	333,500	Capital increase by cash of NTD 83,500 thousand	None	Note 4
2006.03	10	50,000	500,000	38,350	383,500	Capital increase by cash of NTD 50,000 thousand	None	Note 5
2007.09	-	50,000	500,000	11,505	115,050	Capital reduction of NTD 268,450 thousand	None	Note 6
2007.09	6.5	50,000	500,000	21,505	215,050	Private placement capital increase of NTD 100,000 thousand	None	Note 7
2008.12	10	50,000	500,000	31,500	315,000	Capital increase by cash of NTD 99,950 thousand	None	Note 8
2010.07	10	50,000	500,000	35,000	350,000	Capital increase by cash of NTD 35,000 thousand	None	Note 9
2011.03	40	50,000	500,000	40,000	400,000	Capital increase by cash of NTD 50,000 thousand	None	Note 10
2013.09	10	50,000	500,000	42,400	424,000	Capital increase by earnings and capital surplus of NTD 24,000 thousand	None	Note 11
2013.11	83	50,000	500,000	50,000	500,000	Capital increase by cash of NTD 76,000 thousand	None	Note 12
2014.09	10	80,000	800,000	53,500	535,000	Capital increase by earnings and capital surplus of NTD 35,000 thousand	None	Note 13
2018.03	-	400	4,000	53,100	531,000	Capital reduction by cancellation of treasury stock of NTD 4,000 thousand	None	Note 14
2019.02	48	5,000	50,000	58,100	581,000	Capital increase by cash of NTD 50,000 thousand	None	Note 15
2020.09	10	80,000	800,000	61,005	610,050	Capital increase by earnings of NTD 29,050 thousand	None	Note 16
2021.10	10	80,000	800,000	66,190	661,904	Capital increase by earnings of NTD 51,854 thousand	None	Note 17
2022.07	10	100,000	1,000,000	66,190	661,904	Increase in authorized capital	None	Note 18
2023.05	10	100,000	1,000,000	66,980	669,800	Conversion of convertible bonds into common shares of NTD 7,896 thousand	None	Note 19
2023.08	10	100,000	1,000,000	67,272	672,722	Conversion of convertible bonds into common shares of NTD 2,922 thousand	None	Note 20
2023.10	10	100,000	1,000,000	67,710	677,099	Conversion of convertible bonds into common shares of NTD 4,377 thousand	None	Note 21
2024.03	10	100,000	1,000,000	67,731	677,311	Conversion of convertible bonds into common shares of NTD 212 thousand	None	Note 22
2024.05	10	100,000	1,000,000	68,289	682,885	Conversion of convertible bonds into common shares of NTD 5,574 thousand	None	Note 23

2024.08	10	100,000	1,000,000	70,289	702,894	Conversion of convertible bonds into common shares of NTD 20,008 thousand	None	Note 24
2024.11	10	100,000	1,000,000	71,792	717,921	Conversion of convertible bonds into common shares of NTD 15,027 thousand	None	Note 25
2025.03	10	100,000	1,000,000	71,855	718,547	Conversion of convertible bonds into common shares of NTD 626 thousand	None	Note 26

Note 1: Approved by Gao-Shi-Fu-Jian-Er-Gong-Zi No.09007492500 on November 12, 2001.

Note 2: Approved by Jing-Shou-Shang-Zi No.09101001470 on January 4, 2002.

Note 3: Approved by Jia-Shou-Gao-Zi No.15003410 on December 30, 2002.

Note 4: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Yi-Zi No.0930137397 on August 19, 2004.

Note 5: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Yi-Zi No.0940161574 on January 10, 2006.

Note 6: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Yi-Zi No.0960040552 on August 1, 2007.

Note 7: Registration amendment approved by Jia-Shou-Gao-Zi No.09600302690 on September 29, 2007. Subsequent public issuance effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.0990065486 on November 24, 2010.

Note 8: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Yi-Zi No.0970047470 on September 10, 2008.

Note 9: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.0990026959 on May 26, 2010.

Note 10: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.0990071873 on December 29, 2010.

Note 11: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.1020028930 on July 24, 2013.

Note 12: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.1020032185 on August 20, 2013.

Note 13: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.1030028560 on July 28, 2014.

Note 14: Effective upon filing with Jia-Shou-Gao-Zi No.10740010540 on March 21, 2018.

Note 15: Effective upon filing with Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No.1070345269 on December 14, 2018.

Note 16: Effective upon filing with Jia-Shou-Gao-Zi No.1094100110 on September 14, 2020.

Note 17: Effective upon filing with Jia-Shou-Gao-Zi No.1104100187 on October 13, 2021.

Note 18: Effective upon filing with Jia-Shou-Gao-Zi No.1114100109 on July 21, 2022.

Note 19: Effective upon filing with Jia-Shou-Gao-Zi No.1124100059 on May 17, 2023.

Note 20: Effective upon filing with Jia-Shou-Gao-Zi No.1124100114 on August 18, 2023.

Note 21: Effective upon filing with Yuan-Shou-Gao-Zi No.1125400057 on November 10, 2023.

Note 22: Effective upon filing with Yuan-Shou-Gao-Zi No.1135400056 on March 19, 2024.

Note 23: Effective upon filing with Yuan-Shou-Gao-Zi No.1135400118 on May 17, 2024.

Note 24: Effective upon filing with Yuan-Shou-Gao-Zi No.1135400230 on August 14, 2024.

Note 25: Effective upon filing with Yuan-Shou-Gao-Zi No.1135400281 on November 12, 2024.

Note 26: Effective upon filing with Yuan-Shou-Gao-Zi No.1145400039 on March 11, 2025.

Type of Shares

Apr. 29, 2025 (Book Closure Date)

Type of Shares	Authorized Share Capital			Remark
	Outstanding shares	Unissued shares	Total	
Registered Common Shares	72,191,688 shares	27,808,312 shares	100,000,000 shares	Listed Stocks

3. Summary of Declaration System-Related Information: None.

(2) List of major shareholders

Apr. 29, 2025 (Book Closure Date) /Unit: Share; %

Name \ Shares	Shares	%
Yang, Ming-Gong	2,936,230	4.07%
Tu, Shui-Cheng	2,753,000	3.81%
Yang, Li-Shu-Lan	2,712,682	3.76%
TOP POINT INVESTMENTS LTD.	2,532,029	3.51%
Cheng, Chun-Chung	2,188,000	3.03%
Han, Kai-Cheng	1,887,880	2.62%
Wu, Fu-Ching	1,826,267	2.53%
Yang, Li-Hao	1,767,895	2.45%
Han, Tai-Xian	1,693,015	2.35%
Yang, Dong-Lu	1,643,835	2.28%

(3) Company's dividend policy and its implementation status

1. Dividend policy as stipulated in the Articles of Incorporation:

Article 18: If the Company has earnings for the year, no less than 5% shall be allocated as employee compensation, and no more than 5% shall be allocated as director compensation. However, if there is any accumulated loss, it shall be reserved for offsetting prior to distribution.

Article 18-1: The Company is a technology and capital-intensive enterprise currently in its growth stage. In order to support long-term capital planning for sustainable operations and steady growth, the Company adopts a residual dividend policy. If there is net income upon annual final accounts, distribution shall be made in the following order:

(1) Tax payments and compensation of prior years' losses shall be made first.

(2) 10% shall be appropriated as legal reserve; however, this requirement ceases once the legal reserve reaches the Company's paid-in capital.

(3) Special reserve shall be appropriated or reversed in accordance with operational needs, competent authority instructions, or relevant laws and regulations.

(4) Shareholder dividends shall be distributed from the remainder after the appropriations under the preceding items (1) through (3), together

with undistributed earnings from prior years. If the distribution is in the form of new shares, a resolution by the shareholders' meeting is required. If the distribution is in cash, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and approval of more than half of the attending directors, and the shareholders' meeting shall be informed. Dividend distribution shall be no less than 50% of the distributable earnings. Cash dividends shall not be less than 30% of the total dividends distributed for the year.

(5) The Company may, in accordance with applicable laws and regulations, distribute all or part of the legal reserve and capital reserve. If the distribution is in the form of new shares, it shall be resolved by the shareholders' meeting; if in the form of cash, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and approval of more than half of the attending directors, and the shareholders' meeting shall be informed.

2. Proposed dividend distribution for this shareholders' meeting (approved by the Board of Directors, not yet reported to the shareholders' meeting):

On March 6, 2025, the Company's Board of Directors resolved to allocate NT$221,481,190 from the distributable earnings of 2024 as cash dividends to shareholders, approximately NT$3.06795971 per share. In addition, NT$12,390,591 will be allocated entirely in cash from the capital reserve arising from premium on common stock due to capital increase. The Chairman is authorized to determine the ex-dividend date, payment date, and to handle other related matters.

3. Whether significant changes to the dividend policy are expected: None.

(4) The impact of this shareholders' meeting's proposed free distribution of shares on the company's business performance and earnings per share:

None.

(5) Employee remuneration and director remuneration:

1. The percentage or range of employee remuneration and director remuneration stated in the company's articles of association.

Article 15: Director compensation shall be determined and approved by the Board of Directors based on the level of involvement in the Company's operations, the value of contributions, and industry norms.

Article 18: If the Company has earnings for the year, not less than 5% shall be allocated as employee compensation, and not more than 5% shall be allocated as director compensation. However, if there is any accumulated loss, such amount shall be reserved in advance for offsetting.

2. The basis of estimation of the estimated amount of employee and director remuneration for this period, the basis for calculating the number of shares of employee remuneration distributed in shares, and the accounting treatment when the actual distribution amount is different from the estimated number:

(1) The estimation basis for the employee and director remuneration recognized in the current period: The amount was estimated based on the profitability of the year, in accordance with the percentage range stipulated in the Articles of Association.

(2) Basis for calculating the number of shares distributed as employee remuneration for the current period: The Company did not distribute employee remuneration in shares during the current period; therefore, this is not applicable.

(3) Accounting treatment in the event of a difference between the actual and estimated distribution amounts: The amount approved by the Board of Directors shall be recognized as operating expenses for the year. If the amount resolved at the shareholders' meeting differs from the amount previously estimated, the difference shall be recognized in the financial statements of the following year.

3. The situation of the board of directors approving the distribution of remuneration:

(1) On March 6, 2025, the Company's Board of Directors resolved to distribute remuneration as follows:

Item	Recognized Amount	Amount Approved by Board	Difference
Director Remuneration (Cash)	16,288,398	16,288,398	None
Employee Remuneration (Cash)	16,288,400	16,288,400	None

(2) The percentage of employee compensation distributed in shares to the net profit after tax and the total amount of employee compensation in the individual or separate financial report of this period: None.

4. Actual distribution of employee and director remuneration for the previous year (including number of shares, amount, and stock price); if there is any difference between actual distribution and the recognized amount, explain the reason and treatment: The actual distribution of employee and director remuneration for the 2024 fiscal year was consistent with the amounts approved by the Board of Directors; there was no difference.

(6) The situation of the company repurchasing its own shares (completed execution)

May 25, 2025 (Date of Annual Report)

Repurchase Round	1st Round	2nd Round
Purpose of Repurchase	Transfer of shares to employees	Transfer of shares to employees
Repurchase Period	January 7 – January 12, 2015	June 30 – August 28, 2015
Repurchase Price Range	NT$59.64 – NT$110 per share	NT$42.63 – NT$100.95 per share
Type and Quantity of Shares Repurchased	400,000 common shares	1,500,000 common shares
Amount of Shares Repurchased	NT$39,029,283	NT$86,777,098
Ratio of Actual to Planned Quantity Repurchased (%)	20%	100%
Quantity of Shares Already Retired or Transferred	400,000 shares	1,500,000 shares
Accumulated Number of Company Shares Held	-	-
Percentage of Accumulated Held Shares to Total Outstanding Shares (%)	-	-

2. Issuance of Corporate Bonds

Issuance		2nd Domestic Unsecured Convertible Corporate Bond	3rd Domestic Unsecured Convertible Corporate Bond
Issue Date		October 3, 2022	Not yet issued (Note)
Denomination		NT$100,000	NT$100,000
Place of Issuance and Trading		Not applicable	Not applicable
Offering Price		Issued at par value	Issued at par value
Total Amount		NT$400,000 thousand	NT$400,000 thousand
Coupon		0%	0%
Tenure and Maturity Date		3-year term, maturity date: October 3, 2025	3-year term
Guarantor		Not applicable	Not applicable
Trustee		Cathay United Bank	Taishin International Bank
Underwriter		President Securities Corporation, Jih Sun Securities Co., Ltd., Hua Nan Securities Co., Ltd., and Concord Securities Co., Ltd.	Not yet issued (Note)
Legal Counsel		Handsome Attorneys-at-law, Attorney Chiu, Ya-Wen	Handsome Attorneys-at-law, Attorney Chiu, Ya-Wen
Auditor		Ernst & Young CPA Firm – CPAs Li, Fang-Wen and Chen, Cheng-Chu	Ernst & Young CPA Firm – CPAs Li, Fang-Wen and Hung, Kuo-Sen
Repayment		Unless converted into the Company's common shares or repurchased and canceled by the Company in accordance with the terms of issuance and conversion, the bond shall be repaid in a lump sum at maturity based on the par value plus interest compensation (3.0301% of the par value, with an effective annual yield of 1%), paid in cash.	Unless converted into the Company's common shares or repurchased and canceled by the Company in accordance with the terms of issuance and conversion, the bond shall be repaid in a lump sum at maturity based on the par value, paid in cash.
Outstanding Principal as of the Date of Annual Report Publication		NT$117,300 thousand	Not yet issued (Note)
Redemption or Early Repayment Clause		Please refer to Article 18 of the Issuance and Conversion Terms	Please refer to Article 18 of the Issuance and Conversion Terms
Covenants		None	None
Credit Rating Agency, Rating Date, and Bond Rating Result		Not applicable	Not applicable
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	NT$282,700 thousand	Not yet issued (Note)
	Conversion Right	Please refer to the Issuance and Conversion Terms	Please refer to the Issuance and Conversion Terms
Dilution Effect and Other Adverse Effects on Existing Shareholders		Prior to the execution of conversion rights by bondholders, there is no dilution effect on the Company's equity. Bondholders may choose to convert at a time most favorable to them within the conversion period, which results in a deferred dilution effect. Upon conversion of the convertible bonds into common shares, the Company's liabilities will decrease and shareholders' equity will increase, thereby enhancing net asset value per share. Therefore,	Prior to the execution of conversion rights by bondholders, there is no dilution effect on the Company's equity. Bondholders may choose to convert at a time most favorable to them within the conversion period, which results in a deferred dilution effect. Upon conversion of the convertible bonds into common shares, the Company's liabilities will decrease and shareholders' equity will increase, thereby enhancing net asset value per share. Therefore,

Issuance	2nd Domestic Unsecured Convertible Corporate Bond	3rd Domestic Unsecured Convertible Corporate Bond
	from a long-term perspective, the rights and interests of existing shareholders are better protected.	from a long-term perspective, the rights and interests of existing shareholders are better protected.
Custodian	None	None

Note: Approval obtained from the Financial Supervisory Commission under Jin-Guan-Zheng-Fa-Zi No. 1140336441 on April 1, 2025.

3. The handling of special shares: None.
4. The handling of overseas depositary receipts: None.
5. The handling of employee stock option certificates or restricted employee rights new shares: None.
6. The handling of mergers or acquisitions of other companies' shares to issue new shares: None.
7. The implementation of the capital utilization plan:

As of the end of the quarter preceding the publication date of this annual report, the following issuances or private placements of securities were either not yet completed or completed within the past three years with benefits not yet realized:

(1) Cash Capital Increase in 2013

1. Date and Document Number of Approval by the Competent Authority: August 20, 2013, Jin-Guan-Zheng-Fa-Zi No. 1020032185.

2. Total Funding Required for This Plan: NT$630,800 thousand.

3. Source of Funds: Issuance of 7.6 million new ordinary shares at a par value of NT$10 per share and an issue price of NT$83 per share, raising a total of NT$630,800 thousand.

4. Project Items, Funding Utilization Schedule, and Expected Benefits:

(1) Project Item, Funding Utilization Schedule, and Expected Benefits

① To supplement working capital

Unit: NT$ thousand

Project Item	Scheduled Completion Date	Total Required Funds	Planned Funding Utilization Progress
			Q4 2013
To supplement working capital	Q4 2013	150,800	150,800

② Construction of a New Plant (Biotech Plant No.1)

The raised funds of NT$480,000 thousand were gradually used for the construction of the new plant. However, due to the need to accommodate process space requirements, the height of each floor was increased compared to the original design. Furthermore, in consideration of compliance with the U.S. FDA aseptic drug manufacturing standards, the cleanroom specifications in the original design were upgraded per evaluation reports. Also, in view of increasingly stringent regulations in the biotech industry, the plant design was revised accordingly. As a result, the Board of Directors resolved and submitted for shareholder ratification the accumulated total construction cost of NT$999,998 thousand (before tax), with a taxed price of NT$1,042,198 thousand. Additionally, due to foreign exchange effects on imported equipment payments, the cumulative actual payment was NT$31,063 thousand less than the original budget. Therefore, the final funding required for the new plant construction amounted to NT$1,011,135 thousand.

This project involved the construction of a new plant and the acquisition of new equipment such as filling and packaging machines, sterilizers, inspection machines, and isolators. These are to be used for producing dermal fillers in the aesthetic medicine field, intra-articular injections in elderly care, and new absorbable anti-adhesion gels in surgical applications. The project items and required funding are as follows:

Unit: NT$ thousand

Project Item	Scheduled Completion Date	Total Required Funds	Execution Status	Planned Funding Utilization Progress	
			As of end of September 2018	Q4 2018 (Note 2)	Q1 2019 (Note 3)
Construction of the new plant	Q1 2019	1,011,135	823,488	45,623	142,024

Note 1: The construction budget for the new plant, approved by the Board of Directors, totaled NT$999,998 thousand (before tax) / NT$1,042,198 thousand (with tax). Due to foreign exchange impacts on imported equipment payments, the cumulative actual payment was NT$31,063 thousand less than originally budgeted. Therefore, the total funds required for the plant amounted to NT$1,011,135 thousand.

Note 2: Of the NT$1,011,135 thousand required for plant construction, NT$480,000 thousand was funded by the 2013 cash capital increase. Considering payment schedules and funding needs, NT$389,111 thousand (= NT$823,488 thousand – NT$480,000 thousand + NT$45,623 thousand estimated payment for November and December (tax inclusive) and other items based on project progress) was temporarily financed through bank loans or internal funds, of which NT$13,173 thousand was paid using internal funds, and the remaining NT$375,938 thousand was repaid using capital raised in 2018.

Note 3: An estimated NT$142,024 thousand was planned for payment in Q1 2019, which was intended to be funded by the capital raised in 2018.

(2) Expected Benefits and Achievement Status

① Replenishment of Working Capital

The Company planned to use NT$150,800 thousand to replenish working capital, which was intended to cover expenses related to obtaining FDA (U.S. Food and Drug Administration) certifications prior to product marketing in the U.S. market. Based on the Company's original average bank loan interest rate of 2.10%, an estimated annual interest expense of NT$3,167 thousand (NT$150,800 thousand × 2.10%) could be saved.

Unit: NT$ thousands; %

Item \ Year		Q3 2013 (Before Fundraising)	Q4 2013 (After Fundraising)
Basic Financial Data	Current Assets	356,032	962,031
	Current Liabilities	24,452	25,248
	Total Liabilities	61,265	45,233

Item \ Year		Q3 2013 (Before Fundraising)	Q4 2013 (After Fundraising)
	Operating Revenue	149,752	200,509
	Interest Expense	31	31
	Earnings Per Share (NT$)	0.82	0.93
Financial Structure	Debt Ratio	11.91	4.01
	Long-term Capital to Fixed Assets Ratio	384.08	913.42
Solvency	Current Ratio	1,456.04	3,810.33
	Quick Ratio	1,117.65	3,495.86
	Interest Coverage Ratio	827.39	1,012.74

From the above financial structure table, it can be seen that both the financial structure and solvency improved compared to Q3 2013 (before fundraising), and revenue also increased, indicating that the benefits of the capital increase for replenishing working capital had materialized.

② Construction of New Plant (Biotech Plant No.1)

As for the benefit from the new plant, based on the total estimated construction funding of NT$1,011,135 thousand, and estimated operating revenue, gross profit, and operating profit calculated from current product prices, future market supply and demand, and pricing trends, the Company expects cumulative operating profit from 2020 to 2024 to be NT$3,035,016 thousand. Based on estimated capital cost, the payback period for the entire plant investment is projected at approximately 3.76 years starting from 2020.

Unit: Unit; NT$ thousand

Year	Item Name	Production Volume	Sales Volume	Sales Value	Gross Profit	Operating Profit
2020	Medical Device	1,492,000	1,432,000	539,581	315,840	175,549
2021	Medical Device	1,817,000	1,731,000	734,851	469,059	311,066
2022	Medical Device	2,199,000	2,086,000	1,106,234	728,149	517,964
2023	Medical Device	2,822,000	2,669,000	1,740,013	1,166,751	853,548
2024	Medical Device	3,400,000	3,203,000	2,236,430	1,557,082	1,176,889

Unit: NT$ thousand

Year	Net Income After Tax	Depreciation	Total	Discount Factor	Present Value of Cash Inflows	Cumulative Investment Recovery Amount
2020	140,438	66,667	207,105	0.7601	157,414	157,414
2021	248,852	66,667	315,519	0.6936	218,859	376,273
2022	414,371	66,667	481,038	0.6330	304,510	680,783
2023	682,838	66,667	749,505	0.5777	432,993	1,113,766
2024	941,511	66,667	1,008,178	0.5272	531,530	1,645,306

Note: Based on estimated present value of cash inflows, the investment payback period is approximately 3.76 years starting from 2020.

Due to delays in the new plant's commissioning schedule, inability to obtain the EU CE certificate and U.S. FDA approval on schedule due to the COVID-19 pandemic, and the originally planned promotion of the anti-adhesion product in China being suspended due to market conservatism caused by the pandemic, the Company ultimately did not finalize contracts for that product. As a result, product sales were deferred, and the benefits were not realized as originally expected.

5. Plan Execution Status:

Unit: NT$ thousand

Project Item	Execution Status			Delays or Advances in Progress, Reasons, and Improvement Plans
Construction of New Plant	Used Amount	Planned	1,011,135	The raised capital of NT$480,000 thousand was fully invested in the construction of the new plant. The original plan was to complete execution in Q1 2019. However, due to delays in the U.S. FDA plant inspection plan, final acceptance and validation could not be completed. As of Q1 2019, NT$925,463 thousand had been spent. The remaining funds were disbursed in Q3 2019 (NT$54,931 thousand) and Q4 2020 (NT$30,741 thousand). Therefore, the plan was fully executed by Q4 2020.
		Actual	1,011,135	
	Execution Progress (%)	Planned	100.00%	
		Actual	100.00%	
Replenishment of Working Capital	Used Amount	Planned	150,800	As originally scheduled, funds to support daily operations were declared and executed in Q4 2013.
		Actual	150,800	
	Execution Progress (%)	Planned	100.00%	
		Actual	100.00%	
Total	Used Amount	Planned	1,161,935	
		Actual	1,161,935	
	Execution Progress (%)	Planned	100.00%	
		Actual	100.00%	

6. Changes in Plan Content, Reasons for Change, and Benefits After Change:

Due to the reasons stated in section 4.(2).② above, the Board of Directors resolved on March 23, 2022, to revise the projected benefits of the plan as follows:

Unit: Unit; NT$ thousand

Year	Item Name	Production Volume	Sales Volume	Sales Value	Gross Profit	Operating Profit
2021	Medical Device	408,000	391,666	137,744	68,586	31,487
2022	Medical Device	586,000	546,600	198,716	99,692	42,639
2023	Medical Device	835,000	776,100	328,774	208,843	108,565
2024	Medical Device	979,000	893,800	414,342	268,169	142,861
2025	Medical Device	1,301,000	1,143,600	707,933	512,224	260,045
2026	Medical Device	1,680,000	1,449,000	919,261	689,177	390,696
2027	Medical Device	1,680,000	1,449,000	919,261	689,177	390,696
2028	Medical Device	1,680,000	1,449,000	919,261	689,177	390,696

Note: Based on the estimated present value of cash inflows, the investment payback period is approximately 6.96 years starting from plant commissioning in April 2021.

(2) Capital Increase Through Cash Issuance of New Shares and the First Domestic Unsecured Convertible Bonds in 2018

1. Date and Document Number of Approval by the Competent Authority: December 14, 2018, Financial Supervisory Commission Document Jin-Guan-Zheng-Fa-Zi No.1070345269 and Jin-Guan-Zheng-Fa-Zi No.10703452691.

2. Total funds required for this plan: NT$548,819 thousand.

3. Source of funds: Cash capital increase through the issuance of 5,000 thousand common shares at a par value of NT$10 per share and an issue price of NT$48 per share, raising a total of NT$240,000 thousand; the first domestic unsecured convertible bonds totaling 3,000 units, each with a par value of NT$100 thousand, with a tenure of 3 years and a coupon rate of 0%, raising NT$300,000 thousand; and NT$8,819 thousand from internal funds.

4. Plan items, fund utilization schedule, and expected benefits:

(1) Plan items and expected fund utilization schedule:

Unit: NT$ thousand

Plan Item	Scheduled Completion Date	Total Funds Required	Planned Fund Utilization Schedule
			2019
			Q1
Construction of New Plant	Q1 2019	142,024	142,024
Repayment of Bank Loans	Q1 2019	375,938	375,938

(Construction of New Plant)			
Repayment of Bank Loans	Q1 2019	22,038	22,038
Subtotal	Q1 2019	540,000	540,000
Repayment of Bank Loans (Internal Funds)	Q1 2019	8,819	8,819
Total		548,819	548,819

Note: Of the bank loans to be repaid, NT$375,938 thousand was borrowed for new plant construction and remains unpaid. The remaining NT$22,038 thousand was borrowed to meet daily operational needs. The funding gap of NT$8,819 thousand will be covered using internal funds to repay the bank loans.

The budget for the new plant construction approved by the Board of Directors is NT$1,042,198 thousand (including tax). However, due to exchange rate fluctuations affecting the cost of imported equipment, the actual cumulative payments were NT$31,063 thousand less than the original budget, resulting in actual required funds for the new plant construction amounting to NT$1,011,135 thousand. As of Q4 2018 (prior to the fundraising), the Company planned to have cumulatively paid approximately NT$869,111 thousand in cash related to new plant construction. After deducting the NT$480,000 thousand raised in the 2013 capital increase, the remaining NT$389,111 thousand includes NT$13,173 thousand from internal funds and NT$375,938 thousand from bank loans, which are to be repaid using the funds raised in this offering.

In summary, the Company plans to raise NT$240,000 thousand through this cash capital increase and NT$300,000 thousand through the first domestic unsecured convertible bond offering, totaling NT$540,000 thousand. Of the raised funds, NT$142,024 thousand is planned to be used in Q1 2019 to pay part of the construction costs for the new plant in accordance with the construction schedule. The remaining NT$397,976 thousand will be used to repay bank loans, of which NT$22,038 thousand was borrowed to meet daily operational needs, and the rest was originally used to fund capital expenditures for the new plant.

(2) Expected Benefits and Achievement Status

① Construction of the New Plant (Biotech Plant I)

Please refer to Section IV, 7, (1), 4, (2), ② for details.

② Repayment of Bank Loans

A. Original Loan Purpose: For Daily Operating Needs

The Company plans to use NT$406,795 thousand to repay bank loans (including NT$8,819 thousand repaid using internal funds). Of this, NT$30,857 thousand was originally borrowed to meet daily operating needs. Based on the proposed bank loan interest rate of 1.98%, the estimated savings in interest expense will be approximately NT$509 thousand in 2019 and NT$611 thousand per year thereafter. By repaying the aforementioned loans, the Company will not only reduce its financial burden but also enhance its debt repayment capability and preserve its credit line with banks, thereby maintaining flexibility in fund utilization and improving long-term competitiveness.

Unit: NT$ thousands; %

Item \ Year		Q2 2018 (Before Fundraising)	Q1 2019 (After Fundraising)
Basic Financial Data	Current Assets	499,631	622,499
	Current Liabilities	227,124	149,826
	Total Liabilities	678,445	499,061
	Operating Revenue	154,581	104,435
	Earnings Per Share (NT$)	0.76	0.53
Financial Structure	Debt Ratio	41.87	26.80
	Long-term Capital to Fixed Assets Ratio	136.24	147.88
Solvency	Current Ratio	219.98	415.48
	Quick Ratio	196.46	378.36

Based on the above financial data, the Company's financial structure and debt-paying ability both improved compared to Q2 2018 (before fundraising), and operating revenue also increased, indicating that the benefit of the fundraising for debt repayment has materialized.

B. Original Loan Purpose: Capital Expenditures for the Construction of the New Plant

The Company plans to use NT$406,795 thousand to repay bank loans (including NT$8,819 thousand from internal funds). The remaining NT$375,938 thousand in bank loans was originally used to fund capital expenditures related to the construction of the new plant. Based on the proposed interest rate range of 1.704% to 1.88%, estimated interest savings are approximately NT$5,420 thousand in 2019 and NT$6,504 thousand annually thereafter, which will alleviate pressure on cash interest payments. From an operational perspective, the new plant was scheduled to officially begin production in October 2019, which is expected to significantly enhance the Company's overall revenue contribution and have a positive long-term impact on operations. Please refer to the section on the benefits of the new plant for further details.

5. Plan Execution Status:

Unit: NT$ thousand

Project Item	Execution Status			Delays or Advances in Progress, Reasons, and Improvement Plans
Construction of New Plant	Used Amount	Planned	142,024	This plan was originally scheduled for completion in Q1 2019. However, due to the postponement of the U.S. FDA's factory inspection, final construction acceptance and validation work could not be completed as planned. As of Q1 2019, the
		Actual	142,024	

Project Item	Execution Status			Delays or Advances in Progress, Reasons, and Improvement Plans
	Execution Progress (%)	Planned	100.00%	amount disbursed was NT$925,463 thousand, and the remaining related payments were fully executed before Q4 2020.
		Actual	100.00%	
Repayment of Bank Loans	Used Amount	Planned	406,795(Note)	The originally scheduled repayment of bank loans was declared as completed in Q1 2019.
		Actual	406,795	
	Execution Progress (%)	Planned	100.00%	
		Actual	100.00%	
Total	Used Amount	Planned	548,819	
		Actual	548,819	
	Execution Progress (%)	Planned	100.00%	
		Actual	100.00%	

Note: The total planned repayment amount is NT$406,795 thousand, of which NT$397,976 thousand was sourced from the fundraising, and NT$8,819 thousand from internal funds.

6. Change in Plan Content, Reasons for the Change, and Post-Change Benefits: Please refer to Section IV, 7, (1), 6 for details.

(3) 2022 Domestic Second Unsecured Convertible Corporate Bonds

1. Approval date and reference number from the competent authority: May 27, 2022, Letter Jin-Guan-Zheng-Fa-Zi No.1110343177.

2. Total funding required for this plan: NT$400,000 thousand. Filing date on the designated website of the Financial Supervisory Commission: May 27, 2022.

3. Source of funds: Issuance of 4,000 units of the Company's second domestic unsecured convertible corporate bonds, each with a face value of NT$100 thousand, issued at 100% of face value. The total expected funds to be raised is NT$400,000 thousand.

4. Plan items, fund utilization schedule, and expected benefits:

Unit: NT$ thousand

Plan	Expected Completion Date	Required Funds	Expected Utilization Schedule			
			2022			
			Q1	Q2	Q3	Q4
Repayment of bank loans	Q3 2022	300,000	--	--	300,000	--
Working capital	Q4 2022	100,000	--	--	50,000	50,000
Total		400,000	--	--	350,000	50,000

(1) Repayment of Bank Loans

Among the planned uses of funds, NT$300,000 thousand is designated for the repayment of bank loans. This is expected to effectively reduce interest expenses and improve the Company's financial structure. It will also lower reliance on borrowings, enhance flexibility in fund allocation, and reduce operational risks. The Company plans to repay the loans in Q3 2022 immediately after the funds are raised. Based on an estimated loan interest rate of 1.35%, interest expense savings for 2022 are expected to be approximately NT$2,025 thousand, with annual savings of around NT$4,050 thousand thereafter. In addition to reducing interest burden, this move will improve the financial structure, strengthen the Company's ability to service debt, and reduce its dependency on borrowings.

(2) Working Capital

The Company plans to allocate NT$100,000 thousand from the raised funds to replenish working capital to support operational needs. With this capital injection, the current ratio and overall financial structure will be improved, making fund allocation more flexible in response to future economic fluctuations and market risks. Furthermore, reduced reliance on bank borrowing will help avoid additional interest expenses that could erode profits. Assuming an average mid-term loan interest rate of approximately 1.35%, the Company estimates interest savings of approximately NT$675 thousand in 2022, and around NT$1,350 thousand annually thereafter. Therefore, raising working capital through convertible bonds will not only strengthen the Company's financial structure and enhance future competitiveness but also further reduce cash outflows related to interest expenses.

5. Plan Implementation Status:

The original plan has been fully executed. Of the total funds raised, NT$300,000 thousand was used to repay bank loans, which were originally borrowed to repay the principal of the first domestic unsecured convertible corporate bonds upon maturity. For the necessity, rationality, and effectiveness of the original loan purpose, please refer to IV, 7, (1), 6. The replenishment of working capital has proceeded according to plan and has begun to show benefits.

IV. Operational Highlights

1. Business Activities

(1) Business Scope

1. The main business activities of the Company are as follows

(1) C801030 Precision Chemical Material Manufacturing

(2) F107200 Wholesale of Chemical Feedstock

(3) F401010 International Trade

(4) F113030 Wholesale of Precision Instruments

(5) F213040 Retail Sale of Precision Instruments

(6) IG01010 Biotechnology Services

(7) CI99990 Other Food Manufacturing Not Elsewhere Classified

(8) F102170 Wholesale of Groceries

(9) C801990 Other Chemical Material Manufacturing

(10) C802100 Cosmetics Manufacturing

(11) F108040 Wholesale of Cosmetics

(12) C110010 Beverage Manufacturing

(13) C802041 Western Medicine Manufacturing

(14) F108021 Wholesale of Western Medicine

(15) F108031 Wholesale of Medical Devices

(16) CF01011 Medical Devices Manufacturing

(17) ZZ99999 All business items that are not prohibited or restricted by law, except those requiring special approval

2. Business Composition in 2024

NT$ thousands

Item	Item	Percentage (%)
Hyaluronic Acid Medical Devices	853,102	96.58
Others (Note)	30,208	3.42
Total	883,310	100.00

Note: Items contributing less than 10% of total revenue are not listed separately.

3. Current Products and Services

The Company applies its core patented technology—the Crosslinked Hyaluronic Acid Platform (CHAP)—along with the dual patents titled “Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product,” to develop high-end medical devices in three major application fields: aesthetic dermatology, elderly care, and surgical care.

(1) Aesthetic Dermatology – Facial Dermal Implant

① Hya-Dermis and FACILLE Series Facial Dermal Implant

The Hya-Dermis and FACILLE series are granular hyaluronic acid injectable gels mainly used to contour facial features, reduce wrinkles, and enhance subcutaneous volume. These products correct both deep and superficial wrinkles, increase tissue plumpness, and enhance facial contours. With the addition of lidocaine hydrochloride, they reduce discomfort during treatment. Key advantages include high safety, stable gel structure, minimal displacement, excellent viscoelasticity, effective concentration of active ingredients, and strong resistance to degradation.

② ANIMERS Series Facial Dermal Implant

The ANIMERS series is a gel-type hyaluronic acid injectable primarily used for treating fine facial lines, enhancing lip definition, lip augmentation, moderate-to-severe wrinkles or folds, and restoring facial volume loss. With lidocaine hydrochloride added, this product offers high safety, smooth and natural gel texture, and ease of injection.

③ FUYANMEI Poly-L-Lactic Acid

FUYANMEI Poly-L-Lactic Acid contains poly-L-lactic acid (PLLA), which stimulates the regeneration of collagen and elastin after injection. It is primarily used to restore facial volume in areas of depression or fat loss (lipoatrophy), providing large-area correction of skin depressions such as folds, wrinkles, creases, scars, and aging signs. Its advantages include high safety, long-lasting effects, and quick reconstitution.

④ GIOVANIS Dermal Implant

GIOVANIS Dermal Implant contains polycaprolactone (PCL), which provides immediate volume enhancement upon injection and continuously stimulates fibroblasts to regenerate collagen. It is suitable for increasing the volume of moderate to severe facial depressions and for temporary correction of nasolabial folds.

(2) Elderly Care – Synovial Fluid Supplement

① HYA-JOINT and HYAFELIC Synovial Fluid Supplements

HYA-JOINT and HYAFELIC are three-injection treatment regimens primarily used for treating degenerative knee osteoarthritis and rotator cuff syndrome. They function by coating and protecting joint tissues, enhancing lubrication, nourishing degenerated cartilage, inhibiting further degeneration, and promoting metabolism. These products penetrate the synovial tissue to suppress inflammation and degeneration and relieve pain by inhibiting pain mediators in the synovial membrane. Each treatment involves three injections, administered once weekly into the knee joint cavity or the subacromial bursa.

② HYA-JOINT Plus and HYAFELIC Uno Synovial Fluid Supplements

HYA-JOINT Plus and HYAFELIC Uno are single-injection treatment regimens primarily used for degenerative knee osteoarthritis. They protect joint cavity tissues and buffer external mechanical stress. Clinical studies have demonstrated that a single injection provides therapeutic effects lasting up to 12 months, significantly reducing clinical handling time, labor, and cost, while minimizing the number of hospital visits for patients.

③ JETKNEE Synovial Fluid Supplement

JETKNEE is a new-generation synovial fluid supplement developed by the Company for treating degenerative joint diseases associated with pain and limited mobility. It utilizes an innovative combination of hyaluronic acid and mannitol, which helps remove free radicals in the human body, stabilizes hyaluronic acid, and extends its protective function in the joint cavity. Each course consists of 1 to 3 weekly injections, offering patients flexible treatment options.

(3) Surgical Care – Absorbable Anti-Adhesion Gels

① PROTAHERE Absorbable Adhesion Barrier

PROTAHERE is an absorbable adhesion barrier gel used in gynecological pelvic surgeries. Its viscous and extensible gel adheres to the tissue surface where applied, forming a protective barrier to prevent postoperative tissue adhesion in the pelvic region and enhancing the quality of postoperative care for patients.

② DEFEHERE Absorbable Adhesion Barrier

DEFEHERE is an absorbable adhesion barrier gel used in orthopedic surgeries. It adheres to tissue surfaces to form a barrier that prevents tissue adhesion and fibrosis. It is designed to reduce the risk of fibrotic tissue formation or adhesion following tendon, peripheral nerve, or joint capsule release surgeries, thereby improving patient rehabilitation outcomes.

③NEODOMA Absorbable Adhesion Barrier

NEODOMA Absorbable Adhesion Barrier is used in gynecological pelvic surgery. It is a viscous and pliable gel that adheres to the surface of applied tissues, forming a barrier to prevent tissue adhesion. This product is intended to prevent or reduce the occurrence of postoperative pelvic adhesions, thereby enhancing the quality of postoperative care for patients.

(4) HYAURO Intravesical Instillation

HYAURO Intravesical Instillation temporarily replenishes the deficient glycosaminoglycan (GAG) layer and protects the transitional epithelium of the bladder, preventing microorganisms, harmful substances, or irritants in the urine from penetrating the epithelial layer and causing bladder inflammation. This product is generally applicable to cystitis caused by GAG layer deficiency, such as interstitial cystitis, or cystitis resulting from infection, trauma, urinary stones, urinary retention, tumors, or radiation.

(5) Biotechnology and Consulting Services

4. New Products (Services) Under Development

(1) Drug-containing medical device products

(2) New aesthetic medical implant and consumable products

(2) Industry Overview:

1. Current Status and Development of the Industry

As countries around the world actively promote the development of the biotechnology industry to seize market opportunities, Taiwan has also responded to the global trend of biotechnology commercialization by designating biotechnology as a key emerging technology for development. At present, the biotechnology industry in Taiwan is primarily focused on pharmaceuticals, medical devices, and health and well-being. The government has implemented various investment incentives and support measures to commercialize R&D results, promote industry-academia-research collaboration, organize pharmaceutical export alliances, and strengthen connections with advanced countries in both technology and market access. These efforts aim to accelerate the internationalization and competitiveness of Taiwan's biotechnology industry.

In 2023, the revenue of Taiwan’s medical device industry reached NT$147 billion, representing a 2% increase from NT$143.7 billion in 2022. This sector accounts for over 30% of the total revenue of Taiwan’s biotechnology industry, as shown in the table below:

Unit: NT$ hundred millions

Category	Medical Device Industry: Percentage of Total Biotechnology Industry (%)				Total Biotechnology Industry	
Year	2022	%	2023	%	2022	2023
Domestic Market Demand	1,570	28%	1,660	30%	5,708	5,554
Revenue	1,437	38%	1,470	36%	3,737	4,133
Number of Companies	1,294	55%	1,220	54%	2,350	2,276
Export	841	48%	830	42%	1,749	1,971
Import	974	26%	1,021	30%	3,720	3,393
Domestic:Export	41:59	-	43:57	-	53:47	52:48

Source: 2024 White Paper on the Biotechnology Industry, Biotechnology & Pharmaceutical Industries Promotion Office, MOEA

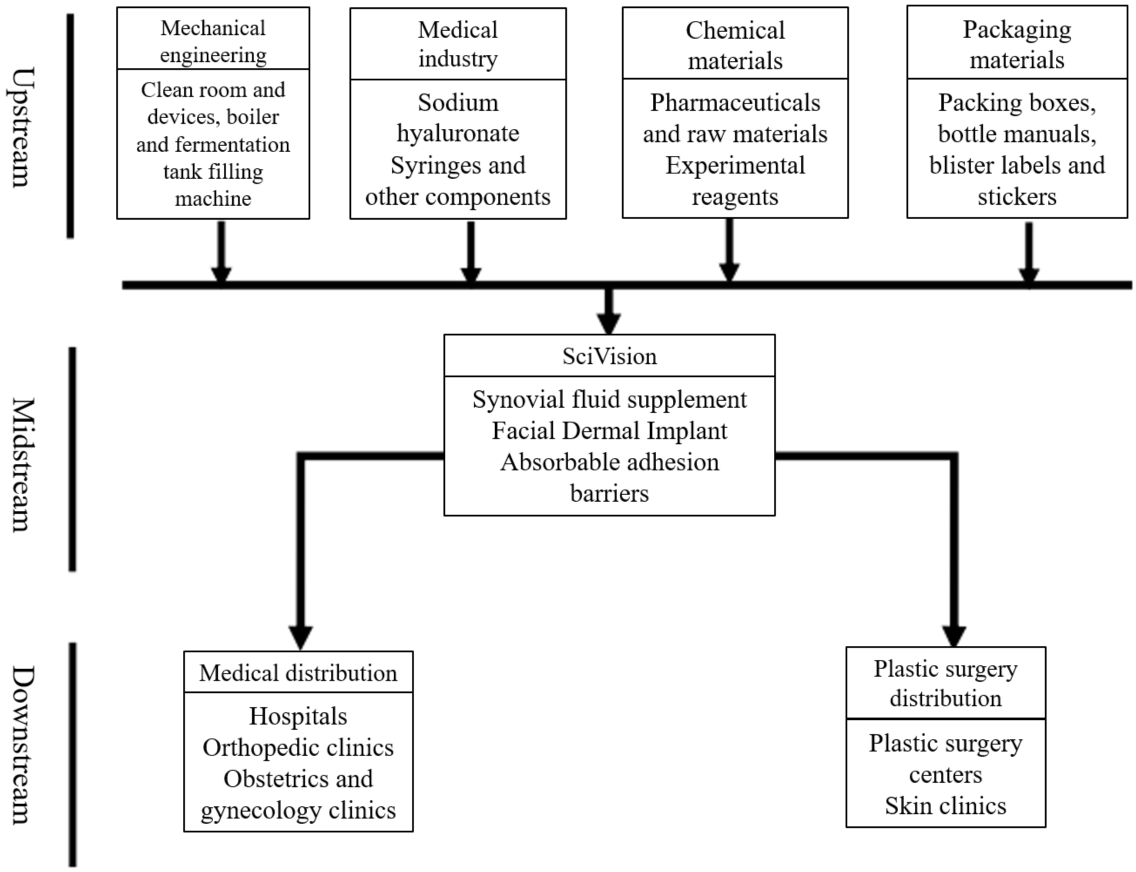
The export value of the medical device industry accounts for more than 50% of the total biotechnology industry's exports, indicating that Taiwan's medical device sector is highly competitive in the international market. Domestically, the medical device market continues to grow in response to increasing demand driven by population aging and the need for chronic disease management products.

2. Upstream, Midstream, and Downstream Industry Relationships:

The hyaluronic acid and related application products manufactured by the Company span a wide range of upstream, midstream, and downstream sectors within the biotechnology industry. In the upstream segment, the medical device industry involves strict quality control and validation in operations such as strain cultivation, separation, purification, and sterilization to ensure product quality and prevent contamination. Due to the highly technical nature of this sector, the raw material supply chains for the medical device and chemical material industries must also adhere to rigorous quality standards. In addition, the machinery engineering industry provides manufacturing facilities and equipment that meet sterility and zero-contamination requirements.

The Company integrates upstream suppliers and has independently developed and accumulated over 20 years of expertise in its Crosslinked Hyaluronic Acid Platform (CHAP) and the patented "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product." These technologies have overcome key limitations of previous methods and enabled the Company to produce high-end hyaluronic acid-based medical devices, including facial dermal implants, synovial fluid supplements for elderly care, absorbable anti-adhesion surgical gels, and intravesical instillation products. The Company's product applications cover the broadest range in the industry and demonstrate exceptional technological precision. The patented "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product" allows for the effective production of hyaluronic acid without the addition of any chemical substances. The Crosslinked Hyaluronic Acid Platform technology is protected by invention patents in Taiwan, Mainland China, Japan, the United States, and the European Union. The "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product" has obtained a patent in Taiwan. Depending on the characteristics of each market region, the Company supplies its products to downstream customers—including secondary distributors, hospitals, and clinics—through a network of global commercial distributors.

The diagram of the Company's upstream, midstream, and downstream relationships is shown below:



3. Development Trends of Products:

As the global population continues to age and consumer wealth and living standards rise, the incidence of age-related diseases is expected to increase, resulting in greater healthcare expenditures. With the pursuit of higher standards in medical aesthetics and healthcare quality, healthcare spending as a percentage of GDP has steadily increased. The biotechnology industry has thus become a rising trend. The development trends of the Company's product segments—aesthetic dermatology, elderly care, and surgical care—are described below:

(1) Aesthetic Dermatology:

With the rapid growth of the medical aesthetics industry, non-surgical aesthetic procedures (also known as minimally invasive treatments) have become a major trend in recent years due to their characteristics of minimal trauma, fast recovery, low risk, and stable pricing. The continued growth of the aesthetic medicine market is driven by rising per capita disposable income, the surge in the "appearance economy," and a growing proportion of male consumers undergoing aesthetic treatments. Facial dermal implants used in medical aesthetics can be classified by material type, including hyaluronic acid, poly-L-lactic acid (PLLA), polycaprolactone (PCL), collagen, calcium hydroxylapatite (CaHA), and crosslinked dextran. Major manufacturers of facial dermal implants include Allergan, Galderma, Merz Pharma GmbH & Co. KGaA, and Sinclair Pharma.

(2) Elderly Care:

As people age, various parts of the body inevitably begin to degenerate. Among these, degenerative knee osteoarthritis is a common condition that causes mobility issues and impacts quality of life. While prevalent among middle-aged and elderly individuals, it is also showing signs of affecting younger populations. Synovial fluid supplements are mainly used to facilitate smooth movement between bones by providing lubrication, thereby slowing the progression of osteoarthritis and relieving pain. Product formats vary; common forms include weekly injections for three weeks per treatment cycle, offering therapeutic effects lasting up to six months, or single-injection hyaluronic acid products with effects lasting 6 to 12 months. Major manufacturers of synovial fluid supplements include Sanofi, Seikagaku Corporation, and Anika Therapeutics.

(3) Surgical Care:

Absorbable adhesion barriers are medical implants designed to form a physical barrier between surgical wounds and surrounding tissues, helping reduce post-surgical adhesions during the healing process. Adhesions can lead to chronic pain, bowel obstruction, and infertility. Adhesion barrier products come in various forms, including films, gels, and liquids, and are made of components such as hyaluronic acid, regenerated cellulose, and polyethylene glycol (PEG). Surgeons use these products to minimize the risk of postoperative adhesions between internal organs, with applications commonly seen in abdominal, orthopedic, gynecological, reconstructive, cardiovascular, and urological surgeries. The increase in surgical procedures, sports injuries, aging population, prevalence of chronic diseases, and growing awareness of adhesion-related complications are all driving demand for adhesion barrier products. Major companies in this field include Baxter, Johnson & Johnson, Integra LifeSciences, Medtronic, and Anika Therapeutics.

4. Competitive Landscape

Due to the continued annual reductions in Taiwan’s National Health Insurance drug prices and shrinking profit margins, market growth in Taiwan is limited. As a result, biotechnology companies are expanding into international markets and actively seeking international certifications from health authorities in advanced countries to facilitate global market entry. With the implementation of the new EU Medical Device Regulation (MDR) and increasingly stringent regulatory frameworks across various countries, the global medical device industry is undergoing accelerated consolidation, where stronger players are favored. The following sections outline the competitive conditions in aesthetic dermatology, elderly care, and surgical care:

(1) Aesthetic Dermatology

The Company's facial dermal implant products—Hya-Dermis, Animers, FACILLE, FUYANMEI Poly-L-Lactic Acid, and GIOVANIS Dermal Implant—offer significant advantages such as high safety, low migration, and a natural and hydrated appearance. In Taiwan, there are few competitors in this product category, and their R&D capabilities are not as strong as the Company's. While the Company maintains a leading position in the domestic market, it also recognizes significant growth opportunities in the global aesthetic medicine market. Accordingly, it is actively expanding into new domestic and international markets through a global distribution network. Sales have already commenced in China, the European Union, and Southeast Asia via local distributors. FUYANMEI Poly-L-Lactic Acid, a PLA-based product that stimulates collagen regeneration, offers superior safety, long-lasting effects, and quick reconstitution. Its ability to stimulate natural collagen production and the sustained presence of PLA particles outperforms competing products. The long-acting GIOVANIS Dermal Implant, made of polycaprolactone (PCL), provides immediate volume restoration after injection, effectively enhancing moderate to severe facial depressions and offering temporary correction for nasolabial folds.

(2) Elderly Care

The Company's intra-articular injection products have been adopted by multiple medical centers, regional hospitals, and clinics across Taiwan. The medical center coverage rate for the single-injection intra-articular product has reached 100%. The continued growth of the aging population, the increasing prevalence of knee osteoarthritis among the elderly, and rising demand for minimally invasive procedures are key drivers of the synovial fluid supplement market. Competing single-injection products available in Taiwan include Durolane, Synvisc-One, and Viscosupplement. The Company's long-acting Hya-Joint Plus provides efficacy lasting up to 12 months, significantly reducing the frequency of hospital visits for patients. Additionally, the Company's JETKNEE Synovial Fluid Supplement, a novel drug-device combination containing antioxidant ingredients, helps prevent damage caused by free radicals triggered by arthritis. These two products are highly competitive and are expected to substantially increase the Company's overall shipments and operational momentum.

(3) Surgical Care

The Company's PROTAHERE gel for postoperative gynecological adhesion prevention and DEFEHERE gel for postoperative orthopedic adhesion prevention have been adopted by multiple medical centers, regional hospitals, and clinics across Taiwan.

The medical center coverage rates for PROTAHERE and DEFEHERE are 79% and 96%, respectively. The Company's adhesion barrier products offer multiple advantages, including bioabsorbability, ease of use for physicians, strong adhesiveness, and high resistance to displacement. In addition to traditional open surgeries, they are also suitable for minimally invasive procedures, making their applications more diverse than those of traditional adhesion barrier products and giving them a strong competitive position in the market.

(3) Overview of Technology and Research & Development

1. Technical Level and R&D in Business Operations

(1) Technical Level of Business Operations

A. Aesthetic Dermatology

Commercially available hyaluronic acid facial dermal implants are categorized into granular-type and gel-type products based on their colloidal properties. The Company manufactures both types: Hya-Dermis, a granular-type hyaluronic acid dermal filler, and Animers, a gel-type hyaluronic acid dermal filler. Both products are formulated with lidocaine hydrochloride to reduce pain during treatment and offer high safety, minimal migration, and natural-looking results. The Company is the only manufacturer globally that possesses production technology for both granular and gel-type transparent dermal fillers. FUYANMEI Poly-L-Lactic Acid, the Company's facial dermal implant that stimulates endogenous collagen production, contains poly-L-lactic acid (PLLA), which stimulates the proliferation of collagen and elastin after injection. This product offers high safety, long-lasting effects, and quick reconstitution. The GIOVANIS Dermal Implant, which contains polycaprolactone (PCL), provides immediate volume enhancement after injection and continues to gently stimulate fibroblast regeneration of collagen. It is suitable for increasing the volume of moderate to severe facial depressions and provides temporary correction for nasolabial folds.

B. Elderly Care

The Company's HYA-JOINT product line has been available in the Taiwanese market for over 15 years. Hya-Joint Plus, a single-injection synovial fluid supplement, is the first domestically developed product of its kind. Since obtaining Taiwan's National Health Insurance (NHI) reimbursement pricing approval, sales volumes have grown steadily each year. Clinical studies have confirmed that the long-acting single-injection hyaluronic acid product Hya-Joint Plus outperforms competing brands in pain relief and cartilage cell regeneration. It is also NHI-reimbursed and CE-certified in the European Union. Additionally, JETKNEE Synovial Fluid Supplement, designed for treating degenerative joint disease, incorporates an innovative combination of hyaluronic acid and mannitol. This formulation effectively removes free radicals from the body and prolongs the protective effects of hyaluronic acid within the joint cavity, thereby enhancing the efficacy of traditional hyaluronic acid products. JETKNEE is the first product of its kind in Taiwan to receive a Class III medical device sales license issued by the TFDA, demonstrating the Company’s leadership and ongoing innovation in product optimization.

C. Surgical Care

Currently, crosslinked hyaluronic acid-based marketed products include crosslinked sodium hyaluronate gel for intrauterine use by Changzhou Bioregen, Hyalobarrier and Hyaloglide by Anika, "BNC" Hibarry Anti-Adhesion Barrier Gel by CHEER BIOMEDICAL, and HyFence Adhesion Barrier Gel by Yi You Biomedical. The market remains in a “blue ocean” stage. The Company’s PROTAHERE Absorbable Adhesion Barrier for the prevention of pelvic adhesions following gynecological surgery has undergone human clinical trials at medical centers, with results published in international journals, which will help raise product awareness and support international marketing efforts. The Company’s DEFEHERE Absorbable Adhesion Barrier is primarily designed to prevent postoperative adhesion in orthopedic surgeries. It is a gel with viscosity, extensibility, and excellent biocompatibility, capable of fully adhering to tissue surfaces and remaining in place despite patient movement. It is metabolized and absorbed by the body, eliminating the need for a second surgery and reducing patient inconvenience. Many adhesion barrier products currently available on the domestic market are sheet-type and require suturing for fixation, which is inconvenient. These products are made from synthetic materials that have inferior biocompatibility compared to hyaluronic acid and may induce allergic reactions. The Company’s gel-type hyaluronic acid adhesion barrier overcomes these disadvantages, offering advantages such as bioabsorbability, ease of administration, strong adhesiveness, and anti-displacement properties. In addition to use in traditional surgeries, it is also applicable to minimally invasive procedures, making it more versatile than traditional adhesion barriers and highly competitive in the market.

(2) Research and Development

Through its independently developed Crosslinked Hyaluronic Acid Platform (CHAP), the Company maintains a high degree of technological autonomy and product development capability. It focuses on the research and development of high-value-added hyaluronic acid-based advanced medical devices in the fields of aesthetic dermatology, elderly care, and surgical care. The Company has obtained eight patents to protect its intellectual property, covering key markets including Taiwan, Mainland China, the European Union, the United States, and Japan.

The Company has also independently developed and obtained a Taiwan patent for the "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product", becoming the only enterprise globally capable of producing medical-grade hyaluronic acid without the addition of any chemical substances. This patented method involves conducting acid reactions and high-temperature steam processing at low temperatures on hyaluronic acid colloids to produce high-viscosity auto-crosslinked hyaluronic acid gel. This process is safe, eco-friendly, efficient, and precise. The technology is gradually being applied to new product development, providing exclusivity, strengthening technological barriers, and enhancing overall product competitiveness.

2. R&D Expenses

NT$ thousands

Year / Item	2024	2025 Q1
R&D Expenditure	60,713	18,872
Net Revenue	883,310	204,335
% of Net Revenue	6.87%	9.24%

3. Technologies or Products Successfully Developed in 2024 or as of the Date of this Annual Report

FUYANMEI Poly-L-Lactic Acid, GIOVANIS Dermal Implant, and the "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product" patent.

(4) Short- and Long-Term Business Development Plans

1. Short-Term Business Development Plans

(1) Explore potential customers through participation in trade shows and small-scale marketing missions.

(2) Support customized marketing plans of business partners to strengthen collaboration and deepen relationships.

2. Long-Term Business Development Plans

(1) Seek partnerships with major international companies in the fields of aesthetic medicine, medical devices, and pharmaceuticals.

(2) Participate in international medical exhibitions and submit clinical research findings to internationally renowned medical journals to enhance the Company's image and product visibility.

2. Market and Production/Sales Overview

(1) Market Analysis

1. Main Product (Service) Sales Regions

NT$ thousands

Year / Region	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Asia	549,643	77.09	662,894	75.05
Europe/Americas	163,345	22.91	220,416	24.95
Total	712,988	100.00	883,310	100.00

2. Market Share

The Company is a medical device research, development, and manufacturing enterprise. Its main products include facial dermal implants, synovial fluid supplements, and anti-adhesion gel products. According to the 2023 special material usage analysis by the National Health Insurance Administration, Ministry of Health and Welfare, the Company's intra-articular injection agents are estimated to hold approximately a 30% market share in Taiwan. Additionally, hyaluronic acid-related products for medical and aesthetic purposes are sold to medical centers, regional hospitals, district hospitals, and clinics. As these products continue to be promoted, their market share is steadily increasing.

3. Supply and Demand Conditions and Market Growth Potential

(1) Aesthetic Dermatology

According to a research report by FUTURE Business Insight, the global market size for facial dermal implants was USD 5.08 billion in 2023, and is expected to grow from USD 5.44 billion in 2024 to USD 10.16 billion by 2032, with a compound annual growth rate (CAGR) of 8.1% during the forecast period (2024–2032). The main growth drivers of this market include increased awareness of aesthetic procedures, advances in aesthetic treatment technologies, and a rising number of people seeking non-invasive procedures.

According to the global 2023 survey data published by the International Society of Aesthetic Plastic Surgery (ISAPS) in 2024, the total number of non-invasive injectable procedures (botulinum toxin, calcium hydroxylapatite, hyaluronic acid) reached 14.78 million treatments, representing a 6% increase compared to the previous year. Among these, hyaluronic acid procedures grew by 23% compared to the previous year. The United States is the largest consumer of hyaluronic acid worldwide, with 7.12 million procedures, followed by Brazil with 4.29 million, and Germany with 2.86 million. France, Argentina, and Mexico follow closely behind.

According to China’s 21st Century Business Herald, compared to 2023, the overall medical aesthetics industry in China in 2024 has performed significantly worse. The three major medical aesthetics companies in China have all reported substantial revenue and profit declines or slowed growth rates. Taking Imeik Technology as an example, while the company’s revenue and profit still showed positive growth in the first half of 2024, its growth rate had already declined noticeably compared to 2023, and by the third quarter of 2024, it even recorded negative growth. According to the 2023 Industry Overview of Regenerative Aesthetic Injectable Market in China by LeadLeo Research, the Taiwan market for regenerative aesthetic injectable products is expected to reach RMB 850 million by 2027, with a compound annual growth rate (CAGR) of approximately 28.0% from 2025 to 2027. Meanwhile, the China market is projected to reach RMB 11.52 billion by 2027, with a CAGR of about 31.2% over the same period.

According to a McKinsey study and 2022 statistics from market research firm ReportLinker, the current market value of Taiwan’s non-invasive medical aesthetics industry is approximately NT$60 billion. The injectable segment is growing rapidly, with hyaluronic acid showing the most significant growth, achieving an average annual growth rate of 10%.

The Company’s Hya-Dermis (granular-type hyaluronic acid facial dermal implant) and Animers (gel-type hyaluronic acid facial dermal implant) are formulated with lidocaine hydrochloride to alleviate pain during treatment and offer advantages such as high safety, low migration, and natural results. These products are licensed to well-known domestic and international pharmaceutical companies and distributors to enhance brand promotion and product sales. FUYANMEI Poly-L-Lactic Acid, which stimulates collagen regeneration, contains poly-L-lactic acid and, upon injection, promotes the proliferation of collagen and elastin. It offers high safety, long-lasting effects, and quick reconstitution. The long-acting GIOVANIS Dermal Implant, which stimulates collagen regeneration, contains polycaprolactone and provides immediate volume enhancement upon injection. It continues to gently stimulate fibroblasts to regenerate collagen and is suitable for increasing volume in moderate to severe facial depressions and for temporary correction of nasolabial folds.

(2) Elderly Care

According to a 2024 research report by Fortune Business Insight, the increasing number of osteoarthritis cases and the growing number of patients seeking better post-treatment quality of life through non-invasive options have driven the demand for synovial fluid supplements. The synovial fluid supplement market is segmented into corticosteroid injections, hyaluronic acid injections, and platelet-rich plasma (PRP) injections. Among these, hyaluronic acid injections held the dominant market share in 2023, accounting for approximately 65.5% of the market. As the incidence of osteoarthritis continues to rise with population aging, market growth is being stimulated. According to CDC data, nearly half (49.6%) of individuals aged 65 and older have been diagnosed with arthritis by healthcare professionals. There is a high demand for synovial fluid supplements among the elderly population as a non-surgical treatment option for osteoarthritis, ultimately improving quality of life for older adults.

According to Research Nester, the synovial fluid supplement market size exceeded USD 4.37 billion in 2023 and is projected to surpass USD 13.71 billion by the end of 2036, with a compound annual growth rate (CAGR) of over 9.2% during the period from 2024 to 2036. By 2024, the global market size is expected to reach USD 4.73 billion. The 2024 report from Mordor Intelligence states that North America is the largest global market, and due to increasing chronic disease prevalence, an aging population, and lifestyle changes, the market is expected to continue growing. According to United Nations projections, the global population aged 65 and older will increase from 10% in 2022 to 16% by 2050. The growing prevalence of knee osteoarthritis among the elderly and the increasing demand for minimally invasive procedures are key drivers of growth in the synovial fluid supplement market.

According to data provided by the National Health Commission of the People's Republic of China, as of 2024, the number of people aged 65 and older in China has exceeded 200 million, accounting for 15.6% of the total population. It is projected that by 2035, the population aged 60 and older will surpass 400 million, representing over 30% of the total population, making China one of the fastest aging countries in the world. The mainstream products in the Chinese market are still imported. Given the aging population and the yearly increase in orthopedic diseases, this product category continues to show stable growth potential in the Chinese market.

According to estimates by the National Development Council, Taiwan is expected to become a super-aged society by 2025, with one in every five people aged 65 or older. By 2070, the proportion of elderly in the population will reach 43.6%. According to statistics from the Ministry of Health and Welfare, the prevalence rate of degenerative arthritis in Taiwan is approximately 15%, with around 3.5 million people nationwide suffering from knee joint pain. This condition is increasingly common among the middle-aged and elderly and is also trending toward younger age groups.

The Company’s long-acting single-injection hyaluronic acid product, Hya-Joint Plus, provides therapeutic effects lasting up to 12 months. Clinical study results published in top international orthopedic journals show that its efficacy surpasses competing products on the market and significantly reduces the frequency of hospital visits. During the global pandemic, this also helped reduce the risk of infection. The product is distributed through partners in Taiwan, China, Russia, Southeast Asia, the European Union, South America, and the Middle East, giving it strong market competitiveness and solid growth potential.

(3) Surgical Care

According to the 2024 IMARC report, as of 2024, the global anti-adhesion products market size has reached USD 979.3 million and is projected to grow to USD 2.1 billion by 2033, with a compound annual growth rate (CAGR) of 8.6% from 2023 to 2028. According to a study by Grand View Research, synthetic absorbable anti-adhesion products hold the largest market share due to their bioabsorbability and compatibility. Products are categorized by material into hyaluronic acid, regenerated cellulose, polyethylene glycol, etc., among which hyaluronic acid holds the dominant market position and is expected to grow rapidly in the short term. Based on product characteristics, anti-adhesion products are divided into film-type and gel-type products. Film-type products held the dominant market position in 2022 due to their lower cost. However, gel-type products are expected to experience the fastest growth, primarily due to advantages such as absorbability, ease of use, and safety. In addition, their increasing use in procedures involving tendons, carpal tunnels, joints, peripheral surgeries, and minimally invasive surgeries is anticipated to expand their applications in the coming years.

North America holds the dominant share in the anti-adhesion market, accounting for 38.2% and generating revenue of USD 354.7 million in 2023. This is attributed to its advanced healthcare system, high public and private healthcare spending, growing elderly population, and increasing prevalence of chronic diseases. Latin American countries show significant growth potential in this market, while Japan holds the largest market share in the Asia-Pacific region. As awareness of adhesions and related complications continues to rise among patients, this will play an important role in driving the growth of Japan's anti-adhesion market.

According to the 2024 semi-annual report of China's leading company, Shanghai Haohai Biological Technology, the surgical anti-adhesion product market in China reached approximately RMB 5.824 billion in 2023 and is expected to grow to RMB 7.28 billion by 2036, with a CAGR of around 8% from 2024 to 2036. As China's medical standards improve, per capita income increases, and postoperative care quality advances, the demand for anti-adhesion products is expected to rise accordingly, showing strong development potential.

According to statistics from the Ministry of Health and Welfare, the incidence of adhesions from traditional abdominal surgeries is as high as 93%, most commonly occurring in abdominal and gynecological procedures. Most anti-adhesion products available in Taiwan are imported. The Company's PROTAHERE Absorbable Adhesion Barrier is used for gynecological pelvic surgeries, while DEFEHERE Absorbable Adhesion Barrier is used in orthopedic surgeries. These products offer multiple advantages including bioabsorbability, ease of administration for physicians, strong adhesiveness, and resistance to displacement. In addition to traditional surgeries, they can also be applied in minimally invasive procedures, with a broader range of applications than traditional anti-adhesion products. They possess strong market competitiveness and demonstrate promising growth prospects.

4. Competitive Advantages

(1) Strong R&D capability: Independently developed the Crosslinked Hyaluronic Acid Platform (CHAP), enabling high autonomy in product technology and development, and capable of deriving high value-added medical device products.

(2) Comprehensive plant and product certifications: Certified with ISO, CE, QMS, Brazil GMP, and Halal Certification, in compliance with multiple regulatory requirements, which facilitates international marketing.

(3) A team with multi-national registration experience, capable of shortening the time required to obtain sales licenses.

(4) The arrival of an aging society and the improvement of living standards have led to continuous market growth in aesthetic dermatology, elderly care, and surgical care products, with promising future prospects.

5. Favorable and Unfavorable Factors in Future Development and Countermeasures

<u>Favorable Factors:</u>

(1) High autonomy in R&D and broad product application scope

The Crosslinked Hyaluronic Acid Platform (CHAP) and the patent "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product" used by the Company are technologies developed in-house by the R&D team. Through the CHAP platform, a development foundation for hyaluronic acid-based products has been established, enabling product diversification. This technology leads the domestic market and holds significant competitive advantage compared to international companies. The CHAP technology is currently patented in Taiwan, the United States, the European Union, Japan, and Mainland China. The Company has obtained the Taiwan patent for the "Method for Producing Auto-Crosslinked Hyaluronic Acid Gel and Its Product," making it the only enterprise in the world capable of producing medical-grade hyaluronic acid without adding any chemical substances. This patented technology can be applied in new product development or used to enhance product performance, increasing product diversity.

(2) Stable product demand with minimal impact from economic cycles

The Company's synovial fluid supplement products are used to treat degenerative arthritis and relieve knee pain; its anti-adhesion products help reduce postoperative tissue adhesion, improving post-surgery care and rehabilitation quality. These two types of products meet essential medical needs and can therefore sustain relatively stable revenue and profits, with minimal impact from economic fluctuations.

(3) Extensive experience in international certifications accelerates license acquisition

The Company's products are classified as high-end medical devices, and sales in each market require approval from local health authorities. With a team experienced in regulatory registration and well-prepared responses to regulatory changes, the Company can accelerate the process of obtaining sales licenses.

Unfavorable Factors:

(1) In the U.S. and Chinese markets, synovial fluid supplement products are classified as drugs, resulting in longer approval times and higher certification costs.

Countermeasures:

① Select experienced partners with expertise in sales license application and market development to reduce costs and shorten the licensing timeline.

② Adopt licensing or co-development models to share development costs and risks, aiming to create market value under limited resources.

(2) International giants in Europe and the U.S. possess abundant marketing resources and high market share, while secondary competitors engage in price competition.

Countermeasures:

① Continue to provide solid clinical data and validation reports to demonstrate product efficacy and quality.

② Actively participate in international trade shows to increase direct exposure to potential customers.

③ Leverage Taiwan's reputation as a country with advanced healthcare standards to highlight the Company's strong domestic sales performance, thereby gaining trust and recognition from overseas clients and increasing cooperation opportunities.

(2) Primary Applications and Manufacturing Processes of Major Products

1. Primary Applications

Product	Primary Application
Hyaluronic Acid Facial Dermal Implant	Improves facial skin aging and wrinkles caused by loss of elasticity. In addition to its efficacy, this product features excellent biocompatibility, bioabsorbability, and biodegradability, making it a safe and reliable non-permanent treatment for skin aging.

Product	Primary Application
Hyaluronic Acid Synovial Fluid Supplement	Injected into the joint cavity to coat and protect joint tissues and enhance lubrication. It penetrates degenerated cartilage to inhibit degradation and promote metabolism, and also penetrates synovial tissues to reduce inflammation and degeneration. It relieves symptoms such as stiffness, swelling, and warmth in arthritis patients.
Absorbable Adhesion Barrier Gel	Applied to the surface of tissues during surgery. Its extensibility and viscosity allow it to form a physical barrier that prevents postoperative tissue adhesion. It is highly biocompatible, bioabsorbable, and metabolizable, eliminating the need for a second surgical removal.

2. Manufacturing Process

Compounding → Gel Forming → Filling → Sterilization → Packaging → Finished Product

(3) Supply Status of Major Raw Materials

Major raw materials required for the production of the Company’s medical device products and packaging materials for aseptic filling (such as injection containers) are secured through signed supply agreements to ensure stable supply. The Company maintains good relationships with all suppliers and adopts proper diversification strategies for supply sources. There is currently no risk of material shortage.

(4) Customers Whose Annual Purchase or Sales Amounts Accounted for More Than 10% of Total Purchase or Sales in the Past Two Years

1. Major Suppliers in the Most Recent Two Years

Unit: NT$ thousands

Item	2023				2024				2025Q1			
	Name	Amount	As % of 2023 Total Net Procurement	Relation to SciVision Biotech	Name	Amount	As % of 2024 Total Net Procurement	Relation to SciVision Biotech	Name	Amount	As % of 2025Q1 Total Net Procurement	Relation to SciVision Biotech
1	AE001	35,956	50.68	None	AE001	32,029	41.74	None	HS019	15,732	46.83	None
2	Others	34,991	49.32	None	HS019	8,563	11.16	None	AH002	5,309	15.80	None
3					Others	36,137	47.10	None	Others	12,552	37.37	None
	Total Net Procurement	70,947	100.00		Total Net Procurement	76,729	100.00		Total Net Procurement	33,593	100.00	

Reason for Increase or Decrease:

The decrease in the purchase amount and proportion from supplier AE001 and the increase from supplier HS019 were primarily due to the Company’s adjustment of safety stock levels and supplier policy.

2. Major Customers in the Most Recent Two Years

Unit: NT$ thousands

Item	2023				2024				2025Q1			
	Name	Amount	As % of 2023 Total Net Revenue	Relation to SciVision Biotech	Name	Amount	As % of 2024 Total Net Revenue	Relation to SciVision Biotech	Name	Amount	As % of 2025Q1 Total Net Revenue	Relation to SciVision Biotech
1	TZ-001	229,208	32.15	None	FD-001	423,052	47.89	None	FD-001	79,233	38.78	None
2	M 客戶	121,360	17.02	None	M 客戶	158,067	17.89	None	T 客戶	54,633	26.74	None
3	FD-001	117,676	16.50	None	QM-001	98,796	11.19	None	M 客戶	28,547	13.97	
4	QM-001	93,884	13.17	None	Others	203,395	23.03	None	Others	41,922	20.51	
5	Others	150,860	21.16									
	Total Net Revenue	712,988	100.00		Total Net Revenue	883,310	100.00		Total Net Revenue	204,335	100.00	

Reason for Increase or Decrease:

The decrease in sales amount and proportion to customer TZ-001 was mainly due to a reduction in sales of gynecological anti-adhesion gel products. The increase in sales to customer FD-001 was due to increased sales of gynecological anti-adhesion gel products. The increase in sales to customer M was due to higher sales of synovial fluid supplement products.

3. Employee Information for the Last Two Years and as of the Date of Publication of the Annual Report

Year		2023	2024	As of May 25, 2025
Employee Type	Management	11	11	11
	Administrative	48	51	54
	R&D	16	17	17
	Technical	29	29	28
	Total	104	108	110
Average Age		37.4	38.4	38.4
Average Years of Service		6.9	8.0	8.0
Education (%)	Ph.D	4%	4%	4%
	Master’s	30%	30%	31%
	Bachelor’s	60%	60%	60%
	High Schoo	6%	6%	5%

4. Environmental Expenditure Information:

For the most recent year and as of the date of publication of this annual report, the Company has not incurred any losses (including compensation) due to environmental pollution, nor has there been any enforcement action. No future measures or potential expenditures are anticipated.

5. Labor-Management Relations

(1) Employee Welfare Measures, Continuing Education, Training, Retirement System, and Implementation, as well as Agreements Between Labor and Management and Employee Rights Protection Measures:

1. Employee Welfare Measures, Continuing Education, and Training:

(1) Labor and health insurance and group insurance

(2) Employee professional training and continuing education subsidies

(3) Holiday bonuses

(4) Marriage and funeral leave, sickness and condolence benefits, and bereavement allowances

(5) Employee profit-sharing and stock options

(6) Employee welfare committee organizes various welfare subsidies

2. Retirement System and Implementation:

(1) The Company has established a labor retirement policy and a labor retirement fund supervision committee, and has applied to the relevant authority (Export Processing Zone Administrtion, MOEA) for establishment as required by the Labor Standards Act. Retirement funds are allocated monthly to a designated account for storage.

(2) The Labor Labor Pension Act was implemented on July 1, 2005, and adopts a defined contribution system. After its implementation, employees may choose either the retirement pension provisions under the Labor Standards Act (old system) or the pension system under the new law (new system), while retaining their years of service prior to the new system. For employees under the new pension system, the Company's monthly contribution rate for retirement funds shall not be lower than 6% of the employee's monthly salary.

3. Labor-Management Agreements and Employee Rights Protection Measures:

The Company operates in compliance with the relevant provisions of the Labor Standards Act, and has established an employee welfare committee to promote various welfare measures. The Company regularly holds labor-management meetings to communicate and coordinate improvements in administrative measures. As a result, the Company enjoys harmonious labor-management relations, with no labor disputes or losses.

(2) Disclosure of Losses Due to Labor Disputes and Disclosure of Estimated Amounts and Measures for Future Potential Losses:

1. The Company has not experienced any significant labor disputes or losses in the most recent year or as of the date of publication of this annual report.
2. The Company has always strictly complied with and implemented government regulations and laws, focusing on safeguarding employees' rights and interests, and values two-way communication with employees. Labor-management relations have always been harmonious, and the likelihood of labor disputes and any resulting losses in the future is very low.

6. Information Security Management

(1) Description of Information Security Risk Management Framework, Information Security Policy, Specific Management Measures, and Resources Allocated to Information Security:

1. Information Security Risk Management Framework

(1) The Company's information security is overseen by the Office of the President, which is responsible for implementing information security policies, promoting information security awareness, enhancing employee knowledge of information security, planning and executing information security operations, and ensuring the implementation of relevant policies. Adjustments are made as needed.

(2) The information security management framework is led by the President as the convener. The head of the Administration Department reports weekly to the President on implementation progress.

(3) Internal audits are conducted to verify the execution status of information security. Each year, an internal control audit is conducted for the electronic information cycle to assess the effectiveness of internal controls over the Company's information operations.

2. Information Security Policy

To ensure network security and stability, prevent abnormal disasters and data corruption in information systems, and strengthen the protection of personal data, the Company has established relevant management measures and handling guidelines. Multiple layers of control and protection mechanisms have been implemented in application systems, operating systems, and network systems to effectively manage risks to corporate information systems and maintain business continuity. The Company's information security policy is as follows:

(1) Comply with legal and regulatory requirements and promote information security awareness.

(2) Emphasize risk management and protect data security.

(3) Require full participation and pursue continuous improvement.

As hacking techniques evolve rapidly and attack methods are constantly changing, it is impossible to completely prevent malicious cyberattacks. However, the Company has implemented comprehensive protection measures and employee training to mitigate the impact of network threats and attacks.

3. Specific Management Measures

With the global interconnection of information networks, business operations have become more flexible and efficient, but cybersecurity incidents have also become more frequent. Such attacks may include large-scale connection attempts to paralyze network services, the use of viruses or malware to disrupt systems or steal confidential data, and social engineering attacks to obtain sensitive information. Insider negligence may also result in information leakage. Considering these risks, the Company has developed and implemented the following information security protection measures:

(1) Adopting a defense-in-depth architecture, the Company has implemented intrusion prevention systems (IPS), malicious URL filtering, and advanced persistent threat (APT) defense mechanisms. Controls over web browsing, email use, and personal data leakage have also been established to guard against cyberattacks.

(2) Access control systems, user authentication, password management, access authorization, and regular vulnerability scans have been established. Antivirus software is installed, vendor security patches are updated, USB access is controlled, and backup mechanisms are in place to enhance endpoint protection.

(3) Annual information security education and testing are conducted for all employees to raise awareness of cybersecurity risks.

(4) Information security measures and regulations are reviewed annually. The Company continues to monitor information security developments and formulates response plans to ensure their appropriateness and effectiveness.

4. Implementation Status in 2024

(1) Funds were allocated to establish a basic protection infrastructure to ensure all business operations are conducted within secure parameters.

(2) Information security training courses were regularly conducted for internal employees to strengthen their awareness and responsiveness to information security risks.

(3) Offsite backups were performed twice weekly.

(4) An information security audit was conducted annually.

(5) The Company signed a "Memorandum of Cooperation on National Cybersecurity Joint Defense, Trade Secret Protection, and Intelligence Sharing and Cooperation" with the Kaohsiung City Field Office of the Investigation Bureau, Ministry of Justice, to establish mechanisms for joint cybersecurity defense and trade secret protection.

(2) Losses, Potential Impacts, and Response Measures Related to Major Information Security Incidents in the Most Recent Year and as of the Date of Publication of the Annual Report. If unable to reasonably estimate, explain the fact: No major information security incidents resulting in business losses have occurred.

7. Material Contracts

Nature of Contract	Counterpary	Contract Term	Main Content	Restrictive Clauses
Credit Facility Agreement	Cathay United Bank	2020.08.27 – 2025.09.30	Medium-term Credit Line	None
Credit Facility Agreement	Cathay United Bank	2024.09.30 – 2025.09.30	Short-term Credit Line	None

V. Analysis and Evaluation of Financial Condition, Financial Performance, and Risk Management

1.Financial Condition

Major reasons and impacts for material changes in assets, liabilities, and equity over the past two years:

Unit: NT$ thousands

Item \ Year	2024	2023	Difference		
			Increase (Decrease	%	Note
Current Assets	1,166,418	1,003,908	162,510	16.19	
Property, Plant and Equipment	1,087,878	1,112,585	(24,707)	(2.22)	
Right-of-use Assets	1,683	2,149	(466)	(21.68)	
Other Assets	98,497	41,528	56,969	137.18	1
Total Assets	2,354,476	2,160,170	194,306	8.99	
Current Liabilities	337,070	144,992	192,078	132.47	2
Noncurrent Liabilities	120,355	388,673	(268,318)	(69.03)	2
Total Liabilities	457,425	533,665	(76,240)	(14.29)	
Capital Stock	718,547	677,311	41,236	6.09	
Capital Surplus	844,081	700,339	143,742	20.52	3
Retained Earnings	335,247	249,731	85,516	34.24	4
Others	(824)	(876)	52	5.94	
Total Equity	1,897,051	1,626,505	270,546	16.63	

Explanations for changes exceeding 20% and an amount of NT$10 million are as follows:

1. Increase in Other Assets: Mainly due to the recognition of right-of-use assets arising from new building leases.
2. Increase in Current Liabilities and Decrease in Noncurrent Liabilities: Mainly due to the reclassification of corporate bonds maturing in October 2025 from noncurrent liabilities to current liabilities.
3. Increase in Capital Surplus: Mainly due to conversion of convertible corporate bonds.
4. Increase in Retained Earnings: Mainly due to an increase in after-tax net income in 2024 compared to 2023.

2.Financial Performance

1. Major reasons for significant changes in operating revenue, gross profit, and profit before tax in the past two years:

Unit: NT$ thousands

Item \ Year	2024	2023	Difference		
			Increase (Decrease	%	Note
Operating Revenue	883,310	712,988	170,322	23.89	1
Gross Profit	655,684	512,494	143,190	27.94	1
Operating Profit (Loss)	248,110	199,638	48,472	24.28	1
Non-operating Income and Expenses	43,488	10,359	33,129	319.81	2
Profit Before Tax	291,598	209,997	81,601	38.86	3
Net Profit from Continuing Operations for the Period	242,254	177,900	64,354	36.17	3
Other Comprehensive Income for the Period (Net of Tax)	3,830	455	3,375	741.76	
Total Comprehensive Income for the Period	246,084	178,355	67,729	37.97	3
Earnings Per Share (NT$)	3.51	2.66	0.85	31.95	

Explanations for changes exceeding 20% and an amount of NT$10 million are as follows:

1. Increase in Operating Revenue, Gross Profit, and Operating Profit: Mainly due to increased sales of anti-adhesion products and synovial fluid supplement products.
2. Increase in Non-operating Income and Expenses: Mainly due to gains from foreign exchange related to USD positions resulting from exchange rate fluctuations.
3. Increase in Profit Before Tax, Net Profit from Continuing Operations, and Total Comprehensive Income: Mainly due to higher operating profit in 2024 compared to 2023.

2. Forecast of Sales Volume and Basis, and Possible Impact and Response Plans Regarding Future Financial Operations:

The Company's sales volume is reasonably estimated based on customers' delivery schedules, contracts, marketing activities, and historical actual sales. The Company's financial condition remains sound, and there is no significant uncertainty regarding future financial operations.

3.Cash Flow

（一）Analysis of Cash Flow Changes in 2024:

Unit: NT$ thousands

Beginning Cash Balance (1)	Net Cash Provided by Operating Activities in 2024 (2)	Net Cash from Investing and Financing Activities in 2024 (3)	Ending Cash Balance (Shortfall)	Remedy for Liquidity Shortfall	
			(1)+(2)+(3)	Investment Plan	Financing Plan
511,101	269,873	(74,952)	706,022	-	-

Analysis of Cash Flow Changes:

1. Operating Activities: Driven by continued business growth and stable profitability, profit generated during the year was the main source of net cash inflow from operating activities.
2. Investing Activities: Net cash inflow was mainly due to the maturity of time deposits.
3. Financing Activities: Net cash outflow was primarily due to the distribution of cash dividends for 2023.

（二）Remedial Plan for Liquidity Shortfall: Not applicable.

(三) Cash Liquidity Analysis for the Coming Year:

Unit: NT$ thousands

Beginning Cash Balance (1)	Estimated Net Cash Flow from Operating Activities for the Year (2)	Estimated Net Cash Outflows for the Year (3)	Estimated Cash Balance (Shortfall)	Remedy for Estimated Liquidity Shortfall	
			(1)+(2)+(3)	Investment Plan	Financing Plan
706,022	299,563	(420,897)	584,688	-	-

1. Analysis of Expected Cash Flow Changes in the Coming Year:
   (1) Operating Activities: Net cash inflow from operating activities for the full year is estimated at NT$299,563 thousand, mainly from cash inflows expected from operations minus operating expenditures.
   (2) Investing and Financing Activities: Net cash outflow is projected at NT$420,897 thousand, mainly due to the distribution of cash dividends and repayment of corporate bonds.
2. Remedial Measures and Liquidity Analysis for Estimated Cash Shortfall: Not applicable.

4.Impact of Major Capital Expenditures on Financial Operations in the Most Recent Year: None.

5.Investment Policy, Profit or Loss from Investments, Improvement Plan, and Investment Plan for the Coming Year

(1) Investment Policy in the Most Recent Year:

The Company's management policy for investee enterprises includes a clearly defined internal control system. It also adheres to the "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties." The finance and accounting department periodically collects and analyzes the financial statements of the investee enterprises to effectively monitor their operational and financial status.

(2) Primary Reasons for Profit or Loss from Investments in the Most Recent Year and Improvement Plan:

Unit: NT$ thousands

Item	Original Investment Amount	Profit or (Loss) in 2024 of Investee	Main Reason for Profit or Loss	Improvement Plan
UNI-PROFIT INDUSTRIAL LIMITED	1,451	70	Mainly due to exchange gains.	None
Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	63,791	162	Mainly serves as the registration agent in Mainland China and generates limited revenue.	None
Talent CRO Inc.	8,000	(410)	Still in the business development stage, continuously expanding services such as pharmaceutical and medical device regulatory consulting, registration, and clinical trial planning.	Add services for existing clients and explore new customers.
CANDACE BIOMEDICAL INC.	41,000	1,809	Profit driven by product sales and growth in the aesthetic medicine business.	None

(3) Investment Plan for the Coming Year: None.

6. Risk Assessment and Analysis

(1) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on the Company's Profit and Loss in the Most Recent Year and as of the Date of Publication of the Annual Report, and Future Countermeasures:

1. Interest Rate Fluctuations: The Company's interest rate risk primarily arises from corporate bonds payable. In 2024, interest expense on corporate bonds amounted to NT$4,562 thousand, accounting for 1.56% of pre-tax profit. Interest rate changes have minimal impact on the Company's profit and loss. The Company will adjust its fund utilization depending on future interest rate trends.

2. Exchange Rate Fluctuations: Some of the Company's raw materials are denominated in foreign currencies, but they account for only a small portion of production costs. The Company adopts a prudent and conservative approach to managing foreign currency funds to minimize adverse effects from exchange rate fluctuations. The finance team maintains close communication with banks and collects exchange rate-related information in order to fully understand currency trends and mitigate their impact on profit and loss.

3. Inflation: Inflation has not caused any significant impact on the Company. The Company will continue to monitor price fluctuations in various regions and take appropriate countermeasures in a timely manner to minimize any potential impact.

(2) Policy, Profit or Loss, and Future Countermeasures Regarding High-Risk/High-Leverage Investments, Loans to Others, Endorsements/Guarantees, and Derivative Transactions in the Most Recent Year and as of the Date of Publication of the Annual Report:

The Company adopts a prudent and conservative financial operation policy. As of the date of publication of the annual report, the Company has not engaged in any high-risk or high-leverage investments, nor has it provided loans to others, endorsements, guarantees, or engaged in derivative transactions. The Company has established internal procedures including the "Procedures for the Acquisition or Disposal of Assets," "Procedures for Endorsements and Guarantees," and "Procedures for Lending Funds to Others." Any future related transactions or policies will be handled in accordance with these procedures.

(3) Future R&D Plans and Estimated R&D Expenditures in the Most Recent Year and as of the Date of Publication of the Annual Report:

In 2024, the Company's R&D expenditure totaled NT$60,713 thousand, accounting for 7% of operating revenue. Going forward, the Company will focus on developing new medical devices, with key projects including facial dermal implants, synovial fluid supplements, and absorbable anti-adhesion gels. Efforts will be concentrated on clinical planning, product certification in new markets, and promotional marketing.

The R&D expenditure for 2025 will be planned based on the budget and development progress of new products and may be adjusted in accordance with global market trends and the Company’s actual conditions.

(4) Impact of Significant Domestic and International Policy or Legal Changes on the Company’s Financial and Business Operations in the Most Recent Year and as of the Date of Publication of the Annual Report, and Countermeasures:

All Company operations are conducted in compliance with relevant regulations. The Company also monitors amendments to regulatory requirements to avoid non-compliance with new rules. As of the most recent year and the date of publication of this annual report, the Company has not experienced any material impact on its financial or business operations due to changes in major domestic or international policies or laws.

(5) Impact of Technological Changes (Including Information Security Risks) and Industry Changes on the Company's Financial and Business Operations in the Most Recent Year and as of the Date of Publication of the Annual Report, and Countermeasures:

The Company’s hyaluronic acid medical device products are primarily applied in medical aesthetic micro-cosmetic procedures, orthopedics, rehabilitation, and surgery, which are currently mainstream products in the market and unlikely to undergo major changes in the short term. In addition, the Company closely monitors technological changes, technical developments, product demand, and information security-related matters within the industry to stay abreast of the latest industry trends. The Company also evaluates potential impacts on operations and formulates responsive strategies accordingly. As of the date of publication of the annual report, there have been no major technological changes (including information security risks) or industry changes that have had a material impact on the Company’s financial or business operations.

(6) Impact of Changes in Corporate Image on Crisis Management and Countermeasures in the Most Recent Year and as of the Date of Publication of the Annual Report:

The Company has consistently adhered to the principles of professionalism and integrity in its operations and places great importance on corporate image and risk management. There have been no significant changes in corporate image that have resulted in issues concerning corporate crisis management.

(7) Expected Benefits, Potential Risks, and Countermeasures of Mergers and Acquisitions in the Most Recent Year and as of the Date of Publication of the Annual Report: The Company did not have any ongoing merger or acquisition plans during the most recent year or as of the date of publication of the annual report.

(8) Expected Benefits and Potential Risks of Plant Expansion in the Most Recent Year and as of the Date of Publication of the Annual Report: The Company did not have any ongoing

plant expansion plans during the most recent year or as of the date of publication of the annual report.

(9) Risks Arising from Concentration of Purchases or Sales in the Most Recent Year and as of the Date of Publication of the Annual Report, and Countermeasures:

1. Risks from Concentration of Purchases:

For critical raw materials, the Company enters into supply agreements with vendors and maintains more than two suppliers for each material to properly diversify sources and avoid risks associated with purchase concentration.

2. Risks from Concentration of Sales:

Medical device products are sold through specialized channels, and the Company adopts a country- or region-specific distribution authorization system. It is common for sales to be concentrated within a single country or region. Due to the complex processes for obtaining local sales licenses and the Company's advantages in product development and manufacturing, it is unlikely for distributors to switch suppliers easily. The Company maintains stable relationships with its customers. Currently, the Company has obtained sales licenses for the facial dermal implant (hyaluronic acid filler) in Taiwan, Mainland China, the European Union, and Southeast Asia. For the synovial fluid supplement (hyaluronic acid joint injection), licenses have been obtained in Taiwan, Europe, Russia, the Middle East, Central and South America, Southeast Asia, Hong Kong, and Macau. The absorbable anti-adhesion product has been licensed in Taiwan and Brazil, and applications are ongoing in other regions. These countries and regions are served through different distributors. The Company continues to expand its customer base and market coverage; therefore, the risk associated with sales concentration remains within a controllable range.

(10) Impact, Risks, and Countermeasures Related to Large Transfers or Changes in Shareholding by Directors or Major Shareholders Holding More Than 10% of Shares in the Most Recent Year and as of the Date of Publication of the Annual Report: There have been no large-scale transfers or changes in the shareholding of such individuals during the most recent year and as of the date of publication of the annual report.

(11) Impact, Risks, and Countermeasures Related to Changes in Management Control in the Most Recent Year and as of the Date of Publication of the Annual Report: None.

(12) Litigation or Non-Litigation Events: If the Company or its directors, President, de facto responsible persons, major shareholders holding more than 10% of shares, or subsidiaries are involved in any significant concluded or pending litigation, non-litigation, or administrative disputes that could materially affect shareholder rights or the price of securities, the relevant facts, claim amounts, litigation start dates, key

parties involved, and the status as of the date of the annual report shall be disclosed: None.

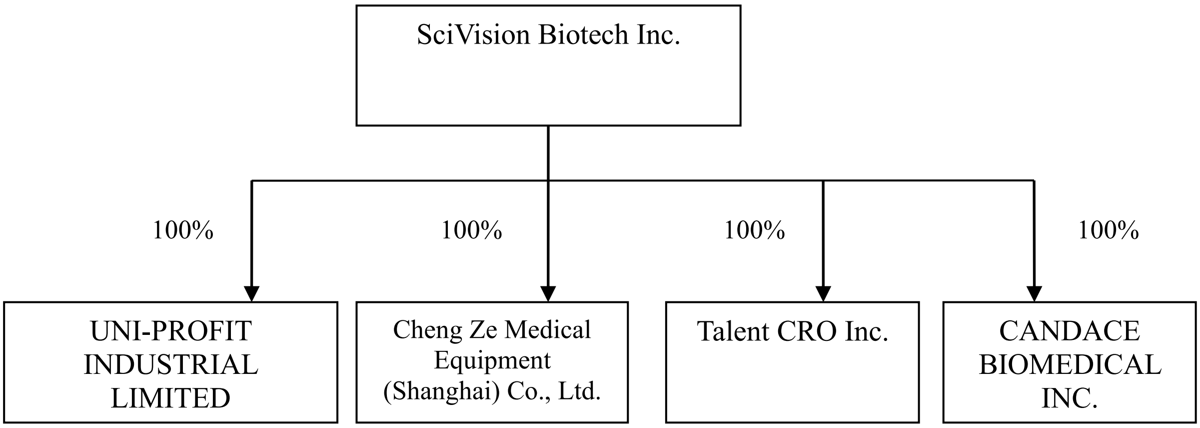
(13) Other Material Risks and Countermeasures: None.

7. Other Important Matters: None.

VI. Special Disclosure

1. Information on Affiliated Enterprises:

(1) Organizational Chart of Affiliated Enterprises



(2) Basic Information on Affiliated Enterprises

Unit: NT$

Company Name	Date of Establishment	Address	Paid-in Capital	Main Business or Product Lines
UNI-PROFIT INDUSTRIAL LIMITED	2011.03.23	UNIT 2508A,25/F BANK OF AMERICA TOWER CENTRAL HONG KONG	HKD390,000	International trading
Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	2014.10.17	UNIT 2508A, 25/F, Bank of America Tower, Central, Hong Kong	USD2,000,000	Wholesale of medical devices
Talent CRO Inc.	2022.04.20	No. 9, S. 6th Rd., Qianzhen Dist., Kaohsiung City	NTD8,000,000	Management consulting services
CANDACE BIOMEDICAL INC.	2024.07.19	No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City	NTD41,000,000	Management consulting, leasing services, and wholesale of medical devices

(3) Enterprises presumed to have a controlling or subordinate relationship in accordance with Article 369-3 of the Company Act: None.

(4) Industries involved in the operations of the entire affiliated enterprises: Biotechnology and medical industry.

(5) Names of the directors, supervisors, and Presidents of each affiliated enterprise and their shareholding or capital contribution in such enterprise:

Unit: Share; %

Company Name	Title	Name or Representative	Shares Held	
			Shares	Shareholding Ratio
UNI-PROFIT INDUSTRIAL LIMITED	Representative (Director)	SciVision Biotech Inc. Representative: Han, Kai-Cheng	390,000	100%
Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	Representative	SciVision Biotech Inc. Representative: Han, Tai-Wei	-	100%
Talent CRO Inc.	Chairman	SciVision Biotech Inc. Representative: Lin, Ya-Hsuan	800,000	100%
CANDACE BIOMEDICAL INC.	Chairman	SciVision Biotech Inc. Representative: Han, Kai-Cheng	4,100,000	100%

(6) Operational Overview of Affiliated Enterprises:

NT$ thousands

Company Name	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit (Loss)	Net Income (Loss) After Tax
UNI-PROFIT INDUSTRIAL LIMITED	1,451	1,198	0	1,198	0	(21)	70
Cheng Ze Medical Equipment (Shanghai) Co., Ltd.	63,791	3,651	1,904	1,747	3,568	157	162
Talent CRO Inc.	8,000	7,491	5,256	2,235	9,430	(484)	(410)
CANDACE BIOMEDICAL INC.	41,000	128,194	87,430	40,764	19,429	2,773	1,809

(7) Preparation of Consolidated Financial Statements for Affiliated Enterprises: Please refer to the consolidated financial statements.

(8) Report on Transactions with Affiliated Enterprises: Not applicable.

2. Private Placements of Securities in the Most Recent Year and as of the Date of the Annual Report: None.

3. Other Necessary Supplementary Explanations: None.

4. Any Events in the Most Recent Year and as of the Date of the Annual Report That May Have a Material Impact on Shareholders' Equity or the Price of Securities as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.

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SciVision Biotech Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024, and 2023 and Independent Auditors' Report

Address: No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City
Tel: (07)823-2258

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SciVision Biotech Inc.

Opinion

We have audited the consolidated balance sheets of SciVision Biotech Inc. and its subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2024 and 2023, and for the years then ended, are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and accordingly present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended.

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 of 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 Group in accordance with the Norm of Professional Ethics of Certified Public Accountants of the Republic of China and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the key audit matters to be communicated in our report are as follows:

1. Inventory Valuation

As of December 31, 2024, the net amount of product-related inventory of the Group was NT$72,232 thousand, which is material to the Group. Given the high technological thresh-old in the biotechnology industry, which is characterized by stringent regulatory and technical patent requirements, there is generally less concern regarding inventory obsolescence. However, due to the limited shelf life of products, there is a risk that some products may become un-salable because of stagnation or expiration. The assessment of obsolescence and valuation allowances for such inventory involves significant management judgment and was therefore identified as a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal controls established by management over inventory, including cost accounting and inventory assessment procedures; evaluating management's inventory count plan; selecting significant inventory locations and performing physical observation to verify the quantity and condition of the inventory; testing the accuracy of inventory aging reports and analyzing changes in aging, along with expected demand and market value; and assessing management’s analysis and evaluation of slow-moving and obsolete inventories, including the realizability of inventory and the estimation of net realizable value. We also tested the appropriateness of the allowance for inventory write-downs to net realizable value.

We also considered the adequacy of the disclosures related to inventory in Notes (5) and (6) to the consolidated financial statements.

2. Revenue Recognition

The primary business activities of the Group involve the research, development, manufacturing, and sales of hyaluronic acid and related application products. Revenue from sales is significantly affected by regulatory requirements and serves as a key indicator for evaluating the Group’s financial or operational performance. Therefore, there is a significant risk regarding the accuracy of the timing and amount of revenue recognition, and we identified revenue recognition as a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal controls over the sales and collection cycle; examining supporting documents for sales revenue, including contracts, customer orders, and shipping documents; reviewing key terms of the orders or contracts to identify performance obligations, price allocation, and the point in time when performance obligations are satisfied to assess the appropriateness of revenue recognition timing; selecting sales transactions from a specific period around the balance sheet date and verifying supporting documentation to confirm proper cutoff; and performing analytical procedures by product to identify any significant anomalies.

We also considered the adequacy of the revenue disclosures in Note (6) to 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for maintaining the necessary internal controls relevant to 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 Group’s ability to continue as a going concern, disclosing matters related to going concern as applicable, and using the going concern basis of accounting unless management either intends to

liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance of the Group are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

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 that 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 Group’s internal control.
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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the disclosures), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the investees included in the consolidated financial statements. 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 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 the consolidated financial statements of SciVision Biotech Inc. for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' 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

SciVision Biotech Inc. has also prepared the parent company only financial statements for the year ended December 31, 2024, on which we have issued an unmodified audit opinion for reference purposes.

Ernst & Young
Approved by the competent authority to audit and attest the financial reports of public companies
Approval Number:
Jin-Guan-Zheng-Shen-Zi No.1010045851
Jin-Guan-Zheng-Shen-Zi No.1100352201

Auditors: Li, Fang-Wen & Hong, Guo-Sen

March 6, 2025

Notice to Readers

The consolidated 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 parent company only 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.

SCIVISION BIOTECH INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS			December 31, 2024		December 31, 2023	
Code	Item	Note	Amount	%	Amount	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	4/6.1	$ 706,022	30	$ 511,101	23
1110	Financial assets at fair value through profit or loss - current	4/6.2	65,504	3	59,055	3
1136	Financial assets at amortized cost - current	4/6.3	99,900	5	233,900	11
1140	Contract assets - current	6.14	590	-	491	-
1150	Notes receivable, net	4/6.4	8,400	-	4,200	-
1170	Accounts receivable, net	4/6.5	163,945	7	90,491	4
1200	Other receivables		1,086	-	1,023	-
130x	Inventories, net	4/6.6	72,232	3	87,252	4
1410	Prepayments		47,940	2	15,479	1
1470	Other current assets		799	-	916	-
11xx	Total current assets		1,166,418	50	1,003,908	46
	NON-CURRENT ASSETS					
1600	Property, plant and equipment	4/6.7	1,087,878	46	1,112,585	52
1755	Right-of-use assets	4/6.15	88,471	4	22,817	1
1780	Intangible assets	4/6.8	1,683	-	2,149	-
1840	Deferred tax assets	4/6.18	5,016	-	15,495	1
1920	Refundable deposits		2,010	-	266	-
1980	Other financial assets - non-current	8	50	-	-	-
1990	Other non-current assets		2,950	-	2,950	-
15xx	Total non-current assets		1,188,058	50	1,156,262	54
1xxx	TOTAL		$ 2,354,476	100	$ 2,160,170	100

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Han, Kai-Cheng　　Manager: Han, Tai-Hsien　　Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY			December 31, 2024		December 31, 2023	
Code	Item	Note	Amount	%	Amount	%
	CURRENT LIABILITIES					
2130	Contract liabilities - current	4/6.14	$ 2,681	-	$ 7,023	-
2170	Accounts payable		13,268	1	6,745	-
2200	Other payables	6.1	168,154	7	123,199	7
2230	Current income tax liabilities	4/6.18	12,653	-	5,765	-
2280	Lease liabilities - current	4/6.17	4,728	-	1,216	-
2321	Current portion of corporate bonds payable or bonds subject to put options		134,785	6	-	-
2399	Other current liabilities - others		801	-	1,044	-
21xx	Total current liabilities		337,070	14	144,992	7
	NONCURRENT LIABILITIES					
2530	Corporate bonds payable	4/6.9	-	-	323,843	15
2550	Provisions - non-current	4/6.12	21,146	1	21,025	1
2570	Deferred tax liabilities		4,346	-	27	-
2580	Lease liabilities - non-current	4/6.17	84,723	4	22,854	1
2640	Net defined benefit liabilities - non-current	4/6.11	8,140	-	18,918	1
2645	Deposits received		2,000	-	2,006	-
25xx	Total non-current liabilities		120,355	5	388,673	18
2xxx	Total liabilities		457,425	19	533,665	25
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
3100	Capital stock	6.13				
3110	Common stock		717,920	31	677,099	31
3130	Bond conversion entitlement certificates		627	-	212	-
	Total capital stock		718,547	31	677,311	31
3200	Capital surplus	6.13	844,081	36	700,339	32
3300	Retained earnings					
3310	Legal reserve		88,339	4	70,500	3
3320	Special reserve		876	-	843	-
3350	Unappropriated earnings		246,032	10	178,388	9
	Total retained earnings		335,247	14	249,731	12
3400	Other equity	4	(824)	-	(876)	-
31xx	Total equity attributable to shareholders of the parent		1,897,051	81	1,626,505	75
3xxx	Total equity		1,897,051	81	1,626,505	75
	TOTAL		$ 2,354,476	100	$ 2,160,170	100

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Han, Kai-Cheng Manager: Han, Tai-Hsien Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4/6.14/7	$ 883,310	100	$ 712,988	100
5000	Operating costs	4/6.6/6.16	(227,626)	(26)	(200,494)	(28)
5900	Gross profit		655,684	74	512,494	72
6000	Operating expenses	4/6.16				
6100	Selling expenses		(248,450)	(28)	(176,670)	(24)
6200	Administrative expenses		(98,411)	(11)	(82,771)	(12)
6300	Research and development expenses		(60,713)	(7)	(53,415)	(8)
	Total operating expense		(407,574)	(46)	(312,856)	(44)
6900	Net operating income		248,110	28	199,638	28
7000	Non-operating income and expenses	6.17				
7100	Interest income		20,611	3	14,897	2
7010	Other income		1,431	-	751	-
7020	Other gains and losses		27,119	3	2,931	-
7050	Finance costs		(5,673)	(1)	(8,220)	(1)
	Total non-operating income and expenses		43,488	5	10,359	1
7900	Profit before tax		291,598	33	209,997	29
7950	Tax expense	6.18	(49,344)	(6)	(32,097)	(4)
8000	Profit (loss) from continuing operations		242,254	27	177,900	25
8200	Profit (loss)		242,254	27	177,900	25
8300	Other comprehensive income	6.17				
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		4,722	1	610	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6.18	(944)	-	(122)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		52	-	(33)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6.18	-	-	-	-
	Total other comprehensive income		3,830	-	455	-
8500	Total comprehensive income		$ 246,084	28	$ 178,355	25
	Earnings per share (NT$)	4/6.19				
9750	Basic earnings per share		$ 3.51		$ 2.66	
9850	Diluted earnings per share		$ 3.30		$ 2.41	

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Han, Kai-Cheng   Manager: Han, Tai-Hsien   Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Capital Stock			Retained Earnings			Others	
	Item	Common Stock	Bond Conversion Entitlement Certificates	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Total
Code		3110	3130	3200	3310	3320	3350	3410	31XX
A1	Balance, January 1, 2023	$ 661,904	$ -	$ 648,261	$ 56,027	$ 859	$ 144,723	$ (843)	$ 1,510,931
	2022 Appropriations of earnings								
B1	Legal reserve				14,473		(14,473)		-
B5	Cash dividends to shareholders						(130,266)		(130,266)
B17	Reversal of special reserve					(16)	16		-
C15	Cash dividends distributed from capital surplus			(3,035)					(3,035)
D1	2023 Net income						177,900		177,900
D3	2023 Other comprehensive income						488	(33)	455
D5	Total comprehensive income	-	-	-	-	-	178,388	(33)	178,355
I1	Conversion of convertible bonds	15,195	212	55,113					70,520
Z1	Balance, December 31, 2023	$ 677,099	$ 212	$ 700,339	$ 70,500	$ 843	$ 178,388	$ (876)	$ 1,626,505
A1	Balance, January 1, 2024	$ 677,099	$ 212	$ 700,339	$ 70,500	$ 843	$ 178,388	$ (876)	$ 1,626,505
	2023 Appropriations of earnings								
B1	Legal reserve				17,839		(17,839)		-
B3	Special reserve					33	(33)		-
B5	Cash dividends to shareholders						(160,516)		(160,516)
C15	Cash dividends distributed from capital surplus			(8,812)					(8,812)
C17	Other changes in capital surplus			170					170
D1	2024 Net income						242,254		242,254
D3	2024 Other comprehensive income						3,778	52	3,830
D5	Total comprehensive income	-	-	-	-	-	246,032	52	246,084
I1	Conversion of convertible bonds	40,821	415	152,384					193,620
Z1	Balance, December 31, 2024	$ 717,920	$ 627	$ 844,081	$ 88,339	$ 876	$ 246,032	$ (824)	$ 1,897,051

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Han, Kai-Cheng　　Manager: Han, Tai-Hsien　　Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Item	2024 Amount	2023 Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 291,598	$ 209,997
A20000	Adjustments for:		
A20010	Income and expense items not affecting cash flows:		
A20100	Depreciation expense	64,643	62,504
A20200	Amortization expense	585	627
A20400	Net loss (gain) on financial assets at fair value through profit or loss	(6,449)	(2,895)
A20900	Interest expenses	5,673	8,220
A21200	Interest income	(20,611)	(14,897)
A22500	Loss (gain) on disposal of property, plan and equipment	(190)	(544)
A29900	Others	626	(1,337)
A30000	Changes in operating assets and liabilities:		
A31125	Decrease (increase) in contract assets	(99)	(450)
A31130	Decrease (increase) in notes receivable	(4,200)	-
A31150	Decrease (increase) in accounts receivable	(73,454)	(13,320)
A31160	Decrease (increase) in accounts receivable - related parties	-	8,925
A31180	Decrease (increase) in other receivable	(2)	346
A31200	Decrease (increase) in inventories	14,452	8,616
A31230	Decrease (increase) in prepayments	(32,461)	3,172
A31240	Decrease (increase) in other financial assets	117	216
A32125	Increase (decrease) in contract liabilities	(4,342)	6,324
A32130	Increase (decrease) in notes payable	-	(4,063)
A32150	Increase (decrease) in accounts payable	6,523	(3,209)
A32180	Increase (decrease) in other payable	42,805	26,283
A32230	Increase (decrease) in other current liabilities	(243)	92
A32240	Increase (decrease) in net defined benefit liability	(6,056)	(5,941)
A33000	Cash inflow (outflow) generated from operations	278,915	288,666
A33100	Interest received	20,550	14,743
A33300	Interest paid	(990)	(424)
A33500	Income taxes refund (paid)	(28,602)	(30,973)
AAAA	Net cash flows from (used in) operating activities	269,873	272,012

Code	Item	2024 Amount	2023 Amount
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets measured at amortized cost	(379,900)	(264,400)
B00060	Repayment of principal from financial assets measured at amortized cost upon maturity	513,900	62,610
B02700	Acquisition of property, plant and equipment	(34,763)	(14,734)
B02800	Proceeds from disposal of property, plant and equipment	190	1,258
B03700	Increase in refundable deposits	(1,744)	-
B03800	Decrease in refundable deposits	-	1
B04500	Acquisition of intangible assets	(117)	(110)
B06500	Increase in other financial assets	(50)	-
B06600	Decrease in other financial assets	-	2,010
BBBB	Net cash flows from (used in) investing activities	97,516	(213,365)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
C03100	Decrease in deposits received	(6)	-
C04020	Payments of lease liabilities	(3,354)	(1,229)
C04500	Cash dividends paid	(169,328)	(133,301)
C09900	Other financing activities	170	-
CCCC	Net cash flows from (used in) financing activities	(172,518)	(134,530)
DDDD	Effect of exchange rate changes on cash and cash equivalents	50	(33)
EEEE	Net increase (decrease) in cash and cash equivalents	194,921	(75,916)
E00100	Cash and cash equivalents at beginning of period	511,101	587,017
E00200	Cash and cash equivalents at end of period	$ 706,022	$ 511,101

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Han, Kai-Cheng　　Manager: Han, Tai-Hsien　　Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

SciVision Biotech Inc. (hereinafter referred to as the “Company”) was incorporated on November 12, 2001, with approval from the Ministry of Economic Affairs. The Company’s registered address is No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City. Formerly named KeJing Biotech Inc., the Company changed its name to SciVision Biotech Inc. on August 1, 2005. The Company and its subsidiaries (hereinafter referred to as the “Group”) is primarily engaged in the production and sales of hyaluronic acid medical devices and related application products. The Company’s shares were initially listed on the Taipei Exchange (TPEx) on December 29, 2010, and subsequently transferred to the Taiwan Stock Exchange Corporation (TWSE) on November 12, 2013.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company and subsidiaries (hereinafter referred to as the “Group”) for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on March 6, 2025.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. The impact of the initial application of IFRSs

The Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission (FSC) that are applicable for annual periods beginning on or after January 1, 2024. The initial application of these new and amended standards did not have a material impact on the Group.

2. Standards or interpretations issued by the International Accounting Standards Board and endorsed by the FSC as of the date of authorization for issuance of the financial statements:

Standard No.	Title of the New Standard or Amendment	Effective Date
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025

(1) Lack of Exchangeability (Amendments to IAS 21)

These amendments clarify the concept of exchangeability and how to determine the exchange rate when a currency lacks exchangeability. The amendments also introduce additional disclosure requirements in situations where a currency lacks exchangeability.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The above standards and interpretations have been issued by the International Accounting Standards Board, endorsed by the FSC, and are applicable for annual periods beginning on or after January 1, 2025. These standards or interpretations are not expected to have a material impact on the Group.

3. As of the date the financial statements were authorized for issue, the Group has not applied the following new, revised, and amended standards or interpretations that have been issued by the International Accounting Standards Board but have not yet been endorsed by the FSC:

Standard No.	Title of the New Standard or Amendment	Effective Date
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 18	Presentation and Disclosure of Financial Statements	January 1, 2027
IFRS 19	Disclosure Initiative — Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Volume 11	Annual Improvements to IFRSs	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026

(1) Amendments to 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 Venture

This project addresses the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures regarding the sale or contribution of assets from an investor to its associate or joint venture that results in the loss of control over a subsidiary. IAS 28 requires that gains or losses resulting from contributions of non-monetary assets to an associate or joint venture be recognized only to the extent of unrelated investors’ interests (i.e., as a “downstream” transaction), whereas IFRS 10 requires full recognition of gains or losses when control of a subsidiary is lost. The amendment limits the scope of the requirement in IAS 28. When the transaction involves the sale or contribution of assets that constitute a business as defined in IFRS 3 Business Combinations, the entire gain or loss shall be recognized.

The amendment also modifies IFRS 10 to clarify that when a parent loses control of a subsidiary that does not constitute a business as defined in IFRS 3, and the transaction is made with an associate or joint venture, the gain or loss is recognized only to the extent of the interest attributable to the unrelated investors.

(2) IFRS 17 "Insurance Contracts"

IFRS 17 introduces a comprehensive accounting model for insurance contracts, covering all relevant aspects including recognition, measurement, presentation, and disclosure. The core of the standard is the General Model, under which insurance contract groups are initially measured as the total of the present value of future cash flows and the contractual service margin. At the end of each reporting period, the carrying amount is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the General Model, the standard provides a specific measurement approach for contracts with direct participation features, known as the Variable Fee Approach (VFA), and a simplified method for short-duration contracts, referred to as the Premium Allocation Approach (PAA).

IFRS 17 was originally issued in May 2017. Subsequent amendments were issued in 2020 and 2021 to defer the effective date by two years (from January 1, 2021 to January 1, 2023) and to introduce additional transition reliefs, reduce implementation costs through simplifications, and clarify certain provisions for better application. IFRS 17 replaces the interim standard IFRS 4 Insurance Contracts.

(3) IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard will replace IAS 1 Presentation of Financial Statements. The key changes include:

(a) Improved comparability of the statement of profit or loss
The statement of profit or loss will categorize income and expenses into five defined categories: operating, investing, financing, income taxes, and discontinued operations. The first three are newly introduced categories to enhance the structure of the income statement, and all entities are required to present newly defined subtotals, including "operating profit or loss." These changes aim to provide a consistent starting point for investors when analyzing financial performance across companies, thereby improving comparability.

(b) Enhanced transparency of management performance measures
Entities are required to disclose explanations of company-specific metrics related to the statement of profit or loss, referred to as management performance measures (MPMs).

(c) More useful aggregation of financial information
Guidance is provided on how to determine whether information should be presented in the primary financial statements or in the notes. This change is expected to lead to more detailed and useful disclosures. Entities are also required to provide more transparent information about operating expenses to help investors identify and understand the information they rely on.

(4) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)
This standard simplifies disclosure requirements for subsidiaries that do not have public accountability. Eligible subsidiaries may choose to apply this standard voluntarily.

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

These amendments include the following:
(a) Clarification that financial liabilities are derecognized on the settlement date, and guidance is provided on the accounting treatment of financial liabilities settled via electronic payment before the settlement date.
(b) Clarification on how to assess the cash flow characteristics of financial assets that include environmental, social, and governance (ESG)-linked or similar contingent features.
(c) Clarification of the treatment of non-recourse assets and contractually linked instruments.
(d) Additional disclosure requirements under IFRS 7 for financial assets or liabilities with terms or contingent features (including ESG-linked features), as well as for equity instruments measured at fair value through other comprehensive income (FVOCI).

(6) Annual Improvements to IFRS Accounting Standards—Volume 11

(a) Amendments to IFRS 1
These amendments align the hedge accounting requirements for first-time adopters with those in IFRS 9.
(b) Amendments to IFRS 7
These amendments update outdated cross-references related to derecognition gains or losses.
(c) Amendments to Implementation Guidance of IFRS 7
These amendments improve the wording in parts of the implementation guidance, including the introduction, disclosures of deferred fair value and trade price differences, and credit risk disclosures.
(d) Amendments to IFRS 9
These amendments add cross-references to address questions about lessee derecognition of lease liabilities and clarify the definition of transaction price.
(e) Amendments to IFRS 10
These amendments remove inconsistencies between paragraphs B74 and B73 of the standard.
(f) Amendments to IAS 7
These amendments remove references to the “cost method” in paragraph 37 of the standard.

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

These amendments include:
(a) Clarification on the application of the “own use” exemption;
(b) Permitting hedge accounting when such contracts are designated as hedging instruments;
(c) Enhanced disclosure requirements to help investors understand the impact of such contracts on an entity’s financial performance and cash flows.

The above standards and interpretations have been issued by the International Accounting Standards Board but have not yet been endorsed by the Financial Supervisory Commission (FSC). Their actual effective dates will be subject to FSC regulations. The Group is currently assessing the potential impact of items (1) and (3) to (7) of the newly issued or amended standards and interpretations, and is not yet able to reasonably estimate their effects. The remaining new or amended standards and interpretations are not expected to have a material impact on the Group.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

1. Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

2. Basis of Preparation

Except for financial instruments measured at fair value, the consolidated financial statements are prepared on a historical cost basis. Unless otherwise stated, the financial statements are presented in thousands of New Taiwan dollars (NT$).

3. Overview of Consolidation

Principles for the Preparation of Consolidated Financial Statements

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 is deemed to control an investee only when all of the following elements of control are present:

(1) Power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
(2) Exposure, or rights, to variable returns from its involvement with the investee; and
(3) The ability to use its power over the investee to affect the amount of the investor’s returns.

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

(1) Contractual arrangements with other holders of voting rights in the investee;
(2) Rights arising from other contractual arrangements; and
(3) The Company’s voting rights and potential voting rights.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The Company reassesses whether it controls an investee if facts and circumstances indicate that one or more of the three elements of control have changed.

Subsidiaries are fully consolidated from the acquisition date, which is the date the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are adjusted where necessary to ensure consistency with the accounting policies of the Company. All intragroup balances, transactions, unrealized profits and losses arising from intragroup transactions, and dividends are eliminated in full.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

If the Company loses control over a subsidiary, it:

(1) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) Derecognizes the carrying amount of any non-controlling interest;
(3) Recognizes the fair value of the consideration received;
(4) Recognizes the fair value of any retained investment;
(5) Reclassifies to profit or loss, or transfers directly to retained earnings as appropriate under other International Financial Reporting Standards, the amounts previously recognized in other comprehensive income; and
(6) Recognizes any resulting difference as a gain or loss in profit or loss for the period.

The entities included in the preparation of the consolidated financial statements are as follows:

Investor Company	Subsidiaries	Nature of Business	Percentage of Ownership	
			December 31, 2024	December 31, 2023
SciVision Biotech Inc.	UNI-PROFIT INDUSTRIAL LIMITED	International trading	100.00%	100.00%
SciVision Biotech Inc.	Chengze Medical Instruments (Shanghai) Co., Ltd.	Wholesale of medical devices	100.00%	100.00%
SciVision Biotech Inc.	TALENT CRO Inc.	Management consulting services	100.00%	100.00%
SciVision Biotech Inc.	CANDACE BIOMEDICAL INC.	Wholesale of cosmetics	100.00% (Note 1)	–

Note 1: On July 10, 2024, the Company invested in and established CANDACE BIOMEDICAL INC., acquiring 100% ownership of Candace.

4. Foreign Currency Transactions

The Group's consolidated financial statements are presented in New Taiwan dollars, which is the functional currency of the Company. Each entity within the Group determines its own functional currency and measures its financial statements in that currency.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated using the closing exchange rates; non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value was determined; non-monetary items measured at historical cost are translated using the exchange rate at the transaction date.

Except for the following circumstances, exchange differences arising from the settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

(1) Exchange differences on foreign currency borrowings that are regarded as adjustments to interest costs related to the acquisition of qualifying assets are capitalized as part of the cost of those assets.
(2) Exchange differences on foreign currency items to which IFRS 9 Financial Instruments applies are accounted for in accordance with the accounting policies for financial instruments.
(3) Exchange differences on monetary items that form part of the Group's net investment in a foreign operation are initially recognized in other comprehensive income, and reclassified from equity to profit or loss on the disposal of the net investment.

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

5. Translation of Foreign Currency Financial Statements

In preparing the consolidated financial statements, the assets and liabilities of foreign operations are translated into New Taiwan dollars at the closing exchange rates at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising from the translation are recognized in other comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of exchange differences previously recognized in other comprehensive income and accumulated in a separate component of equity is reclassified from equity to profit or loss as part of the gain or loss on disposal. For partial disposals involving the loss of control of a subsidiary that includes a foreign operation, or a partial disposal resulting in the loss of significant influence or joint control over an associate or joint arrangement that includes a foreign operation, the retained interest, if classified as a financial asset, is accounted for as a disposal.

For partial disposals of a subsidiary that includes a foreign operation without the loss of control, the proportionate share of the cumulative amount of exchange differences recognized in other comprehensive income is reattributed to non-controlling interests and not recognized in profit or loss. In the case of partial disposals of an associate or joint arrangement that includes a foreign operation, without losing significant influence or joint control, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the foreign operation's functional currency.

6. Classification Criteria for Current and Non-current Assets and Liabilities

An asset is classified as current when it satisfies any of the following conditions. Assets that do not meet any of these criteria are classified as non-current:

(1) It is expected to be realized, sold, or consumed in the normal operating cycle;
(2) It is held primarily for the purpose of trading;
(3) It is expected to be realized within twelve months after the reporting period; or
(4) It is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current when it satisfies any of the following conditions. Liabilities that do not meet any of these criteria are classified as non-current:

(1) It is expected to be settled in the normal operating cycle;
(2) It is held primarily for the purpose of trading;
(3) It is due to be settled within twelve months after the reporting period; or
(4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. This includes time deposits with original maturities of three months or less.

8. Financial Instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities that fall within the scope of IFRS 9 Financial Instruments are initially measured at fair value. For financial assets and financial liabilities not classified as at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability are added to or deducted from the fair value at initial recognition.

(1) Recognition and Measurement of Financial Assets

The Group applies trade date accounting to recognize and derecognize regular way purchases or sales of financial assets.

Financial assets are classified, at subsequent measurement, as measured at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL), based on both:

A. The entity'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

Financial assets are measured at amortized cost if they meet both of the following conditions and are presented in the balance sheet under items such as notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

A. Business model for managing financial assets: The financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
B. Contractual cash flow characteristics: The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets (excluding those designated in hedge relationships) are subsequently measured at amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount using the effective interest method, and adjusted for any loss allowance. Gains or losses are recognized in profit or loss when the asset is derecognized, through the amortization process, or when an impairment loss is recognized.

Interest income is recognized in profit or loss using the effective interest method, which is the effective interest rate applied to the gross carrying amount of the financial asset, except for the following cases:

A. For purchased or originated credit-impaired financial assets, interest income is calculated using the credit-adjusted effective interest rate on the amortized cost of the financial asset;
B. For financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the asset.

Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if they meet both of the following conditions and are presented in the balance sheet as "financial assets measured at fair value through other comprehensive income”:

A. Business model for managing financial assets: The financial assets are held within a business model whose objective is both to collect contractual cash flows and to sell financial assets; and
B. Contractual cash flow characteristics: The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The recognition of gains or losses on these financial assets is as follows:

A. Before derecognition or reclassification, gains or losses (excluding impairment gains or losses and foreign exchange gains or losses, which are recognized in profit or loss) are recognized in other comprehensive income.
B. Upon derecognition, 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 income calculated using the effective interest method (i.e., applying the effective interest rate to the gross carrying amount) is recognized in profit or loss. In the following cases, interest is calculated differently:
   a. For purchased or originated credit-impaired financial assets, interest is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
   b. For financial assets that subsequently become credit-impaired, interest is calculated using the effective interest rate applied to the amortized cost.

In addition, for equity instruments within the scope of IFRS 9 that are not held for trading and are not contingent consideration recognized by an acquirer in a business combination under IFRS 3, the Group may, at initial recognition and on an irrevocable basis, elect to present subsequent changes in fair value in other comprehensive income. Amounts recognized in other comprehensive income for these equity instruments shall not be reclassified to profit or loss at any time. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is transferred directly to retained earnings under another component of equity. Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These assets are presented in the balance sheet as “financial assets measured at fair value through profit or loss.”

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

(2) Impairment of Financial Assets

The Group recognizes and measures impairment allowances based on expected credit losses (ECLs) for debt investments measured at fair value through other comprehensive income (FVOCI) and financial assets measured at amortized cost. For debt investments measured at FVOCI, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Group measures expected credit losses 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 available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The methods for measuring the loss allowance are as follows:

A. 12-month expected credit losses: Applied to financial assets for which there has not been a significant increase in credit risk since initial recognition, or which are determined to have low credit risk at the reporting date. This also includes financial assets that were previously measured based on lifetime ECL but no longer meet the criteria for significant increase in credit risk at the reporting date.
B. Lifetime expected credit losses: Applied to financial assets that have experienced a significant increase in credit risk since initial recognition, or that are purchased or originated credit-impaired financial assets.
C. For trade receivables or contract assets that fall within the scope of IFRS 15, the Group applies the simplified approach and 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 also applies the simplified approach and measures the loss allowance based on lifetime expected credit losses.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the reporting date with the risk at the initial recognition date. Additional credit risk-related disclosures are provided in Note 12.

(3) Derecognition of Financial Assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to the cash flows from the financial asset have expired;
B. The financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred;
C. The financial asset has been transferred, neither substantially all risks and rewards of ownership have been transferred nor retained, but control of the asset has been transferred.

When a financial asset is derecognized in its entirety, the difference between the carrying amount of the asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss previously recognized in other comprehensive income is recognized in profit or loss.

(4) Financial Liabilities and Equity Instruments

Classification of Liabilities and Equity

The Group classifies its issued financial instruments as either financial liabilities or equity instruments in accordance with the substance of the contractual arrangements 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 the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of directly attributable transaction costs.

Compound Instruments

For convertible bonds issued by the Group, the liability and equity components are separately recognized in accordance with the terms of the contracts. In addition, before separating the equity component, the Group assesses whether any embedded call or put options are closely related to the host debt instrument in terms of economic characteristics and risks.

The liability component, excluding any embedded derivatives, is measured at fair value based on market interest rates for similar non-convertible instruments. This portion is subsequently measured at amortized cost until conversion or redemption. Embedded derivatives that are not closely related to the host debt instrument—such as put or call options whose exercise prices are not approximately equal to the amortized cost of the debt at each exercise date—are, unless classified as part of the equity component, recognized as part of the liability component and measured at fair value through profit or loss in subsequent periods. The equity component is determined as the difference between the fair value of the compound instrument as a whole and the fair value of the liability component at initial recognition, and is not remeasured subsequently. If the convertible bonds do not contain any equity component, they are accounted for as hybrid instruments in accordance with IFRS 9.

Transaction costs are allocated to the liability and equity components in proportion to the allocation of proceeds at initial recognition.

When holders of the convertible bonds exercise their conversion rights prior to maturity, the carrying amount of the liability component is adjusted to its value at the date of conversion, which serves as the basis for recognizing the issuance of ordinary shares.

Financial Liabilities

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

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated as such upon initial recognition.

A financial liability is classified as held for trading if it meets any of the following conditions:

A. It is acquired principally for the purpose of repurchasing it in the near term;
B. 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 financial guarantee contract or a derivative that is designated and effective as a hedging instrument.

For contracts that contain one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at FVTPL, provided it results in more relevant information and one of the following conditions is met at initial recognition:

A. The designation eliminates or significantly reduces a measurement or recognition inconsistency; or
B. The financial liabilities or a group of financial assets and liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Information about the portfolio is reported to key management personnel on this basis.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss. This includes any interest paid on the financial liability.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost, such as accounts payable and borrowings, are subsequently measured using the effective interest method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

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

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged, canceled, or expires.

If 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 due to financial difficulties), such an exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet only when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability 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. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in either:

(1) The principal market for the asset or liability; or
(2) In the absence of a principal market, the most advantageous market for the asset or liability

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

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

The fair value measurement of a non-financial asset considers the ability of a market participant 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 measured at the lower of cost and net realizable value on an item-by-item basis.

Cost is determined as the cost incurred to bring the inventories to their present location and condition, as follows:
Raw materials: Actual purchase cost.
Work-in-process and finished goods: Includes the cost of direct materials, direct labor, and an allocation of fixed manufacturing overheads based on normal production capacity, but excludes borrowing costs.

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

11. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition of the asset, as well as the estimated costs of dismantling and removing the asset and restoring the site on which it is located, and any necessary interest incurred during the construction period. Each significant part of an item of property, plant and equipment is depreciated separately if it has a different useful life. When a significant component of property, plant and equipment requires regular replacement, the Group accounts for such a part as a separate asset and depreciates it over its specific useful life and depreciation method. The carrying amount of the replaced part is derecognized in accordance with IAS 16 Property, Plant and Equipment. If the cost of major inspections or overhauls meets the recognition criteria, it is recognized as part of the carrying amount of the asset as a replacement cost. Other repair and maintenance costs are recognized in profit or loss as incurred.

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

Buildings	3 to 55 years
Machinery and testing equipment	2 to 55 years
Transportation equipment	3 to 6 years
Office equipment	3 to 10 years
Right-of-use assets	10 to 47 years
Other equipment	5 to 10 years

An item of property, plant and equipment or any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The resulting gain or loss is recognized in profit or loss.

The residual values, useful lives, and depreciation methods of property, plant and equipment are reviewed at the end of each financial year. Any changes in estimates are accounted for as changes in accounting estimates.

12. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it 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 evaluates whether, throughout the period of use, it has both of the following:

(1) The right to obtain substantially all of the economic benefits from the use of the identified asset; and
(2) The right to direct the use of the identified asset.

For contracts that are, or contain, leases, the Group accounts for each lease component within the contract as a separate lease and separates it from non-lease components. If a contract contains a lease component and one or more additional lease or non-lease components, the consideration in the contract is allocated to each lease component based on the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined based on the prices that the lessor (or a similar supplier) would charge separately for each component or for similar components. If observable stand-alone prices are not readily available, the Group maximizes the use of observable information to estimate the stand-alone prices.

<u>The Group as Lessee</u>

Except for leases that qualify for and are elected as short-term leases or leases of low-value assets, when the Group is the lessee under a lease contract, it recognizes a right-of-use asset and a lease liability for all leases.

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. If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If not readily determinable, the Group uses its incremental borrowing rate. The lease payments included in the measurement of the lease liability at the commencement date comprise the following:

(1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) Amounts expected to be payable under residual value guarantees;
(4) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(5) 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 lease liability is measured at amortized cost using the effective interest method. Interest on the lease liability is recognized to increase the liability, and lease payments made reduce the lease liability.

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

(1) The amount of the initial measurement of the lease liability;
(2) Any lease payments made at or before the commencement date, less any lease incentives received;
(3) Any initial direct costs incurred by the lessee; and
(4) An estimate of the 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.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, applying the cost model.

If ownership of the underlying asset transfers to the Group by the end of the lease term, or if the cost of the right-of-use asset reflects the Group's intention to exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the asset is depreciated from the commencement date to the earlier of the end of the asset's useful life 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 identified impairment loss.

Except for leases that qualify for and are elected as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities separately in the balance sheet, and presents depreciation expenses and interest expenses on leases separately in the statement of comprehensive income.

For short-term leases and leases of low-value assets, the Group elects to recognize the lease payments as expenses on a straight-line basis or another systematic basis over the lease term.

The Group as Lessor

At the inception of a contract, the Group classifies each lease 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 the underlying asset. If it does not, it is classified as an operating lease. At the commencement date, for finance leases, the Group recognizes assets held under a finance lease in the balance sheet and presents them as finance lease receivables, measured at the net investment in the lease.

For contracts that contain both lease and non-lease components, the Group allocates the consideration in the contract in accordance with IFRS 15.

The Group recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. Variable lease payments from operating leases that do not depend on an index or a rate are recognized as rental income in the period in which they are earned.

13. Intangible Assets

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired through a business combination is measured at fair value on the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized and are recognized as expenses when incurred.

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

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and are tested for impairment whenever there is an indication of impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. If the expected useful life of the asset or the pattern in which future economic benefits are expected to be consumed differs from previous estimates, the amortization method or period is adjusted accordingly and treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the cash-generating unit level. These assets are also reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment. If such assessment changes, the change is accounted for prospectively.

Gains or losses arising from derecognition of intangible assets are recognized in profit or loss.

<u>Intangible Assets in Development – Research and Development Costs</u>

Research costs are recognized as expenses when incurred. Development expenditures on an individual project are recognized as intangible assets if all of the following conditions are met:

(1) Technical feasibility of completing the intangible asset so that it will be available for use or sale;
(2) Intention to complete the intangible asset and ability to use or sell it;
(3) The asset is expected to generate probable future economic benefits;
(4) Availability of adequate technical, financial, and other resources to complete the development and to use or sell the asset; and
(5) Expenditures attributable to the development phase can be reliably measured.

Capitalized development expenditures are measured using the cost model, i.e., at cost less accumulated amortization and accumulated impairment losses. During the development phase, the asset is tested for impairment annually. Once development is complete and the asset is available for use, it is amortized over the period in which the asset is expected to generate future economic benefits.

14. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that assets within the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing is required for a particular asset, the Group estimates the recoverable amount of the asset either on an individual basis or at the level of the cash-generating unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of the asset or the CGU exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

For assets other than goodwill, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss previously recognized may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of the asset or the CGU. If the recoverable amount increases due to a change in the estimate of the asset's service potential, the reversal of the impairment loss is recognized. However, the carrying amount after the reversal shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized.

The CGU or group of CGUs to which goodwill has been allocated is tested for impairment annually, regardless of whether there is any indication of impairment. If the impairment test indicates that the CGU's carrying amount exceeds its recoverable amount, an impairment loss is recognized. The impairment loss is first allocated to reduce the carrying amount of goodwill, and any remaining loss is then allocated to the other assets of the CGU on a pro rata basis according to their carrying amounts. Once recognized, an impairment loss for goodwill shall not be reversed in any subsequent period.

Impairment losses and reversals relating to continuing operations are recognized in profit or loss.

15. Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. Where the effect of the time value of money is material, provisions are measured at the present value of the expected expenditures required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a borrowing cost.

Where an obligation is incurred over a period of time, a provision for levies is recognized progressively over that period.

<u>Provisions for Decommissioning, Restoration, and Rehabilitation Costs</u>

Provisions for the decommissioning and removal of property, plant and equipment and the restoration of the site on which they are located are measured at the present value of the estimated future cash flows expected to be incurred in settling the obligation, and are recognized as part of the cost of the related asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the decommissioning obligation. The unwinding of the discount is recognized as a borrowing cost when incurred. Estimated future decommissioning costs are reviewed and adjusted appropriately at the end of each reporting period. Changes in the estimated future costs or in the discount rate are recognized as an adjustment to the cost of the related asset.

16. Revenue Recognition

Revenue from contracts with customers primarily arises from the sale of goods. The Group's accounting treatment is described as follows:

Sale of Goods

The Group manufactures and sells goods. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of the goods (i.e., the customer has the ability to direct the use of the goods and obtain substantially all the remaining benefits from them). The main products include high-end hyaluronic acid medical devices. Revenue is recognized based on the price specified in the contract.

The credit terms for the sale of goods typically range from 30 to 90 days. A contract asset is reclassified as accounts receivable when control of the goods has been transferred and the right to receive consideration becomes unconditional. These accounts receivable are short-term in nature and do not contain a significant financing component.

In certain contracts, the Group receives part of the consideration from the customer at contract inception. Since the Group has an obligation to subsequently deliver goods, a contract liability is recognized. Such contract liabilities are typically recognized as revenue within one year and do not give rise to a significant financing component.

Rendering of Services

The Group also provides service revenue primarily related to product development services for its manufactured high-end hyaluronic acid medical devices. These services are separately priced or contractually negotiated and are provided over the term of the contract. Since the Group provides development services throughout the contract period and payment is based on milestones that represent transfer of benefits to the customer upon achievement, the customer obtains control of the service output at specific points in time. Therefore, the related performance obligations are satisfied at a point in time, and revenue is recognized when the service is completed. Revenue is recognized based on the contractually agreed price. The accumulated amount of recognized revenue is highly unlikely to be subject to significant reversal.

17. Post-employment Benefit Plans

The Company's employee retirement policy applies to all formally employed personnel. Contributions to the employee pension fund are fully deposited into a dedicated pension fund account managed by the Supervisory Committee of Business Entities' Labor Retirement Reserve. As the pension assets are deposited under the name of the Supervisory Committee and are completely separate from the Company, they are not included in the consolidated financial statements. Retirement plans for employees of the Group's foreign subsidiaries and branches are handled in accordance with local laws and regulations.

For post-employment benefit plans classified as defined contribution plans, the Company contributes an amount not less than 6% of each employee's monthly wages to the pension fund. These contributions are recognized as expenses in the period in which the related services are rendered. Foreign subsidiaries and branches make contributions based on specific local percentages, and such contributions are likewise recognized as expenses for the period.

For post-employment benefit plans classified as defined benefit plans, the Company recognizes obligations based on actuarial valuations using the projected unit credit method as of the end of the reporting period. Remeasurements of the net defined benefit liability (asset), including the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), changes in the effect of the asset ceiling (excluding amounts included in net interest), and actuarial gains and losses, are recognized in other comprehensive income in the period in which they occur and are immediately transferred to retained earnings. Past service cost, which arises from plan amendments or curtailments, is recognized as an expense at the earlier of:

(1) The date when the plan amendment or curtailment occurs; or
(2) The date when the Group recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is calculated by applying the discount rate to the net defined benefit liability (asset) at the beginning of the reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

18. Income Tax

Income tax expense (benefit) represents the total amount of current tax and deferred tax relating to profit or loss for the period.

Current Income Tax

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities, using the tax rates and 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 also recognized in other comprehensive income or equity rather than in profit or loss.

The additional income tax on undistributed earnings is recognized as income tax expense on the date the distribution of earnings is approved by the shareholders' meeting.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the end of the reporting period.

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

(1) Where the deferred tax liability arises from the initial recognition of goodwill or 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 accounting profit nor taxable profit (tax loss); and
(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint agreements, 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 arising from deductible temporary differences, unused tax losses, and unused tax credits are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

(1) When 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 accounting profit nor taxable profit (tax loss); and
(2) 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 the temporary differences will reverse in the foreseeable future and taxable profit will be available to utilize those temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax 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 not recognized in profit or loss is also not recognized in profit or loss but in other comprehensive income or directly in equity, consistent with the recognition of the related transaction. Deferred tax assets are reviewed at the end of each reporting period and adjusted accordingly.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

In accordance with the temporary exception under the "International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)," deferred tax assets and liabilities related to Pillar Two income taxes shall not be recognized, and related information shall not be disclosed.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In preparing the consolidated financial statements, management is required to make judgments, estimates, and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosures of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

1. Accounts Receivable – Estimation of Impairment Losses

The Group measures impairment losses on accounts receivable based on expected credit losses over the life of the asset. This involves the difference between the contractual cash flows (carrying amount) and the expected cash flows (considering forward-looking information), discounted to present value. However, for short-term receivables, the impact of discounting is insignificant, and impairment losses are measured based on the undiscounted difference.

2. Inventories

The estimated net realizable value of inventories considers circumstances such as damage, full or partial obsolescence, or declines in selling prices. It is based on the most reliable evidence available at the time of estimation regarding the amount expected to be realized from the inventories. Please refer to Note 6.6 for further details.

3. Post-employment Benefit Plans

The cost of post-employment benefits and the present value of defined benefit obligations are determined using actuarial valuations. These valuations involve various assumptions such as the discount rate and expected changes in salaries. For detailed information on the assumptions used in measuring pension costs and obligations, please refer to Note 6.11.

4. Income Taxes

Uncertainty exists in the interpretation of complex tax laws, as well as in the amount and timing of future taxable income. Due to extensive international business operations and the long-term and complex nature of contractual arrangements, differences between actual outcomes and assumptions, or changes in assumptions in future periods, may result in adjustments to previously recognized tax benefits and expenses. Provisions for income taxes are based on reasonable estimates of the outcome of tax audits by the tax authorities in the jurisdictions where the Group operates. The amounts recognized are based on various factors, including past experiences with tax audits and differences in interpretation of tax regulations between the taxable entities and the respective tax authorities. Such interpretive differences may give rise to a variety of issues depending on the circumstances in each jurisdiction where the Group's individual entities operate.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Deferred tax assets relating to unused tax losses, tax credits carried forward, and deductible temporary differences are recognized to the extent that it is probable that future taxable income or taxable temporary differences will be available to utilize them. The amount of deferred tax assets that can be recognized is based on estimates regarding the timing and amount of future taxable income and the implementation of tax planning strategies.

6. DESCRIPTION OF SIGNIFICANT ACCOUNTING ITEMS

1. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 380	$ 464
Bank deposits	705,642	510,637
Total	$ 706,022	$ 511,101

2. Financial Assets at Fair Value Through Profit or Loss – Current

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not designated as hedging instruments		
－Beneficiary certificates	$ 13,903	$ 10,797
－Corporate bonds	51,601	48,258
Total	$ 65,504	$ 59,055

The Group has not pledged any financial assets measured at fair value through profit or loss as collateral.

3. Financial Assets Measured at Amortized Cost – Current

	December 31, 2024	December 31, 2023
Time deposits	$ 99,900	$ 233,900

The Group has not pledged any financial assets measured at amortized cost as collateral.

4. Notes Receivable, Net

	December 31, 2024	December 31, 2023
Notes receivable, net	$ 8,400	$ 4,200

The Group has not pledged any notes receivable as collateral.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

5. Accounts Receivable, Net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 163,945	$ 90,491
Less: Allowance for impairment loss	—	—
Subtotal	163,945	90,491
Accounts receivable – related parties	—	—
Total	$ 163,945	$ 90,491

(1) The Group typically grants customers credit terms ranging from 30 to 90 days from the end of the month. As of December 31, 2024 and 2023, the total carrying amounts were NT$163,945 thousand and NT$90,491 thousand, respectively.

(2) An aging analysis of accounts receivable, net, past due is as follows:

December 31, 2024

	Not Past Due	Days Past Due Within 30 Days	Total
Total carrying amount	$ 163,945	$ —	$ 163,945
Loss rate	0%	0%	
Lifetime expected credit loss	—	—	—
Subtotal	$ 163,945	$ —	$ 163,945

December 31, 2023

	Not Past Due	Days Past Due Within 30 Days	Total
Total carrying amount	$ 90,491	$ —	$ 90,491
Loss rate	0%	0%	
Lifetime expected credit loss	—	—	—
Subtotal	$ 90,491	$ —	$ 90,491

(3) The Group has not pledged any accounts receivable as collateral.

6. Inventories, Net

	December 31, 2024	December 31, 2023
Raw materials and supplies	$ 43,346	$ 57,112
Work in process	13,568	14,338
Finished goods and semi-finished goods	9,772	15,802
Products	5,546	—
Total	$ 72,232	$ 87,252

Inventory-related expenses recognized during the period:

	December 31, 2024	December 31, 2023
Cost of goods sold	$ 227,285	$ 200,536
Inventory write-down (reversal of write-down)	341	(42)
Cost of sales	$ 227,626	$ 200,494

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The Group recognized an inventory write-down of NT$341 thousand in 2024 due to inventories being written down to net realizable value. In 2023, a reversal of inventory write-down of NT$42 thousand was recognized as a result of the recovery in prices of certain inventories for which allowance had been made at the beginning of the year, or due to the sale or use of such inventories.

The above inventories were not pledged as collateral.

7. Property, Plant and Equipment

	December 31, 2024	December 31, 2023
Property, plant and equipment used by the Group	$ 1,087,878	$ 1,112,585

(1) Property, plant and equipment used by the Group

	January 1, 2024	Additions	Disposals	Others (Note)	Reclassification	Effects of exchange rate changes	December 31, 2024
Cost							
Land	$ 4,731	$ —	$ —	$ —	$ —	$ —	$ 4,731
Buildings	686,586	1,129	—	—	—	—	687,715
Machinery and testing equipment	863,650	13,005	(430)	—	2,984	—	879,209
Other equipment	45,977	2,666	(1,379)	—	—	—	47,264
Total	$ 1,600,944	$ 16,800	$ (1,809)	$ —	$ 2,984	$ —	$ 1,618,919
Accumulated depreciation and impairment							
Buildings	$ 158,095	$ 11,138	$ —	$ —	$ —	$ —	$ 169,233
Machinery and testing equipment	302,244	47,598	(430)	—	—	—	349,412
Other equipment	31,523	2,826	(1,379)	—	—	—	32,970
Total	$ 491,862	$ 61,562	$ (1,809)	$ —	$ —	$ —	$ 551,615
Construction in progress and equipment pending inspection	3,503	20,113	(58)	—	(2,984)	—	20,574
Net carrying amount	$ 1,112,585						$ 1,087,878

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	January 1, 2023	Additions	Disposals	Others (Note)	Reclassification	Effects of exchange rate changes	December 31, 2023
Cost							
Land	$ 4,731	$ —	$ —	$ —	$ —	$ —	$ 4,731
Buildings	686,318	268	—	—	—	—	686,586
Machinery and testing equipment	856,340	6,492	—	—	818	—	863,650
Other equipment	40,112	5,935	(2,005)	—	1,945	(10)	45,977
Total	$ 1,587,501	$ 12,695	$ (2,005)	$ —	$ 2,763	$ (10)	$ 1,600,944
Accumulated depreciation and impairment							
Buildings	$ 146,800	$ 11,295	$ —	$ —	$ —	$ —	$ 158,095
Machinery and testing equipment	254,833	47,411	—	—	—	—	302,244
Other equipment	30,293	2,531	(1,291)	—	—	(10)	31,523
Total	$ 431,926	$ 61,237	$ (1,291)	$ —	$ —	$ (10)	$ 491,862
Construction in progress and equipment pending inspection	4,619	1,710	(63)	—	(2,763)	—	3,503
Net carrying amount	$ 1,160,194						$ 1,112,585

Note: Refers to the retirement, restoration, and repair costs of leasehold improvements.

For information on property, plant and equipment pledged as collateral, please refer to Note 8.

8. Intangible Assets

	December 31, 2024	December 31, 2023
Computer software costs	$ 35	$ 117
Trademark and patent rights	1,648	2,032
Total	$ 1,683	$ 2,149

	January 1, 2024	Additions	Disposals	Effects of exchange rate changes	December 31, 2024
Cost					
Computer software costs	$ 2,757	—	$ —	$ 14	$ 2,771
Trademark and patent rights	8,912	117	—	—	9,029
Total	$ 11,669	$ 117	$ —	$ 14	$ 11,800
Accumulated depreciation and impairment					
Computer software costs	$ 2,640	$ 84	$ —	$ 12	$ 2,736
Trademark and patent rights	6,880	501	—	—	7,381
Total	9,520	$ 585	$ —	$ 12	10,117
Net carrying amount	$ 2,149				$ 1,683

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Cost	January 1, 2023	Additions	Disposals	Effects of exchange rate changes	December 31, 2023
Computer software costs	$ 2,654	$ 110	$ —	$ (7)	$ 2,757
Trademark and patent rights	8,912	—	—	—	8,912
Total	$ 11,566	$ 110	$ —	$ (7)	$ 11,669
Accumulated depreciation and impairment					
Computer software costs	$ 2,563	$ 84	$ —	$ (7)	$ 2,640
Trademark and patent rights	6,337	543	—	—	6,880
Total	8,900	$ 627	$ —	$ (7)	9,520
Net carrying amount	$ 2,666				$ 2,149

9. Corporate Bonds Payable

	December 31, 2024	December 31, 2023
Domestic unsecured convertible bonds payable	$ 134,785	$ 323,843
Less: Current portion	(134,785)	—
Net carrying amount	$ —	$ 323,843

(1) Domestic unsecured convertible bonds payable

	December 31, 2024	December 31, 2023
Liability component:		
Face value of domestic unsecured convertible bonds payable	$ 132,900	$ 326,100
Discount on domestic unsecured convertible bonds payable	1,885	(2,257)
Subtotal	$ 134,785	$ 323,843
Less: Current portion	(134,785)	—
Net carrying amount	$ —	$ 323,843
Embedded derivative financial instruments	$ —	$ —
Equity component	$ 3,385	$ 8,306

On October 3, 2022, the Company issued domestic unsecured convertible bonds with a zero percent coupon rate. Based on the analysis of the contract terms, the convertible bonds consist of a debt component and an equity component (the holder's option to convert the bonds into the Company's common shares). The main issuance terms are as follows:

Total issuance amount: NT$400,000 thousand
Issuance period: From October 3, 2022 to October 3, 2025
Conversion terms:
A. Conversion target: Common shares of the Company
B. Conversion period: Bondholders may request conversion into the Company's common shares,

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

in lieu of cash repayment, from January 4, 2023 to October 3, 2025

C. Conversion price and adjustment: The conversion price was initially set at NT$48.25 per share. In the event of any adjustment event as stipulated in the terms of issuance, the conversion price shall be adjusted in accordance with the prescribed formula. The conversion price as of December 31, 2024 was NT$46.29 per share.

As of December 31, 2024, the amount converted was NT$267,100 thousand.

10. Other Payables

	December 31, 2024	December 31, 2023
Commissions payable	$ 82,887	$ 61,173
Compensation to employees and directors	32,576	23,332
Salaries payable	20,298	18,053
Others	32,393	20,641
Total	$ 168,154	$ 123,199

11. Post-employment Benefit Plans

(1) Defined Contribution Plans

For the years 2024 and 2023, the amounts recognized by the Group as expenses under defined contribution plans were NT$3,959 thousand and NT$3,705 thousand, respectively.

(2) Defined Benefit Plans

The amounts recognized as expenses under the defined benefit plans were as follows:

Item	2024	2023
Operating costs	$ 226	$ 223
Selling expenses	54	49
Administrative expenses	1,245	1,362
Research and development expenses	95	98
Total	$ 1,620	$ 1,732

(3) The cumulative amounts of actuarial gains or losses recognized in other comprehensive income were as follows:

	2024	2023
Beginning balance	$ 16,092	$ 16,702
Actuarial gain (loss) for the year	(4,722)	(610)
Ending balance	$ 11,370	$ 16,092

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(4) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 52,465	$ 53,884
Fair value of plan assets	(44,325)	(34,966)
Contribution status	8,140	18,918
Net defined benefit liability	$ 8,140	$ 18,918

(5) Changes in the present value of defined benefit obligations:

	2024	2023
Opening balance	$ 53,884	$ 52,423
Current service cost and interest	2,082	2,144
Actuarial gains or losses	(3,501)	(683)
Ending balance	$ 52,465	$ 53,884

(6) Changes in the fair value of plan assets:

	2024	2023
Opening fair value of plan assets	$ 34,966	$ 26,954
Return on plan assets	462	412
Actuarial gains or losses	1,221	(73)
Employer contributions	7,676	7,673
Closing fair value of plan assets	$ 44,325	$ 34,966

(7) As of December 31, 2024, the Company expects to contribute NT$7,655 thousand to the defined benefit plan within the next twelve months.

(8) The composition of the Company's plan assets as a percentage of total fair value is as follows:

	Pension Plan (%)	
	December 31, 2024	December 31, 2023
Cash	40%	45%
Other	60%	55%

The actual returns on plan assets for the years 2024 and 2023 were NT$1,683 thousand and NT$339 thousand, respectively.

The expected rate of return on plan assets is estimated based on historical return trends, analyst forecasts of market performance over the period of the defined benefit obligation, and reference to the management and performance of the labor retirement fund by the Supervisory Committee of Business Entities' Labor Retirement Reserve, as well as considering a minimum return not lower than the two-year time deposit interest rate offered by local banks.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(9) The following principal assumptions were used in determining the Company's defined benefit plan:

	December 31, 2024	December 31, 2023
Discount rate	1.65%	1.20%
Expected salary increase rate	3.00%	3.00%

(10) A 0.25% increase or decrease in the discount rate would have the following impact:

	2024		2023	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
Present value of defined benefit obligation	$ (1,068)	$ 1,103	$ (1,244)	$ 1,287

(11) The amounts related to the defined benefit plan for the years 2024 and 2023 are as follows:

	2024	2023
Present value of defined benefit obligation at year-end	$ 52,465	$ 53,884
Fair value of plan assets at year-end	(44,325)	(34,966)
Surplus (deficit) of the plan at year-end	$ 8,140	$ 18,918
Experience adjustment on defined benefit obligation	$ (1,490)	$ (1,434)
Experience adjustment on plan assets	$ 1,221	$ (73)

12. Provisions

December 31, 2024

	Decommissioning, Restoration and Dismantling Costs
January 1, 2024	$ 21,025
Changes due to discount rate and accretion of discount	121
December 31, 2024	$ 21,146
Current－December 31, 2024	$ －
Non-current－December 31, 2024	$ 21,146

December 31, 2023

	Decommissioning, Restoration and Dismantling Costs
January 1, 2023	$ 20,904
Changes due to discount rate and accretion of discount	121
December 31, 2023	$ 21,025
Current－December 31, 2023	$ －
Non-current－December 31, 2023	$ 21,025

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Decommissioning, Restoration and Dismantling Costs

The provision for decommissioning, restoration, and dismantling costs was recognized in accordance with the terms of the land lease agreement between the Company and the Kaohsiung Export Processing Zone Administration. The Company is required to restore the leased site to its original condition at the end of the lease term, as estimated based on the agreement.

13. Equity

(1) Capital Stock

A. As of December 31, 2024 and 2023, the Company's authorized capital was NT$1,000,000 thousand, consisting of 100,000 thousand shares with a par value of NT$10 per share.

B. As of December 31, 2024 and 2023, the Company's issued capital was NT$717,920 thousand and NT$677,099 thousand, consisting of 71,792 thousand and 67,710 thousand shares with a par value of NT$10 per share, respectively.

C. In 2024, holders of the Company's convertible bonds exercised conversion rights, resulting in the issuance of 4,124 thousand common shares with a par value of NT$10 each. As of December 31, 2024, NT$627 thousand of these shares were not yet registered and were recorded under "bond conversion entitlement certificates."

(2) Capital Surplus

	December 31, 2024	December 31, 2023
Share premium	$ 821,631	$ 673,138
Expired employee stock options	13,325	13,325
Treasury share transactions	5,570	5,570
Equity component arising from the issuance of convertible bonds – stock option rights	3,385	8,306
Transferred from exercised conversion rights	170	–
Total	$ 844,081	$ 700,339

In accordance with applicable laws, capital surplus can only be used to offset losses. When there is no accumulated deficit, the excess of the issuance price over the par value of shares and donations received may be capitalized annually up to a prescribed percentage of paid-in capital, or distributed in cash to shareholders in proportion to their shareholding.

(3) Earnings Distribution and Dividend Policy

According to the Company's Articles of Incorporation, earnings for the fiscal year shall be distributed in the following order:

1. Payment of taxes.
2. Offsetting of prior years' losses.
3. Appropriation of 10% of the current net income as legal reserve. However, this requirement may be waived once the accumulated legal reserve equals the total capital.
4. Appropriation or reversal of special reserves in accordance with applicable laws and regulations or directives of the securities authority.
5. Any remaining balance shall be allocated by the Board of Directors in the form of earnings distribution. If the distribution is in the form of new shares, it shall be resolved by the shareholders' meeting. If it is in cash, it shall be approved by a resolution of the Board of Directors attended by at least two-thirds of the directors and resolved by a majority of the directors present, and reported to the shareholders' meeting.
6. The Company may distribute all or part of the legal reserve and capital surplus in accordance with applicable laws and regulations. If the distribution is in the form of new shares, it shall be resolved by the shareholders' meeting; if in cash, it shall be approved by a resolution of the Board of Directors attended by at least two-thirds of the directors and resolved by a majority of the directors present, and reported to the shareholders' meeting.

In consideration of the Company's operating environment, stage of growth, future capital requirements, and long-term financial planning, as well as to meet shareholders' need for cash flows, the Board of Directors shall propose an earnings distribution plan based on distributable earnings, which shall be resolved by the shareholders' meeting. At least 50% of distributable earnings shall be distributed as shareholder dividends, of which cash dividends shall not be less than 30% of the total dividends distributed for the year, and up to 100% maximum.

Pursuant to the Company Act, the legal reserve shall be appropriated until the total amount reaches the Company's paid-in capital. Legal reserve may be used to offset losses. When there is no accumulated deficit, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed as new shares or cash in proportion to the shareholders' existing shareholdings.

When allocating distributable earnings, the Company shall, in accordance with applicable laws and regulations, appropriate additional special reserve to make up for the difference between the special reserve originally set aside upon first-time adoption of IFRSs and the net amount of other equity items. When the net amount of other equity items subsequently reverses, the reversed amount of special reserve may be used for earnings distribution.

According to FSC Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company appropriated a special reserve in respect of unrealized revaluation surplus and cumulative translation adjustments that were transferred to retained earnings on the date of transition due to the exemption options adopted under IFRS 1 "First-time Adoption of

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

International Financial Reporting Standards." Upon use, disposal, or reclassification of the related assets, the Company may reverse the special reserve for earnings distribution proportionally.

On March 6, 2025, the Company's Board of Directors resolved the earnings appropriation and distribution plan for the year ended December 31, 2024, as well as the dividend per share. On March 7, 2024, the Board resolved the earnings appropriation and distribution plan and the dividend per share for the year ended December 31, 2023, as follows:

	Earnings Appropriation and Distribution Plan		Dividend per Share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 24,603	$ 17,839		
(Reversal of) Special reserve	(52)	33		
Cash dividends on common stock	221,481	160,516	$ 3.08	$ 2.37

On March 7, 2024, the Company's shareholders' meeting proposed a cash distribution of NT$8,812 thousand from capital surplus, representing NT$0.13 per share.

For information regarding the basis of estimation and recognized amount of compensation to employees and directors, please refer to Note 6.17.

14. Operating Revenue

	2024	2023
Revenue from contracts with customers		
Sales of goods	$ 853,102	$ 700,619
Rendering of services	29,204	10,766
Other operating income	1,004	1,603
Total	$ 883,310	$ 712,988

(1) Disaggregation of Revenue

	2024	2023
Timing of revenue recognition:		
At a point in time	$ 883,310	$ 710,749
Over time	—	2,239
Total	$ 883,310	$ 712,988

(2) Contract Balances

A. Contract Assets

	December 31, 2024	December 31, 2023	January 1, 2023
Rendering of services	$ 590	$ 491	$ 41
Less: Allowance for credit losses	—	—	—
Total	$ 590	$ 491	$ 41

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The significant changes in the Company's contract assets for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Opening balance transferred to accounts receivable in the current year	$ (491)	$ (41)
Changes in the measure of progress	590	491

B. Contract Liabilities

	December 31, 2024	December 31, 2023	January 1, 2023
Sales of goods and royalties	$ 2,681	$ 7,023	$ 699

The significant changes in the Company's contract liabilities for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Opening balance transferred to revenue in the current year	$ (7,023)	$ (699)
Increase in advance receipts (net of amounts recognized as revenue during the year)	2,681	7,023

C. Incremental Costs of Obtaining Contracts

The incremental costs incurred by the Company in 2024 and 2023 for obtaining contracts related to the sales of hyaluronic acid-based products amounted to NT$214,577 thousand and NT$149,567 thousand, respectively, and were classified under selling expenses.

15. Leases

The Group as a lessee.

The Group leases lands and buildings, with lease terms ranging from 10 to 47 years.

The impact of leases on the Group's financial position, financial performance, and cash flows is summarized as follows:

A. Amounts recognized in the balance sheet

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(a) Right-of-use assets

Carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Lands	$ 21,551	$ 22,817
Buildings	66,920	—
Total	$ 88,471	$ 22,817

The Group recognized additions to right-of-use assets amounting to NT$68,735 thousand and NT$0 thousand for the years ended December 31, 2024 and 2023, respectively.

(b) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	$ 89,451	$ 24,070
Current	$ 4,728	$ 1,216
Non-current	$ 84,723	$ 22,854

For details on interest expense on lease liabilities in 2024 and 2023, please refer to Note 6.17(4) Finance Costs. For maturity analysis of lease liabilities as of 2024 and 2023, please refer to Note 12.5 Liquidity Risk Management.

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Lands	$ 1,266	$ 1,267
Buildings	1,815	—
Total	$ 3,081	$ 1,267

C. Gains and expenses related to lease activities for the lessee

	2024	2023
Expense relating to short-term leases	$ 435	$ 231

D. Cash outflows related to lease activities for the lessee

The total cash outflows for leases in 2024 and 2023 amounted to NT$3,789 thousand and NT$1,460 thousand, respectively.

E. Other information related to leasing activities

Extension options and termination options

Certain property lease agreements of the Group include extension and termination options.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

When determining the lease term, the Group considers the non-cancellable period during which it has the right to use the underlying asset, together with the periods covered by an option to extend the lease if it is reasonably certain that the Group will exercise that option, and periods covered by an option to terminate the lease if it is reasonably certain that the Group will not exercise that option. These options are used to maximize the operational flexibility of managing contracts. Most of these extension and termination options are exercisable only by the Group. The lease term is reassessed when significant events or changes in circumstances occur (within the lessee's control) that affect the Group's reasonable certainty to exercise options previously not included in the lease term or not to exercise options previously included.

16. Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function:

Function / Nature	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expenses						
Salaries	57,471	64,094	121,565	48,841	56,692	105,533
Labor and health insurance	3,904	5,986	9,890	3,643	5,612	9,255
Retirement benefits	1,932	3,647	5,579	1,819	3,618	5,437
Compensation to directors	—	18,647	18,647	—	14,187	14,187
Other employee benefits	2,369	2,482	4,851	2,157	2,240	4,397
Depreciation expenses	50,632	14,011	64,643	50,848	11,656	62,504
Amortization expenses	—	585	585	—	627	627

According to the Company's Articles of Incorporation, if the Company has earnings in the year, no less than 5% shall be allocated as compensation to employees, and no more than 5% as compensation to directors. However, if there are accumulated losses, an amount sufficient to offset the losses shall be retained first. The aforementioned compensation to employees may be paid in the form of stock or cash and shall be approved by a resolution of the Board of Directors with the attendance of at least two-thirds of the directors and consent of more than half of the attending directors. The resolution shall also be reported to the shareholders' meeting. Relevant information on the compensation to employees and directors approved or reported by the Board and shareholders' meetings can be found on the Taiwan Stock Exchange's Market Observation Post System.

The compensation to employees and directors for the years ended December 31, 2024 and 2023, as resolved by the Board of Directors on March 6, 2025, and March 7, 2024, respectively, is as follows:

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	2024	2023
Compensation to employees	$ 16,288	$ 11,666
Compensation to directors	16,288	11,666

The amount of compensation to employees and directors for 2023 reported at the shareholders' meeting was not materially different from the amount resolved by the Board of Directors on March 7, 2024, and was also consistent with the amounts recognized as expenses in the accounts.

17. Non-operating Income and Expenses

(1) Interest Income

	2024	2023
Interest income	$ 20,611	$ 14,897

(2) Other Income

	2024	2023
Other income	$ 23	$ 23
Other income	1,408	728
Total	$ 1,431	$ 751

(3) Other Gains and Losses

	2024	2023
Gain on disposal of property, plant, and equipment	$ 190	$ 544
Net foreign exchange gain (loss)	20,482	(506)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,449	2,895
Miscellaneous expenses	(2)	(2)
Total	$ 27,119	$ 2,931

(4) Finance Costs

	2024	2023
Interest on corporate bonds payable	$ (4,562)	$ (7,675)
Interest on lease liabilities	(990)	(424)
Interest on asset retirement obligations	(121)	(121)
Total	$ (5,673)	$ (8,220)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(5) Components of Other Comprehensive Income

The components of other comprehensive income for the year ended December 31, 2024 are as follows:

	Amount for the Period	Reclassification Adjustment	Other Comprehensive Income	Tax Benefit (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	$ 4,722	$ —	$ 4,722	$ (944)	$ 3,778
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	52	—	52	—	52
Total	$ 4,774	$ —	$ 4,774	$ (944)	$ 3,830

The components of other comprehensive income for the year ended December 31, 2023 are as follows:

	Amount for the Period	Reclassification Adjustment	Other Comprehensive Income	Tax Benefit (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	$ 610	$ —	$ 610	$ (122)	$ 488
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(33)	—	(33)	—	(33)
Total	$ 577	$ —	$ 577	$ (122)	$ 455

18. Income Tax

(1) Major Components of Income Tax Expense:

Income tax recognized in profit or loss

	2024	2023
Current income tax expense:		
Current tax payable	$ 33,991	$ 25,401
Adjustment of prior years' income tax in the current year	(147)	(2,695)
Deferred income tax expense (benefit):		
Tax benefit arising from the origination and reversal of temporary differences	6,861	1,408
Deferred tax arising from the origination and reversal of tax loss carryforwards and tax credits	8,639	7,983
Tax expense	$ 49,344	$ 32,097

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Income tax recognized in other comprehensive income

	2024	2023
Deferred tax expense (benefit):		
Remeasurement of defined benefit obligation	$ (944)	$ (122)
Exchange differences arising on translation of foreign operations	—	—
Income tax relating to components of other comprehensive income	$ (944)	$ (122)

(2) Reconciliation of Income Tax Expense and Accounting Profit Multiplied by Applicable Tax Rate:

	2024	2023
Profit before tax from continuing operations	$ 291,598	$ 209,997
Income tax calculated at the statutory tax rate applicable to the Company	$ 58,320	$ 41,999
Tax effect of non-deductible expenses for tax purposes	614	1,889
Tax effect of temporary differences recognized as deferred income tax assets/liabilities	(1,668)	(1,409)
Adjustment of prior years' current income tax in the current year	(147)	(2,695)
Tax effect of other adjustments according to tax regulations	(7,775)	(7,687)
Total income tax expense recognized in profit or loss	$ 49,344	$ 32,097

(3) Deferred Income Tax Assets (Liabilities):

	2024				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Ending balance
Temporary differences					
Investment tax credits	$ 10,620	$ (8,575)	$ —	$ —	$ 2,045
Pension	3,784	(1,212)	(944)	—	1,628
Others	1,064	(4,067)	—	—	(3,003)
Deferred income tax (expense)		$ (13,854)	$ (944)	$ —	
Net deferred income tax assets (liabilities)	$ 15,468				$ 670
Presented on the balance sheet as follows:					
Deferred income tax assets	$ 15,495				$ 5,016
Deferred income tax liabilities	$ 27				$ 4,346

	2023				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Ending balance
Temporary differences					
Investment tax credits	$ 18,657	$ (8,037)	$ —	$ —	$ 10,620
Pension	5,094	(1,188)	(122)	—	3,784
Others	1,231	(167)	—	—	1,064
Deferred income tax (expense)		$ (9,392)	$ (122)	$ —	
Net deferred income tax assets (liabilities)	$ 24,982				$ 15,468
Presented on the balance sheet as follows:					
Deferred income tax assets	$ 25,035				$ 15,495
Deferred income tax liabilities	$ 53				$ 27

(4) Unrecognized Deferred Income Tax Assets:

As of December 31, 2024 and 2023, the unrecognized deferred income tax assets amounted to NT$15,605 thousand and NT$15,109 thousand, respectively.

(5) Income Tax Return Assessment Status:

As of December 31, 2024, the status of the Group's income tax return assessments in Taiwan is as follows:

	Income Tax Return Assessment Status
SciVision Biotech Inc.	Assessed up to 2022
TALENT CRO Inc.	Assessed up to 2022

19. Earnings per Share

	2024		
	After-tax Amount	Weighted Average Shares Outstanding (in thousands)	Earnings per Share (NT$)
<u>Basic Earnings per Share</u>			
Net income attributable to ordinary shareholders of the Company	$ 242,254	69,105	$ 3.51
Effect of dilutive potential ordinary shares			
Interest on convertible bonds	3,649	5,208	
Employee compensation–stock	—	157	
<u>Diluted Earnings per Share</u>			
Net income attributable to ordinary shareholders of the Company plus effect of dilutive potential ordinary shares	$ 245,903	74,470	$ 3.30

	2023		
	After-tax Amount	Weighted Average Shares Outstanding (in thousands)	Earnings per Share (NT$)
Basic Earnings per Share			
Net income attributable to ordinary shareholders of the Company	$ 177,900	66,847	$ 2.66
Effect of dilutive potential ordinary shares			
Interest on convertible bonds	6,140	9,445	
Employee compensation–stock	–	150	
Diluted Earnings per Share			
Net income attributable to ordinary shareholders of the Company plus effect of dilutive potential ordinary shares	$ 184,040	76,442	$ 2.41

7. RELATED PARTY TRANSACTIONS

A. Names and Relationships of Related Parties:

Name of Related Party	Relationship with the Company
Dynamic Medical Technologies Inc. (Note)	Key management personnel of the Company (corporate director)

Note: As of June 28, 2023, Dynamic Medical Technologies Inc. ceased to be an associate of the Group due to loss of significant influence.

B. Significant Transactions with Related Parties

1. Sales

	December 31, 2024	December 31, 2023
Dynamic Medical Technologies Inc.	$ –	$ 22,100

The Group's sales to Dynamic Medical Technologies Inc. are not comparable due to differences in sales region and product category. Other trading terms and credit conditions are not significantly different from those with general customers.

The Group entered into an exclusive distribution agreement with Dynamic Medical Technologies Inc. for its medical aesthetic products in the Taiwan region. The agreement was secured by a bank guarantee of NT$10,000 thousand. The distribution period was from November 20, 2011 to October 31, 2021. From November 1, 2021 to December 31, 2021, Dynamic Medical Technologies Inc. continued to sell the remaining inventory. In 2022, both parties agreed to renew the contract, with a new bank guarantee of NT$5,000 thousand. The new agreement is effective from January 1, 2022 to December 31, 2024, with a three-year term.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

2. Compensation to Key Management Personnel of the Company

	2024	2023
Short-term employee benefits	$ 24,958	$ 20,586
Post-employment benefits	577	496
Total	$ 25,535	$ 21,082

8. PLEDGED ASSETS

The details of the Group's pledged assets are as follows:

	Book Value		
	December 31, 2024	December 31, 2023	Nature of Pledge
Property, plant and equipment	$ 478,272	$ 486,726	Pledged for bank credit lines and long-term borrowings
Other financial assets – non-current	50	—	
Total	$ 478,322	$ 486,726	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMIT-MENTS

None.

10. SIGNIFICANT LOSS FROM DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

On March 6, 2025, the Board of Directors resolved to issue the Company's third domestic unsecured convertible bonds in the amount of NT$400 million. The bonds bear a 0% coupon rate and have a maturity of three years.

12. OTEHRS

1. Categories of Financial Instruments

Financial Assets

	December 31, 2024	December 31, 2023
Financial assets at FVTPL:		
Mandatorily measured at FVTPL	$ 65,504	$ 59,055
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	705,642	510,637
Financial assets measured at amortized cost	99,900	233,900
Accounts receivable	173,431	95,714
Refundable deposits	2,010	266
Other financial assets	50	—

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Financial Liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Accounts payable	$ 181,422	$ 129,944
Bonds payable (including current portion)	134,785	323,843
Lease liabilities	89,451	24,070
Deposits received	2,000	2,006

2. Objectives of Financial Risk Management

The Group's financial risk management objectives are primarily to manage market risk, credit risk, and liquidity risk related to operating activities. Risks are identified, measured, and managed based on the Group's policies and risk appetite.

The Group has established appropriate policies, procedures, and internal controls in accordance with relevant regulations to manage the aforementioned financial risks. Significant financial activities must be reviewed by the Board of Directors in accordance with internal control systems. During the execution of financial management activities, the Group must strictly comply with its financial risk management guidelines.

3. Market Risk

The Group's market risk refers to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market prices. Market risks mainly include foreign exchange risk, interest rate risk, and other price risks.

In practice, it is rare for a single risk variable to change in isolation, as changes in risk variables are usually correlated. However, the sensitivity analyses for the following risks do not take into account the interrelationships among these variables.

(1) Foreign Exchange Risk

The Group is exposed to foreign exchange risk primarily through its operating activities (when revenues or expenses are denominated in a currency different from the Group's functional currency) and net investments in foreign operations.

Some of the Group's foreign currency receivables and payables are denominated in the same currencies, which naturally offsets a portion of the exposure. For the remaining exposure, the Group uses forward foreign exchange contracts to manage foreign exchange risk. However, as these natural hedges and forward exchange contracts do not qualify for hedge accounting, hedge accounting is not applied. Additionally, as net investments in foreign operations are considered strategic investments, the Group does not hedge this exposure.

The sensitivity analysis below demonstrates the impact of an appreciation/depreciation of relevant foreign currencies on the Group's profit or loss and equity, based on major foreign currency monetary items as of the end of the reporting period. The Group is primarily exposed to fluctuations in the exchange rates of the USD and RMB.

(2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The Group's exposure to interest rate risk mainly arises from floating-rate borrowings.

The Group manages its interest rate risk by maintaining an appropriate mix of fixed and floating rate borrowings.

(3) Sensitivity Analysis of Pre-tax Effects of Relevant Risk Changes for 2024 and 2023:

2024

Major Risk	Change Assumption	Sensitivity of Profit or Loss (in Thousands of NTD)
Foreign Exchange Risk	NTD to USD +/− 1%	−/+ 4,728
	NTD to RMB +/− 1%	−/+ 278
	NTD to EUR +/− 1%	−/+ 168
Interest Rate Risk	Market interest rate +/− 10bps	+/− 806

2023

Major Risk	Change Assumption	Sensitivity of Profit or Loss (in Thousands of NTD)
Foreign Exchange Risk	NTD to USD +/− 1%	−/+ 3,031
	NTD to RMB +/− 1%	−/+ 214
	NTD to EUR +/− 1%	−/+ 92
Interest Rate Risk	Market interest rate +/− 10bps	+/− 745

4. Credit Risk Management

Credit risk refers to the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The Group's credit risk arises from its operating activities (primarily contract assets, accounts receivable, and notes receivable) and financial activities (primarily bank deposits and various financial instruments).

Each unit within the Group manages credit risk in accordance with policies, procedures, and controls related to credit risk management. The credit risk of all counterparties is assessed by considering various factors, including their financial position, credit ratings assigned by credit rating agencies, historical transaction experience, current economic conditions, and the Group's internal credit evaluation criteria. The Group also applies certain credit enhancement tools, such as advance payments and insurance, where appropriate, to mitigate credit risk for specific counterparties.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The Group's finance department manages credit risk related to bank deposits and other financial instruments in accordance with internal group policies. The Group conducts transactions only with reputable domestic and international financial institutions with sound credit standing; therefore, no significant credit risk is expected.

5. Liquidity Risk Management

The Group maintains financial flexibility through cash and cash equivalents and bank borrowings. The table below summarizes the contractual maturities of the Group's financial liabilities based on the earliest possible repayment dates and undiscounted cash flows, including contractual interest payments. For floating rate liabilities, the undiscounted interest payments are based on the yield curve as of the end of the reporting period.

Non-Derivative Financial Liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
December 31, 2024					
Convertible bonds	$ 136,927	$ —	$ —	$ —	$ 136,927
Accounts payable	181,422	—	—	—	181,422
Lease liabilities	6,969	18,703	18,710	61,244	105,626
December 31, 2023					
Convertible bonds	$ —	$ 335,981	$ —	$ —	$ 335,981
Accounts payable	129,944	—	—	—	129,944
Lease liabilities	1,625	3,120	3,092	24,559	32,396

6. Reconciliation of Liabilities Arising from Financing Activities

The reconciliation of liabilities arising from financing activities for the year ended December 31, 2024, is as follows:

	Convertible Bonds	Lease Liabilities	Total Liabilities from Financing Activities
January 1, 2024	$ 323,843	$ 24,070	$ 347,913
Cash flows	—	(3,354)	(3,354)
Non-cash changes	(189,058)	68,735	(120,323)
December 31, 2024	$ 134,785	$ 89,451	$ 224,236

The reconciliation of liabilities arising from financing activities for the year ended December 31, 2023, is as follows:

	Convertible Bonds	Lease Liabilities	Total Liabilities from Financing Activities
January 1, 2023	$ 386,688	$ 25,299	$ 411,987
Cash flows	–	(1,229)	(1,229)
Non-cash changes	(62,845)	–	(62,845)
December 31, 2023	$ 323,843	$ 24,070	$ 347,913

7. Fair Value of Financial Instruments

(1) Valuation Techniques and Assumptions Used in Fair Value Measurement

Fair value refers to 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 methods and assumptions used by the Group in measuring or disclosing the fair value of financial assets and liabilities are as follows:

A. The fair values of cash and cash equivalents, receivables, payables, and other current liabilities approximate their carrying amounts due to their short maturities.

B. For financial assets and liabilities traded in active markets and with standard terms and conditions, fair value is determined based on quoted market prices (e.g., listed stocks, beneficiary certificates, bonds, and futures).

(2) Fair Value of Financial Instruments Measured at Amortized Cost

The carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

8. Information on Foreign Currency Financial Assets and Liabilities with Significant Impact

The Group's foreign currency financial assets and liabilities with significant impact are as follows:

	December 31, 2024			December 31, 2023		
	Foreign Currency (in thousands)	Exchange Rate	NTD	Foreign Currency (in thousands)	Exchange Rate	NTD
Financial Assets						
Monetary Items						
USD	$ 14,422	32.785	$ 472,835	$ 9,870	30.705	$ 303,055
RMB	6,216	4.478	27,837	4,947	4.327	21,405
EUR	493	34.14	16,828	272	33.98	9,236

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The above information is disclosed based on the foreign currency carrying amounts converted into the functional currency.

As the Group engages in transactions involving various foreign currencies, it is not practicable to disclose the foreign exchange gains and losses for each currency with significant impact separately. The foreign exchange gain (loss) of the Company for the years 2024 and 2023 amounted to NT$20,482 thousand and NT$(506) thousand, respectively.

9. Fair Value Hierarchy

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified based on the lowest level input that is significant to the overall fair value measurement. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2: Observable inputs other than quoted prices included within Level 1, either directly or indirectly, for the asset or liability.
Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities measured on a recurring basis, the Company re-assesses their classification at the end of each reporting period to determine whether any transfers between levels of the fair value hierarchy have occurred.

(2) Fair Value Hierarchy Information

The Company does not have any non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets and liabilities measured at fair value is as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Assets measured at fair value:				
Financial assets at FVTPL				
Beneficiary certificates	$ 13,903	$ －	$ －	$ 13,903
Corporate bonds	51,601	－	－	51,601

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets measured at fair value:				
Financial assets at FVTPL				
Beneficiary certificates	$ 10,797	$ －	$ －	$ 10,797
Corporate bonds	48,258	－	－	48,258

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended December 31, 2024 and 2023.

10. Capital Management

The primary objective of the Group's capital management is to maintain a sound credit rating and capital ratio to support business operations and maximize shareholder returns. The Groupmanages and adjusts its capital structure based on economic conditions and may adjust dividends, return capital to shareholders, or issue new shares in order to maintain or modify the capital structure.

13. ADDITIONAL DISCLOSURES

1. Information on Significant Transactions and Investee Companies

(1) Financings provided: None.

(2) Endorsement/guarantee provided: None.

(3) Marketable securities held (excluding investments in subsidiaries and associates): See Table 1.

(4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

(5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

(6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None.

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

(9) Entities over which the Company has direct or indirect significant influence or control (excluding investments in Mainland China): See Table 2.

(10) Information about the derivative financial instruments transaction: None.

(11) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: None.

2. Information on investment in mainland China: See Table 3.

3. Information of major shareholders: See Table 4.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

14. OPERATING SEGMENTS INFORMATION

The Group is primarily engaged in the manufacturing and sale of hyaluronic acid-based products, and is classified as a single reportable segment. The financial information of this segment is the same as that presented in the financial statements. The accounting policies adopted by the operating segment are consistent with those described in Note 4. The segment profit or loss is measured based on profit before tax and is used as the basis for performance evaluation.

1. Information by Product and Service

Products and Services	2024	2023
Hyaluronic acid-based products	$ 853,102	$ 700,619
Service income	29,204	10,766
Other operating income	1,004	1,603
Total	$ 883,310	$ 712,988

2. Geographical Information

A. Revenue from External Customers:

Region	2024	2023
Asia	$ 662,894	$ 549,643
Europe	208,122	153,154
Americas	12,294	10,191
Total	$ 883,310	$ 712,988

Revenue is classified based on the location of the customers.

B. Non-current Assets:

Region	2024	2023
Asia	$ 1,180,982	$ 1,140,501

Non-current assets include property, plant and equipment, intangible assets, and other assets, excluding non-current financial instruments and deferred income tax assets.

3. Information on Major Customers

For the years ended December 31, 2024 and 2023, the Group had sales to individual customers accounting for more than 10% of total net operating revenue, as follows:

Customer Name	2024	2023
Customer A	$ 423,052	$ 117,676
Customer B	158,719	121,360
Customer C	98,796	93,884
Customer D	38,114	229,208

Table 1: Marketable Securities Held (Excluding investments in subsidiaries, associates, and joint ventures) (Amounts in Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type	Marketable Securities Name (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	December 31, 2024				Note
					Shares/Units Note (In Thousands)	Carrying Value (Note 3)	Percentage of Ownership (%	Fair Value	
SciVision Biotech Inc.	Beneficiary certificates	Yuanta Global Leaders Balanced F	—	Financial assets at fair value through profit or loss – current	—	$ 13,903	—	$ 13,903	—
	Corporate bonds	TSMC Arizona Foreign Bond	—	Financial assets at fair value through profit or loss – current	—	51,601	—	51,601	—

Note 1: The term “marketable securities” in this table refers to stocks, bonds, beneficiary certificates, and derivative securities derived from the aforementioned items, as defined under International Financial Reporting Standard No. 9 – Financial Instruments.

Note 2: If the issuer of the marketable security is not a related party, the corresponding column may be left blank.

Note 3: For securities measured at fair value, the column for carrying value should reflect the balance after fair value adjustments and deduction of accumulated impairment. For securities not measured at fair value, the column should show the original acquisition cost or amortized cost, net of accumulated impairment.

Table 2: Where the Company Directly or Indirectly has Significant Influence or Control Over an In-vested Company (Excluding Investments in Mainland China): (Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
SciVision Biotech Inc.	UNI-PROFIT INDUSTRIAL LIMITED (UNI-PROFIT)	Hong Kong	International Trading	$ 1,451	$ 1,451	390	100.00%	$ 1,198	$ 70	$ 70	–
SciVision Biotech Inc.	TALENT CRO Inc. TALENT CRO Inc.	Taiwan	Management Consulting Services	$ 8,000	$ 8,000	800	100.00%	$ 2,235	$ (410)	$ (410)	–
SciVision Biotech Inc.	CANDACE BIOMEDICAL INC. CANDACE BIOMEDICAL INC.	Taiwan	Wholesale of Cosmetics	$ 41,000	$ -	4,100	100.00%	$ 40,764	$ 1,809	$ 1,809	–

Table 3: Information on Investment in Mainland China (Amounts in Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (US$ in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Chengze Medical Instruments (Shanghai) Co., Ltd.	Wholesale of Medical Devices	$63,791 (USD2,000,000)	1	$ 63,791	–	–	$ 63,791	$ 162	100.00%	$ 162	$ 1,747	–

Accumulated Investment in Mainland China as of December 31, 2023 (US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands) (Note 3)	Upper Limit on Investment
$63,791 (USD2,000,000)	$65,570 (USD2,000,000)	$1,138,231

Note 1: Investment methods are classified into the following three types; please indicate only the applicable category:

1. Direct investment in Mainland China.
2. Investment in Mainland China through a third-region company.
3. Other methods.

Note 2: Significant transactions, including pricing, payment terms, and unrealized gains or losses, conducted directly or indirectly through third-region companies with investees in Mainland China: None.

Note 3: All New Taiwan Dollar (NTD) amounts are translated using the exchange rate as of December 31, 2024.

Table 4: Information on Major Shareholders (Unit: Share)

Shares / Shareholders	Total Shares Owned	Ownership Percentage
—	—	—

Note 1: The information in this table regarding major shareholders is based on data provided by the Taiwan Depository & Clearing Corporation (TDCC) as of the last business day of each quarter. It includes shareholders whose combined holdings of common and preferred shares—already completed through book-entry registration (including treasury shares)—amount to 5% or more of the Company's total issued shares. Please note that the share capital recorded in the Company's financial statements and the number of shares registered via book-entry may differ due to differences in the basis of preparation or timing.

Note 2: If a shareholder's shares have been placed in trust, the information is disclosed under the name of the trustor in each sub-account established by the trustee. For shareholders subject to insider shareholding disclosures under the Securities and Exchange Act—i.e., those holding more than 10% of the Company's shares—such disclosures include both personally held shares and those placed in trust over which the shareholder retains decision-making rights. For detailed insider shareholding information, please refer to the Market Observation Post System (MOPS).

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SciVision Biotech Inc.

Parent Company Only Financial Statements for the Years Ended December 31, 2024, and 2023 and Independent Auditors' Report

Address: No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City
Tel: (07)823-2258

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SciVision Biotech Inc.

Opinion

We have audited the parent company only balance sheets of SciVision Biotech Inc. as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements of the Company as of December 31, 2024 and 2023, and for the years then ended, are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and accordingly present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended.

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 of 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 of Certified Public Accountants of the Republic of China and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the key audit matters to be communicated in our report are as follows:

1. Inventory Valuation

As of December 31, 2024, the net amount of product-related inventory of the Company was NT$66,686 thousand, which is material to the Company. Given the high technological threshold in the biotechnology industry, which is characterized by stringent regulatory and technical patent requirements, there is generally less concern regarding inventory obsolescence. However, due to the limited shelf life of products, there is a risk that some products may become unsalable because of stagnation or expiration. The assessment of obsolescence and valuation allowances for such inventory involves significant management judgment and was therefore identified as a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal controls established by management over inventory, including cost accounting and inventory assessment procedures; evaluating management's inventory count plan; selecting significant inventory locations and performing physical observation to verify the quantity and condition of the inventory; testing the accuracy of inventory aging reports and analyzing changes in aging, along with expected demand and market value; and assessing management’s analysis and evaluation of slow-moving and obsolete inventories, including the realizability of inventory and the estimation of net realizable value. We also tested the appropriateness of the allowance for inventory write-downs to net realizable value.

We also considered the adequacy of the disclosures related to inventory in Notes (5) and (6) to the parent company only financial statements.

2. Revenue Recognition

The primary business activities of the Company involve the research, development, manufacturing, and sales of hyaluronic acid and related application products. Revenue from sales is significantly affected by regulatory requirements and serves as a key indicator for evaluating the Company’s financial or operational performance. Therefore, there is a significant risk regarding the accuracy of the timing and amount of revenue recognition, and we identified revenue recognition as a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal controls over the sales and collection cycle; examining supporting documents for sales revenue, including contracts, customer orders, and shipping documents; reviewing key terms of the orders or contracts to identify performance obligations, price allocation, and the point in time when performance obligations are satisfied to assess the appropriateness of revenue recognition timing; selecting sales transactions from a specific period around the balance sheet date and verifying supporting documentation to confirm proper cutoff; and performing analytical procedures by product to identify any significant anomalies.

We also considered the adequacy of the revenue disclosures in Note (6) 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining the necessary internal controls relevant to 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 Company’s ability to continue as a going concern, disclosing matters related to going concern as applicable, 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 of the Company are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

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 that 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including the disclosures), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of the investees included in the parent company only financial statements. 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 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 the parent company only financial statements of SciVision Biotech Inc. for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' 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.

Ernst & Young
Approved by the competent authority to audit and attest the financial reports of public companies
Approval Number:
Jin-Guan-Zheng-Shen-Zi No.1010045851
Jin-Guan-Zheng-Shen-Zi No.1100352201

Auditors: Li, Fang-Wen & Hong, Guo-Sen

March 6, 2025

Notice to Readers

The 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 parent company only 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.

SCIVISION BIOTECH INC.

PARENT COMPANY ONLY BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS			December 31, 2024		December 31, 2023	
Code	Item	Note	Amount	%	Amount	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	4/6.1	$ 655,200	29	$ 505,288	23
1110	Financial assets at fair value through profit or loss - current	4/6.2	65,504	3	59,055	3
1136	Financial assets at amortized cost - current	4/6.3	99,900	5	233,900	11
1150	Notes receivable, net	4/6.4	8,400	-	4,200	-
1170	Accounts receivable, net	4/6.5	163,272	7	90,355	4
1180	Accounts receivable - related parties	6.5/7	7,752	-	-	-
1200	Other receivables		994	-	933	-
130x	Inventories, net	4/6.6	66,686	3	87,252	4
1410	Prepayments		42,787	2	14,888	1
1470	Other current assets		4	-	-	-
11xx	Total current assets		1,110,499	49	995,871	46
	NON-CURRENT ASSETS					
1550	Investments accounted for using equity method	4/6.7	45,944	2	4,363	-
1600	Property, plant and equipment	4/6.8	1,083,737	48	1,112,377	52
1755	Right-of-use assets	4/6.16	21,551	1	22,817	1
1780	Intangible assets	4/6.9	1,648	-	2,032	-
1840	Deferred tax assets	4/6.19	5,016	-	15,495	1
1920	Refundable deposits		260	-	260	-
1990	Other non-current assets		2,950	-	2,950	-
15xx	Total non-current assets		1,161,106	51	1,160,294	54
1xxx	TOTAL		$ 2,271,605	100	$ 2,156,165	100

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Han, Kai-Cheng Manager: Han, Tai-Hsien Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC.

PARENT COMPANY ONLY BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY			December 31, 2024		December 31, 2023	
Code	Item	Note	Amount	%	Amount	%
	CURRENT LIABILITIES					
2130	Contract liabilities - current	6.15	$ 2,428	-	$ 6,966	1
2170	Accounts payable		7,042	-	6,738	-
2200	Other payables	6.11/7	158,875	7	119,299	6
2230	Current income tax liabilities	4/6.19	12,201	1	5,765	-
2280	Lease liabilities - current	4/6.16	1,176	-	1,216	-
2321	Current portion of corporate bonds payable or bonds subject to put options	4/6.10	134,785	6	-	-
2399	Other current liabilities - others		731	-	1,003	-
21xx	Total current liabilities		317,238	14	140,987	7
	NONCURRENT LIABILITIES					
2530	Corporate bonds payable	4/6.10	-	-	323,843	15
2550	Provisions - non-current	4/6.13	21,146	1	21,025	1
2570	Deferred tax liabilities		4,346	-	27	-
2580	Lease liabilities - non-current	4/6.16	21,678	1	22,854	1
2640	Net defined benefit liabilities - non-current	4/6.12	8,140	-	18,918	1
2645	Deposits received		2,006	-	2,006	-
25xx	Total non-current liabilities		57,316	2	388,673	18
2xxx	Total liabilities		374,554	16	529,660	25
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
3100	Capital stock	6.14				
3110	Common stock		717,920	32	677,099	31
3130	Bond conversion entitlement certificates		627	-	212	-
	Total capital stock		718,547	32	677,311	31
3200	Capital surplus	6.14	844,081	37	700,339	32
3300	Retained earnings					
3310	Legal reserve		88,339	4	70,500	3
3320	Special reserve		876	-	843	-
3350	Unappropriated earnings		246,032	11	178,388	9
	Total retained earnings		335,247	15	249,731	12
3400	Other equity	4	(824)	-	(876)	-
3xxx	Total equity		1,897,051	84	1,626,505	75
	TOTAL		$ 2,271,605	100	$ 2,156,165	100

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Han, Kai-Cheng   Manager: Han, Tai-Hsien   Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4/6.15/7	$ 868,233	100	$ 710,749	100
5000	Operating costs	4/6.6/6.17	(221,598)	(26)	(200,494)	(28)
5900	Gross profit		646,635	74	510,255	72
5910	Unrealized profit (loss) from sales		(2,045)	-	-	-
5950	Gross profit (loss) from operations		644,590	74	510,255	72
6000	Operating expenses	4/6.17				
6100	Selling expenses		(245,269)	(28)	(176,480)	(25)
6200	Administrative expenses		(86,808)	(10)	(76,006)	(11)
6300	Research and development expenses		(66,915)	(8)	(55,776)	(8)
	Total operating expense		(398,992)	(46)	(308,262)	(44)
6900	Net operating income		245,598	28	201,993	28
7000	Non-operating income and expenses	6.18				
7100	Interest income		20,521	3	14,872	2
7010	Other income		1,458	-	861	-
7020	Other gains and losses		27,029	3	2,941	-
7050	Finance costs		(5,091)	-	(8,220)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method		1,631	-	(2,450)	-
	Total non-operating income and expenses		45,548	6	8,004	2
7900	Profit before tax		291,146	34	209,997	30
7950	Tax expense	6.19	(48,892)	(6)	(32,097)	(5)
8000	Profit (loss) from continuing operations		242,254	28	177,900	25
8200	Profit (loss)		242,254	28	177,900	25
8300	Other comprehensive income	6.18				
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		4,722	-	610	-
8349	Income tax related to components of other comprehen	6.19	(944)	-	(122)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		52	-	(33)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6.19	-	-	-	-
	Total other comprehensive income		3,830	-	455	-
8500	Total comprehensive income		$ 246,084	28	$ 178,355	25
	Earnings per share (NT$)	4/6.20				
9750	Basic earnings per share		$ 3.51		$ 2.66	
9850	Diluted earnings per share		$ 3.30		$ 2.41	

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Han, Kai-Cheng Manager: Han, Tai-Hsien Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	Item	2024		Capital Surplus	Retained Earnings			Others	Total
		Common Stock	Bond Conversion Entitlement Certificates		Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	
Code		3110	3130	3200	3310	3320	3350	3410	31XX
A1	Balance, January 1, 2023	$ 661,904	$ -	$ 648,261	$ 56,027	$ 859	$ 144,723	$ (843)	$ 1,510,931
	2022 Appropriations of earnings								
B1	Legal reserve				14,473		(14,473)		-
B5	Cash dividends to shareholders						(130,266)		(130,266)
B17	Reversal of special reserve					(16)	16		-
C15	Cash dividends distributed from capital surplus			(3,035)					(3,035)
D1	2023 Net income						177,900		177,900
D3	2023 Other comprehensive income						488	(33)	455
D5	Total comprehensive income	-	-	-	-	-	178,388	(33)	178,355
I1	Conversion of convertible bonds	15,195	212	55,113					70,520
Z1	Balance, December 31, 2023	$ 677,099	$ 212	$ 700,339	$ 70,500	$ 843	$ 178,388	$ (876)	$ 1,626,505
A1	Balance, January 1, 2024	$ 677,099	$ 212	$ 700,339	$ 70,500	$ 843	$ 178,388	$ (876)	$ 1,626,505
	2023 Appropriations of earnings								
B1	Legal reserve				17,839		(17,839)		-
B3	Special reserve					33	(33)		-
B5	Cash dividends to shareholders						(160,516)		(160,516)
C15	Cash dividends distributed from capital surplus			(8,812)					(8,812)
C17	Other changes in capital surplus			170					170
D1	2024 Net income						242,254		242,254
D3	2024 Other comprehensive income						3,778	52	3,830
D5	Total comprehensive income	-	-	-	-	-	246,032	52	246,084
I1	Conversion of convertible bonds	40,821	415	152,384					193,620
Z1	Balance, December 31, 2024	$ 717,920	$ 627	$ 844,081	$ 88,339	$ 876	$ 246,032	$ (824)	$ 1,897,051

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Han, Kai-Cheng　Manager: Han, Tai-Hsien　Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Item	2024 Amount	2023 Amount	Code	Item	2024 Amount	2023 Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Income before income tax	$ 291,146	$ 209,997	B00040	Acquisition of financial assets measured at amortized cost	(379,900)	(264,400)
A20000	Adjustments for:			B00060	Repayment of principal from financial assets measured at amortized cost upon maturity	513,900	62,610
A20010	Income and expense items not affecting cash flows:			B01800	Acquisition of investments accounted for using equity method	(41,000)	-
A20100	Depreciation expense	62,766	62,463	B02700	Acquisition of property, plant and equipment	(30,768)	(14,485)
A20200	Amortization expense	501	543	B02800	Proceeds from disposal of property, plant and equipment	190	1,258
A20400	Net loss (gain) on financial assets at fair value through profit or loss	(6,449)	(2,895)	B03800	Decrease in refundable deposits	-	1
A20900	Interest expenses	5,091	8,220	B04500	Acquisition of intangible assets	(117)	-
A21200	Interest income	(20,521)	(14,872)	B06600	Decrease in other financial assets	-	2,010
A22400	Share of loss (profit) of subsidiaries accounted using equity method	(1,631)	2,450	BBBB	Net cash flows from (used in) investing activities	62,305	(213,006)
A22500	Loss (gain) on disposal of property, plan and equipment	(190)	(544)	CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
A23900	Unrealized profit (loss) from sales	2,045	-	C04020	Payments of lease liabilities	(1,216)	(1,229)
A29900	Others	626	(1,379)	C04500	Cash dividends paid	(169,328)	(133,301)
A30000	Changes in operating assets and liabilities:			C09900	Other financing activities	170	-
A31130	Decrease (increase) in notes receivable	(4,200)	-	CCCC	Net cash flows from (used in) financing activities	(170,374)	(134,530)
A31150	Decrease (increase) in accounts receivable	(72,917)	(13,294)				
A31160	Decrease (increase) in accounts receivable - related parties	(7,752)	8,925				
A31180	Decrease (increase) in other receivable	-	356				
A31200	Decrease (increase) in inventories	19,998	8,658				
A31230	Decrease (increase) in prepayments	(27,899)	3,760				
A31240	Decrease (increase) in other financial assets	(4)	-				
A32125	Increase (decrease) in contract liabilities	(4,538)	6,374				
A32130	Increase (decrease) in notes payable	-	(4,063)				
A32150	Increase (decrease) in accounts payable	304	(3,216)				
A32180	Increase (decrease) in other payable	36,483	25,057				
A32230	Increase (decrease) in other current liabilities	(272)	66				
A32240	Increase (decrease) in net defined benefit liability	(6,056)	(5,941)				
A33000	Cash inflow (outflow) generated from operations	266,531	290,665				
A33100	Interest received	20,460	14,718				
A33300	Interest paid	(408)	(424)	EEEE	Net increase (decrease) in cash and cash equivalents	149,912	(73,550)
A33500	Income taxes refund (paid)	(28,602)	(30,973)	E00100	Cash and cash equivalents at beginning of period	505,288	578,838
AAAA	Net cash flows from (used in) operating activities	257,981	273,986	E00200	Cash and cash equivalents at end of period	$ 655,200	$ 505,288

(Please refer to the Notes to the Parent Company Only Financial Statements)

Chairman: Han, Kai-Cheng Manager: Han, Tai-Hsien Chief Accounting Officer: Kuo, Ju-Ling

SCIVISION BIOTECH INC.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

SciVision Biotech Inc. (hereinafter referred to as the "Company") was incorporated on November 12, 2001, with approval from the Ministry of Economic Affairs. The Company's registered address is No. 1, S. 1st Rd., Qianzhen Dist., Kaohsiung City. Formerly named KeJing Biotech Inc., the Company changed its name to SciVision Biotech Inc. on August 1, 2005. The Company is primarily engaged in the production and sales of hyaluronic acid medical devices and related application products. The Company's shares were initially listed on the Taipei Exchange (TPEx) on December 29, 2010, and subsequently transferred to the Taiwan Stock Exchange Corporation (TWSE) on November 12, 2013.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on March 6, 2025.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. The impact of the initial application of IFRSs

   The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission (FSC) that are applicable for annual periods beginning on or after January 1, 2024. The initial application of these new and amended standards did not have a material impact on the Company.

2. Standards or interpretations issued by the International Accounting Standards Board but not yet endorsed by the FSC as of the date of authorization for issuance of the financial statements:

Standard No.	Title of the New Standard or Amendment	Effective Date
IAS 21	Lack of Exchangeability	January 1, 2025

(1) Lack of Exchangeability (Amendments to IAS 21)

These amendments clarify the concept of exchangeability and how to determine the exchange rate when a currency lacks exchangeability. The amendments also introduce additional disclosure requirements in situations where a currency lacks exchangeability.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

The above standards and interpretations have been issued by the International Accounting Standards Board, endorsed by the FSC, and are applicable for annual periods beginning on or after January 1, 2025. These standards or interpretations are not expected to have a material impact on the Company.

3. As of the date the financial statements were authorized for issue, the Company has not applied the following new, revised, and amended standards or interpretations that have been issued by the International Accounting Standards Board but have not yet been endorsed by the FSC:

Standard No.	Title of the New Standard or Amendment	Effective Date
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 18	Presentation and Disclosure of Financial Statements	January 1, 2027
IFRS 19	Disclosure Initiative — Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Volume 11	Annual Improvements to IFRSs	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026

(1) Amendments to 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 Venture

This project addresses the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures regarding the sale or contribution of assets from an investor to its associate or joint venture that results in the loss of control over a subsidiary. IAS 28 requires that gains or losses resulting from contributions of non-monetary assets to an associate or joint venture be recognized only to the extent of unrelated investors’ interests (i.e., as a “downstream” transaction), whereas IFRS 10 requires full recognition of gains or losses when control of a subsidiary is lost. The amendment limits the scope of the requirement in IAS 28. When the transaction involves the sale or contribution of assets that constitute a business as defined in IFRS 3 Business Combinations, the entire gain or loss shall be recognized.

The amendment also modifies IFRS 10 to clarify that when a parent loses control of a subsidiary that does not constitute a business as defined in IFRS 3, and the transaction is made with an associate or joint venture, the gain or loss is recognized only to the extent of the interest attributable to the unrelated investors.

(2) IFRS 17 “Insurance Contracts”

IFRS 17 introduces a comprehensive accounting model for insurance contracts, covering all relevant aspects including recognition, measurement, presentation, and disclosure. The core of the standard is the General Model, under which insurance contract groups are initially measured as the total of the present value of future cash flows and the contractual service margin. At the end of each reporting period, the carrying amount is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the General Model, the standard provides a specific measurement approach for contracts with direct participation features, known as the Variable Fee Approach (VFA), and a simplified method for short-duration contracts, referred to as the Premium Allocation Approach (PAA).

IFRS 17 was originally issued in May 2017. Subsequent amendments were issued in 2020 and 2021 to defer the effective date by two years (from January 1, 2021 to January 1, 2023) and to introduce additional transition reliefs, reduce implementation costs through simplifications, and clarify certain provisions for better application. IFRS 17 replaces the interim standard IFRS 4 Insurance Contracts.

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

This standard will replace IAS 1 Presentation of Financial Statements. The key changes include:

(a) Improved comparability of the statement of profit or loss
The statement of profit or loss will categorize income and expenses into five defined categories: operating, investing, financing, income taxes, and discontinued operations. The first three are newly introduced categories to enhance the structure of the income statement, and all entities are required to present newly defined subtotals, including “operating profit or loss.” These changes aim to provide a consistent starting point for investors when analyzing financial performance across companies, thereby improving comparability.

(b) Enhanced transparency of management performance measures
Entities are required to disclose explanations of company-specific metrics related to the statement of profit or loss, referred to as management performance measures (MPMs).

(c) More useful aggregation of financial information

Guidance is provided on how to determine whether information should be presented in the primary financial statements or in the notes. This change is expected to lead to more detailed and useful disclosures. Entities are also required to provide more transparent information about operating expenses to help investors identify and understand the information they rely on.

(4) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)
This standard simplifies disclosure requirements for subsidiaries that do not have public accountability. Eligible subsidiaries may choose to apply this standard voluntarily.

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

These amendments include the following:
(a) Clarification that financial liabilities are derecognized on the settlement date, and guidance is provided on the accounting treatment of financial liabilities settled via electronic payment before the settlement date.
(b) Clarification on how to assess the cash flow characteristics of financial assets that include environmental, social, and governance (ESG)-linked or similar contingent features.
(c) Clarification of the treatment of non-recourse assets and contractually linked instruments.
(d) Additional disclosure requirements under IFRS 7 for financial assets or liabilities with terms or contingent features (including ESG-linked features), as well as for equity instruments measured at fair value through other comprehensive income (FVOCI).

(6) Annual Improvements to IFRS Accounting Standards—Volume 11

(a) Amendments to IFRS 1
These amendments align the hedge accounting requirements for first-time adopters with those in IFRS 9.
(b) Amendments to IFRS 7
These amendments update outdated cross-references related to derecognition gains or losses.
(c) Amendments to Implementation Guidance of IFRS 7
These amendments improve the wording in parts of the implementation guidance, including the introduction, disclosures of deferred fair value and trade price differences, and credit risk disclosures.
(d) Amendments to IFRS 9
These amendments add cross-references to address questions about lessee derecognition of lease liabilities and clarify the definition of transaction price.

(e) Amendments to IFRS 10
These amendments remove inconsistencies between paragraphs B74 and B73 of the standard.

(f) Amendments to IAS 7
These amendments remove references to the "cost method" in paragraph 37 of the standard.

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

These amendments include:
(a) Clarification on the application of the "own use" exemption;
(b) Permitting hedge accounting when such contracts are designated as hedging instruments;
(c) Enhanced disclosure requirements to help investors understand the impact of such contracts on an entity's financial performance and cash flows.

The above standards and interpretations have been issued by the International Accounting Standards Board but have not yet been endorsed by the Financial Supervisory Commission (FSC). Their actual effective dates will be subject to FSC regulations. The Company is currently assessing the potential impact of items (1) and (3) to (7) of the newly issued or amended standards and interpretations, and is not yet able to reasonably estimate their effects. The remaining new or amended standards and interpretations are not expected to have a material impact on the Company.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

1. Statement of Compliance

The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) approved by the Financial Supervisory Commission (FSC) of the Republic of China.

2. Basis of Preparation

Except for financial instruments measured at fair value, the parent company only financial statements are prepared on a historical cost basis. Unless otherwise stated, the financial statements are presented in thousands of New Taiwan dollars (NT$).

3. Foreign Currency Transactions

The Company's parent company only financial statements are presented in New Taiwan dollars, which is the functional currency of the Company.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated using the closing exchange rates; non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value was determined; non-monetary items measured at historical cost are translated using the exchange rate at the transaction date.

Except for the following circumstances, exchange differences arising from the settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

(1) Exchange differences on foreign currency borrowings that are regarded as adjustments to interest costs related to the acquisition of qualifying assets are capitalized as part of the cost of those assets.
(2) Exchange differences on foreign currency items to which IFRS 9 Financial Instruments applies are accounted for in accordance with the accounting policies for financial instruments.
(3) Exchange differences on monetary items that form part of the Company's net investment in a foreign operation are initially recognized in other comprehensive income, and reclassified from equity to profit or loss on the disposal of the net investment.

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

4. Translation of Foreign Currency Financial Statements

In preparing the parent company only financial statements, the assets and liabilities of foreign operations are translated into New Taiwan dollars at the closing exchange rates at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising from the translation are recognized in other comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of exchange differences previously recognized in other comprehensive income and accumulated in a separate component of equity is reclassified from equity to profit or loss as part of the gain or loss on disposal. For partial disposals involving the loss of control of a subsidiary that includes a foreign operation, or a partial disposal resulting in the loss of significant influence or joint control over an associate or joint arrangement that includes a foreign operation, the retained interest, if classified as a financial asset, is accounted for as a disposal.

For partial disposals of a subsidiary that includes a foreign operation without the loss of control, the proportionate share of the cumulative amount of exchange differences recognized in other comprehensive income is reattributed to non-controlling interests and not recognized in profit or loss. In the case of partial disposals of an associate or joint arrangement that includes a foreign operation, without losing significant influence or joint control, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the foreign operation’s functional currency.

5. Classification Criteria for Current and Non-current Assets and Liabilities

An asset is classified as current when it satisfies any of the following conditions. Assets that do not meet any of these criteria are classified as non-current:

(1) It is expected to be realized, sold, or consumed in the normal operating cycle;
(2) It is held primarily for the purpose of trading;
(3) It is expected to be realized within twelve months after the reporting period; or
(4) It is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current when it satisfies any of the following conditions. Liabilities that do not meet any of these criteria are classified as non-current:

(1) It is expected to be settled in the normal operating cycle;
(2) It is held primarily for the purpose of trading;
(3) It is due to be settled within twelve months after the reporting period; or
(4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. This includes time deposits with original maturities of three months or less.

7. Financial Instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities that fall within the scope of IFRS 9 Financial Instruments are initially measured at fair value. For financial assets and financial liabilities not classified as at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability are added to or deducted from the fair value at initial recognition.

(1) Recognition and Measurement of Financial Assets

The Company applies trade date accounting to recognize and derecognize regular way purchases or sales of financial assets.

Financial assets are classified, at subsequent measurement, as measured at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL), based on both:

A. The entity'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

Financial assets are measured at amortized cost if they meet both of the following conditions and are presented in the balance sheet under items such as notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

A. Business model for managing financial assets: The financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
B. Contractual cash flow characteristics: The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets (excluding those designated in hedge relationships) are subsequently measured at amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount using the effective interest method, and adjusted for any loss allowance. Gains or losses are recognized in profit or loss when the asset is derecognized, through the amortization process, or when an impairment loss is recognized.

Interest income is recognized in profit or loss using the effective interest method, which is the effective interest rate applied to the gross carrying amount of the financial asset, except for the following cases:

A. For purchased or originated credit-impaired financial assets, interest income is calculated using the credit-adjusted effective interest rate on the amortized cost of the financial asset;
B. For financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the asset.

Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if they meet both of the following conditions and are presented in the balance sheet as "financial assets measured at fair value through other comprehensive income":

A. Business model for managing financial assets: The financial assets are held within a business model whose objective is both to collect contractual cash flows and to sell financial assets; and
B. Contractual cash flow characteristics: The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The recognition of gains or losses on these financial assets is as follows:

A. Before derecognition or reclassification, gains or losses (excluding impairment gains or losses and foreign exchange gains or losses, which are recognized in profit or loss) are recognized in other comprehensive income.
B. Upon derecognition, 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 income calculated using the effective interest method (i.e., applying the effective interest rate to the gross carrying amount) is recognized in profit or loss. In the following cases, interest is calculated differently:
   a. For purchased or originated credit-impaired financial assets, interest is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
   b. For financial assets that subsequently become credit-impaired, interest is calculated using the effective interest rate applied to the amortized cost.

In addition, for equity instruments within the scope of IFRS 9 that are not held for trading and are not contingent consideration recognized by an acquirer in a business combination under IFRS 3, the Company may, at initial recognition and on an irrevocable basis, elect to present subsequent changes in fair value in other comprehensive income. Amounts recognized in other comprehensive income for these equity instruments shall not be reclassified to profit or loss at any time. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is transferred directly to retained earnings under another component of equity. Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

<u>Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)</u>

Financial assets that do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These assets are presented in the balance sheet as "financial assets measured at fair value through profit or loss."

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

(2) Impairment of Financial Assets

The Company recognizes and measures impairment allowances based on expected credit losses (ECLs) for debt investments measured at fair value through other comprehensive income (FVOCI) and financial assets measured at amortized cost. For debt investments measured at FVOCI, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Company measures expected credit losses 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 available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The methods for measuring the loss allowance are as follows:

A. 12-month expected credit losses: Applied to financial assets for which there has not been a significant increase in credit risk since initial recognition, or which are determined to have low credit risk at the reporting date. This also includes financial assets that were previously measured based on lifetime ECL but no longer meet the criteria for significant increase in credit risk at the reporting date.
B. Lifetime expected credit losses: Applied to financial assets that have experienced a significant increase in credit risk since initial recognition, or that are purchased or originated credit-impaired financial assets.
C. For trade receivables or contract assets that fall within the scope of IFRS 15, the Company applies the simplified approach and 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 also applies the simplified approach and measures the loss allowance based on lifetime expected credit losses.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the reporting date with the risk at the initial recognition date. Additional credit risk-related disclosures are provided in Note 12.

(3) Derecognition of Financial Assets

The Company derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to the cash flows from the financial asset have expired;
B. The financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred;
C. The financial asset has been transferred, neither substantially all risks and rewards of ownership have been transferred nor retained, but control of the asset has been transferred.

When a financial asset is derecognized in its entirety, the difference between the carrying amount of the asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss previously recognized in other comprehensive income is recognized in profit or loss.

(4) Financial Liabilities and Equity Instruments

Classification of Liabilities and Equity

The Company classifies its issued financial instruments as either financial liabilities or equity instruments in accordance with the substance of the contractual arrangements 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 the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of directly attributable transaction costs.

Compound Instruments

For convertible bonds issued by the Company, the liability and equity components are separately recognized in accordance with the terms of the contracts. In addition, before separating the equity component, the Company assesses whether any embedded call or put options are closely related to the host debt instrument in terms of economic characteristics and risks.

The liability component, excluding any embedded derivatives, is measured at fair value based on market interest rates for similar non-convertible instruments. This portion is subsequently measured at amortized cost until conversion or redemption. Embedded derivatives that are not closely related to the host debt instrument—such as put or call options whose exercise prices are not approximately equal to the amortized cost of the debt at each exercise date—are, unless classified as part of the equity component, recognized as part of the liability component and measured at fair value through profit or loss in subsequent periods. The equity component is determined as the difference between the fair value of the compound instrument as a whole and the fair value of the liability component at initial recognition, and is not remeasured subsequently. If the convertible bonds do not contain any equity component, they are accounted for as hybrid instruments in accordance with IFRS 9.

Transaction costs are allocated to the liability and equity components in proportion to the allocation of proceeds at initial recognition.

When holders of the convertible bonds exercise their conversion rights prior to maturity, the carrying amount of the liability component is adjusted to its value at the date of conversion, which serves as the basis for recognizing the issuance of ordinary shares.

Financial Liabilities

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

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated as such upon initial recognition.

A financial liability is classified as held for trading if it meets any of the following conditions:

A. It is acquired principally for the purpose of repurchasing it in the near term;
B. 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 financial guarantee contract or a derivative that is designated and effective as a hedging instrument.

For contracts that contain one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at FVTPL, provided it results in more relevant information and one of the following conditions is met at initial recognition:

A. The designation eliminates or significantly reduces a measurement or recognition inconsistency; or

B. The financial liabilities or a group of financial assets and liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Information about the portfolio is reported to key management personnel on this basis.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss. This includes any interest paid on the financial liability.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost, such as accounts payable and borrowings, are subsequently measured using the effective interest method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

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

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged, canceled, or expires.

If 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 due to financial difficulties), such an exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability 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. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in either:

(1) The principal market for the asset or liability; or
(2) In the absence of a principal market, the most advantageous market for the asset or liability

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

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

The fair value measurement of a non-financial asset considers the ability of a market participant 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 measured at the lower of cost and net realizable value on an item-by-item basis.

Cost is determined as the cost incurred to bring the inventories to their present location and condition, as follows:
Raw materials: Actual purchase cost.
Work-in-process and finished goods: Includes the cost of direct materials, direct labor, and an allocation of fixed manufacturing overheads based on normal production capacity, but excludes borrowing costs.

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

10. Investments Accounted for Using the Equity Method

The Company accounts for its investments in subsidiaries and associates using the equity method, except for those classified as non-current assets held for sale.

(1) Investments in Subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost, and its carrying amount is adjusted thereafter to recognize the Company's share of the subsidiary's profit or loss and other comprehensive income. The Company's share of the subsidiary's profit or loss and other comprehensive income is recognized in the Company's profit or loss and other comprehensive income, respectively. Distributions received from the subsidiary reduce the carrying amount of the investment.

Unrealized gains and losses resulting from upstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. In the case of downstream or lateral transactions, only the portion unrelated to the Company's ownership interest in the subsidiary is recognized in the parent company only financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as that of the Company, and adjustments are made where necessary to align the subsidiaries' accounting policies with those of the Company.

Changes in a subsidiary's equity that are not attributable to profit or loss or other comprehensive income, and do not affect the Company's ownership interest, are recognized by the Company in proportion to its ownership share. Changes in ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the consideration paid or received and the adjustment to the carrying amount of the investment is recognized directly in equity.

When the Company loses control of a subsidiary, it discontinues the use of the equity method. The retained investment is measured at fair value, and the difference between the carrying amount of the subsidiary and the sum of the consideration received plus the fair value of the retained investment is recognized in profit or loss. If the subsidiary becomes a joint venture or a joint venture becomes a subsidiary, the Company continues to apply the equity method and does not remeasure the previously held interest.

At the end of each reporting period, the Company assesses whether there is any objective evidence indicating that an investment in a subsidiary is impaired. The impairment loss is measured as the difference between the recoverable amount of the subsidiary and its carrying amount, and is recognized in the statement of comprehensive income, with the carrying amount adjusted accordingly.

(2) Investments in Associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Any difference between the cost of investment and the Company's share of the fair value of the identifiable net assets of the associate at the acquisition date is accounted for as follows:

A. The excess of the cost of the investment over the Company's share of the fair value of the identifiable net assets of the associate at the acquisition date is recognized as goodwill and included in the carrying amount of the investment. Goodwill is not amortized.
B. If the Company's share of the net fair value of the identifiable assets and liabilities of the associate exceeds the cost of the investment, the excess is reassessed, and any remaining excess after reassessment is recognized as income on the acquisition date.

Under the equity method, an investment in an associate is initially recognized at cost. After the acquisition date, the carrying amount of the investment is adjusted to reflect the Company's share of the profit or loss and other comprehensive income of the associate. The Company's share of profit or loss and other comprehensive income of the associate is recognized in the Company's profit or loss and other comprehensive income, respectively. Distributions received from the associate reduce the carrying amount of the investment. When there are changes in the associate's other comprehensive income, the Company adjusts the carrying amount of its investment to reflect its proportionate share. Unrealized gains and losses arising from transactions with associates are eliminated to the extent of the Company's interest in the associate.

The associate's financial statements are prepared for the same reporting period as that of the Company, and adjustments are made where necessary to align the associate's accounting policies with those of the Company.

If the Company does not subscribe to new shares issued by an associate in proportion to its existing ownership and such action results in an increase in the Company's ownership while maintaining significant influence, it is accounted for as an additional investment in the associate. If the Company's ownership decreases due to non-proportional subscription and significant influence is retained, the proportionate share of previously recognized gains or losses in other comprehensive income is reclassified to profit or loss. Any increase or decrease in the associate's equity as a result of changes in ownership that do not affect the Company’s significant influence is adjusted to capital surplus. When changes in the associate’s equity do not arise from profit or loss or other comprehensive income and do not affect the Company’s ownership percentage, the Company recognizes such changes in equity in proportion to its ownership interest. The amount recognized in capital surplus is reclassified to profit or loss upon disposal of the associate, in proportion to the disposal.

When the Company loses significant influence over an associate, it ceases to apply the equity method. The retained investment is measured at fair value, and the difference between the carrying amount of the associate and the sum of the consideration received and the fair value of the retained investment is recognized in profit or loss. If an associate becomes a joint venture, or a joint venture becomes an associate, the Company continues to account for the investment using the equity method without remeasuring the previously held interest.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Any difference between the recoverable amount of the associate and its carrying amount is recognized as an impairment loss in the statement of comprehensive income, with the carrying amount adjusted accordingly.

11. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition of the asset, as well as the estimated costs of dismantling and removing the asset and restoring the site on which it is located, and any necessary interest incurred during the construction period. Each significant part of an item of property, plant and equipment is depreciated separately if it has a different useful life. When a significant component of property, plant and equipment requires regular replacement, the Company accounts for such a part as a separate asset and depreciates it over its specific useful life and depreciation method. The carrying amount of the replaced part is derecognized in accordance with IAS 16 Property, Plant and Equipment. If the cost of major inspections or overhauls meets the recognition criteria, it is recognized as part of the carrying amount of the asset as a replacement cost. Other repair and maintenance costs are recognized in profit or loss as incurred.

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

Buildings	3 to 55 years

Machinery and testing equipment	2 to 55 years
Transportation equipment	3 to 6 years
Office equipment	3 to 10 years
Right-of-use assets	10 to 47 years
Other equipment	5 to 10 years

An item of property, plant and equipment or any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The resulting gain or loss is recognized in profit or loss.

The residual values, useful lives, and depreciation methods of property, plant and equipment are reviewed at the end of each financial year. Any changes in estimates are accounted for as changes in accounting estimates.

12. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it 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 evaluates whether, throughout the period of use, it has both of the following:

(1) The right to obtain substantially all of the economic benefits from the use of the identified asset; and
(2) The right to direct the use of the identified asset.

For contracts that are, or contain, leases, the Company accounts for each lease component within the contract as a separate lease and separates it from non-lease components. If a contract contains a lease component and one or more additional lease or non-lease components, the consideration in the contract is allocated to each lease component based on the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined based on the prices that the lessor (or a similar supplier) would charge separately for each component or for similar components. If observable stand-alone prices are not readily available, the Company maximizes the use of observable information to estimate the stand-alone prices.

The Company as Lessee

Except for leases that qualify for and are elected as short-term leases or leases of low-value assets, when the Company is the lessee under a lease contract, it recognizes a right-of-use asset and a lease liability for all leases.

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. If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If not readily determinable, the Company uses its incremental borrowing rate. The lease payments included in the measurement of the lease liability at the commencement date comprise the following:

(1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) Amounts expected to be payable under residual value guarantees;
(4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(5) 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 lease liability is measured at amortized cost using the effective interest method. Interest on the lease liability is recognized to increase the liability, and lease payments made reduce the lease liability.

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

(1) The amount of the initial measurement of the lease liability;
(2) Any lease payments made at or before the commencement date, less any lease incentives received;
(3) Any initial direct costs incurred by the lessee; and
(4) An estimate of the 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.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, applying the cost model.

If ownership of the underlying asset transfers to the Company by the end of the lease term, or if the cost of the right-of-use asset reflects the Company's intention to exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the asset is depreciated from the commencement date to the earlier of the end of the asset's useful life 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 identified impairment loss.

Except for leases that qualify for and are elected as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities separately in the balance sheet, and presents depreciation expenses and interest expenses on leases separately in the statement of comprehensive income.

For short-term leases and leases of low-value assets, the Company elects to recognize the lease payments as expenses on a straight-line basis or another systematic basis over the lease term.

The Company as Lessor

At the inception of a contract, the Company classifies each lease 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 the underlying asset. If it does not, it is classified as an operating lease. At the commencement date, for finance leases, the Company recognizes assets held under a finance lease in the balance sheet and presents them as finance lease receivables, measured at the net investment in the lease.

For contracts that contain both lease and non-lease components, the Company allocates the consideration in the contract in accordance with IFRS 15.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. Variable lease payments from operating leases that do not depend on an index or a rate are recognized as rental income in the period in which they are earned.

13. Intangible Assets

Intangible assets acquired separately are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized and are recognized as expenses when incurred.

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

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and are tested for impairment whenever there is an indication of impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. If the expected useful life of the asset or the pattern in which future economic benefits are expected to be consumed differs from previous estimates, the amortization method or period is adjusted accordingly and treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the cash-generating unit level. These assets are also reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment. If such assessment changes, the change is accounted for prospectively.

Gains or losses arising from derecognition of intangible assets are recognized in profit or loss.

Intangible Assets in Development – Research and Development Costs

Research costs are recognized as expenses when incurred. Development expenditures on an individual project are recognized as intangible assets if all of the following conditions are met:

(1) Technical feasibility of completing the intangible asset so that it will be available for use or sale;
(2) Intention to complete the intangible asset and ability to use or sell it;
(3) The asset is expected to generate probable future economic benefits;
(4) Availability of adequate technical, financial, and other resources to complete the development and to use or sell the asset; and
(5) Expenditures attributable to the development phase can be reliably measured.

Capitalized development expenditures are measured using the cost model, i.e., at cost less accumulated amortization and accumulated impairment losses. During the development phase, the asset is tested for impairment annually. Once development is complete and the asset is available for use, it is amortized over the period in which the asset is expected to generate future economic benefits.

14. Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that assets within the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing is required for a particular asset, the Company estimates the recoverable amount of the asset either on an individual basis or at the level of the cash-generating unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of the asset or the CGU exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

For assets other than goodwill, the Company assesses at the end of each reporting period whether there is any indication that an impairment loss previously recognized may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset or the CGU. If the recoverable amount increases due to a change in the estimate of the asset’s service potential, the reversal of the impairment loss is recognized. However, the carrying amount after the reversal shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized.

The CGU or group of CGUs to which goodwill has been allocated is tested for impairment annually, regardless of whether there is any indication of impairment. If the impairment test indicates that the CGU’s carrying amount exceeds its recoverable amount, an impairment loss is recognized. The impairment loss is first allocated to reduce the carrying amount of goodwill, and any remaining loss is then allocated to the other assets of the CGU on a pro rata basis according to their carrying amounts. Once recognized, an impairment loss for goodwill shall not be reversed in any subsequent period.

Impairment losses and reversals relating to continuing operations are recognized in profit or loss.

15. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. Where the effect of the time value of money is material, provisions are measured at the present value of the expected expenditures required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a borrowing cost.

Where an obligation is incurred over a period of time, a provision for levies is recognized progressively over that period.

Provisions for Decommissioning, Restoration, and Rehabilitation Costs

Provisions for the decommissioning and removal of property, plant and equipment and the restoration of the site on which they are located are measured at the present value of the estimated future cash flows expected to be incurred in settling the obligation, and are recognized as part of the cost of the related asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the decommissioning obligation. The unwinding of the discount is recognized as a borrowing cost when incurred. Estimated future decommissioning costs are reviewed and adjusted appropriately at the end of each reporting period. Changes in the estimated future costs or in the discount rate are recognized as an adjustment to the cost of the related asset.

16. Revenue Recognition

Revenue from contracts with customers primarily arises from the sale of goods. The Company's accounting treatment is described as follows:

Sale of Goods

The Company manufactures and sells goods. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of the goods (i.e., the customer has the ability to direct the use of the goods and obtain substantially all the remaining benefits from them). The main products include high-end hyaluronic acid medical devices. Revenue is recognized based on the price specified in the contract.

The credit terms for the sale of goods typically range from 30 to 90 days. A contract asset is reclassified as accounts receivable when control of the goods has been transferred and the right to receive consideration becomes unconditional. These accounts receivable are short-term in nature and do not contain a significant financing component.

In certain contracts, the Company receives part of the consideration from the customer at contract inception. Since the Company has an obligation to subsequently deliver goods, a contract liability is recognized. Such contract liabilities are typically recognized as revenue within one year and do not give rise to a significant financing component.

Rendering of Services

The Company also provides service revenue primarily related to product development services for its manufactured high-end hyaluronic acid medical devices. These services are separately priced or contractually negotiated and are provided over the term of the contract. Since the Company provides development services throughout the contract period and payment is based on milestones that represent transfer of benefits to the customer upon achievement, the customer obtains control of the service output at specific points in time. Therefore, the related performance obligations are satisfied at a point in time, and revenue is recognized when the service is completed. Revenue is recognized based on the contractually agreed price. The accumulated amount of recognized revenue is highly unlikely to be subject to significant reversal.

For most service contracts, the Company collects the contract consideration evenly over the service period after the service has been provided. If the Company has transferred the service to the customer but does not yet have an unconditional right to payment, a contract asset is recognized. In other cases, where partial consideration is received from the customer at contract inception and the Company has an obligation to render services in the future, a contract liability is recognized.

17. Post-employment Benefit Plans

The Company’s employee retirement policy applies to all formally employed personnel. Contributions to the employee pension fund are fully deposited into a dedicated pension fund account managed by the Supervisory Committee of Business Entities' Labor Retirement Reserve. As the pension assets are deposited under the name of the Supervisory Committee and are completely separate from the Company, they are not included in the parent company only financial statements.

For post-employment benefit plans classified as defined contribution plans, the Company contributes an amount not less than 6% of each employee’s monthly wages to the pension fund. These contributions are recognized as expenses in the period in which the related services are rendered.

For post-employment benefit plans classified as defined benefit plans, the Company recognizes obligations based on actuarial valuations using the projected unit credit method as of the end of the reporting period. Remeasurements of the net defined benefit liability (asset), including the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), changes in the effect of the asset ceiling (excluding amounts included in net interest), and actuarial gains and losses, are recognized in other comprehensive income in the period in which they occur and are immediately transferred to retained earnings. Past service cost, which arises from plan amendments or curtailments, is recognized as an expense at the earlier of:

(1) The date when the plan amendment or curtailment occurs; or
(2) The date when the Company recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is calculated by applying the discount rate to the net defined benefit liability (asset) at the beginning of the reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

18. Income Tax

Income tax expense (benefit) represents the total amount of current tax and deferred tax relating to profit or loss for the period.

Current Income Tax

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities, using the tax rates and 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 also recognized in other comprehensive income or equity rather than in profit or loss.

The additional income tax on undistributed earnings is recognized as income tax expense on the date the distribution of earnings is approved by the shareholders' meeting.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the end of the reporting period.

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

(1) Where the deferred tax liability arises from the initial recognition of goodwill or 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 accounting profit nor taxable profit (tax loss); and

(2) 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 arising from deductible temporary differences, unused tax losses, and unused tax credits are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

(1) When 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 accounting profit nor taxable profit (tax loss); and
(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, deferred tax assets are recognized only to the extent that it is probable the temporary differences will reverse in the foreseeable future and taxable profit will be available to utilize those temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax 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 not recognized in profit or loss is also not recognized in profit or loss but in other comprehensive income or directly in equity, consistent with the recognition of the related transaction. Deferred tax assets are reviewed at the end of each reporting period and adjusted accordingly.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

In accordance with the temporary exception under the "International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)," deferred tax assets and liabilities related to Pillar Two income taxes shall not be recognized, and related information shall not be disclosed.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In preparing the parent company only financial statements, management is required to make judgments, estimates, and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosures of contingent liabilities.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

1. Accounts Receivable – Estimation of Impairment Losses

   The Company measures impairment losses on accounts receivable based on expected credit losses over the life of the asset. This involves the difference between the contractual cash flows (carrying amount) and the expected cash flows (considering forward-looking information), discounted to present value. However, for short-term receivables, the impact of discounting is insignificant, and impairment losses are measured based on the undiscounted difference.

2. Inventories

   The estimated net realizable value of inventories considers circumstances such as damage, full or partial obsolescence, or declines in selling prices. It is based on the most reliable evidence available at the time of estimation regarding the amount expected to be realized from the inventories. Please refer to Note 6.6 for further details.

3. Post-employment Benefit Plans

   The cost of post-employment benefits and the present value of defined benefit obligations are determined using actuarial valuations. These valuations involve various assumptions such as the discount rate and expected changes in salaries. For detailed information on the assumptions used in measuring pension costs and obligations, please refer to Note 6.12.

4. Income Taxes

   Uncertainty exists in the interpretation of complex tax laws, as well as in the amount and timing of future taxable income. Due to extensive international business operations and the long-term and complex nature of contractual arrangements, differences between actual outcomes and assumptions, or changes in assumptions in future periods, may result in adjustments to previously recognized tax benefits and expenses. Provisions for income taxes are based on reasonable estimates of the outcome of tax audits by the tax authorities in the jurisdictions where the Company operates.

   Deferred tax assets relating to unused tax losses, tax credits carried forward, and deductible temporary differences are recognized to the extent that it is probable that future taxable income or taxable temporary differences will be available to utilize them. The amount of deferred tax assets that can be recognized is based on estimates regarding the timing and amount of future taxable income and the implementation of tax planning strategies. As of December 31, 2024, information on the Company's unrecognized deferred tax assets is disclosed in Note 6.19.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

6. DESCRIPTION OF SIGNIFICANT ACCOUNTING ITEMS

1. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 314	$ 429
Bank deposits	654,886	504,859
Total	$ 655,200	$ 505,288

2. Financial Assets at Fair Value Through Profit or Loss – Current

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not designated as hedging instruments		
—Beneficiary certificates	$ 13,903	$ 10,797
—Corporate bonds	51,601	48,258
Total	$ 65,504	$ 59,055

The Company has not pledged any financial assets measured at fair value through profit or loss as collateral.

3. Financial Assets Measured at Amortized Cost – Current

	December 31, 2024	December 31, 2023
Time deposits – current	$ 99,900	$ 233,900

The Company has not pledged any financial assets measured at amortized cost as collateral.

4. Notes Receivable, Net

	December 31, 2024	December 31, 2023
Notes receivable, net	$ 8,400	$ 4,200

The Company has not pledged any notes receivable as collateral.

5. Accounts Receivable, Net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 163,272	$ 90,355
Less: Allowance for impairment loss	—	—
Subtotal	163,272	90,355
Accounts receivable – related parties	7,752	—
Total	$ 171,024	$ 90,355

(1) The Company typically grants customers credit terms ranging from 30 to 90 days from the end of the month. As of December 31, 2024 and 2023, the total carrying amounts were

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NT$171,024 thousand and NT$90,355 thousand, respectively.

(2) An aging analysis of accounts receivable, net, past due is as follows:

December 31, 2024

	Not Past Due	Days Past Due Within 30 Days	Total
Total carrying amount	$ 171,024	$ —	$ 171,024
Loss rate	0%	0%	
Lifetime expected credit loss	—	—	—
Subtotal	$ 171,024	$ —	$ 171,024

December 31, 2023

	Not Past Due	Days Past Due Within 30 Days	Total
Total carrying amount	$ 90,355	$ —	$ 90,355
Loss rate	0%	0%	
Lifetime expected credit loss	—	—	—
Subtotal	$ 90,355	$ —	$ 90,355

(3) The Company has not pledged any accounts receivable as collateral.

6. Inventories, Net

	December 31, 2024	December 31, 2023
Raw materials and supplies	$ 43,346	$ 57,112
Work in process	13,568	14,338
Finished goods and semi-finished goods	9,772	15,802
Total	$ 66,686	$ 87,252

Inventory-related expenses recognized during the period:

	2024	2023
Cost of goods sold	$ 221,257	$ 200,536
Inventory write-down (reversal of write-down)	341	(42)
Cost of sales	$ 221,598	$ 200,494

The Company recognized an inventory write-down of NT$341 thousand in 2024 due to inventories being written down to net realizable value. In 2023, a reversal of inventory write-down of NT$42 thousand was recognized as a result of the recovery in prices of certain inventories for which allowance had been made at the beginning of the year, or due to the sale or use of such inventories.

The above inventories were not pledged as collateral.

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7. Investments Accounted for Using the Equity Method

Name of Investee	December 31, 2024 Amount	December 31, 2024 % of Ownership	December 31, 2023 Amount	December 31, 2023 % of Ownership
Subsidiaries:				
UNI-PROFIT INDUSTRIAL LIMITED	$ 1,198	100.00%	$ 1,128	100.00%
Chengze Medical Instruments (Shanghai) Co., Ltd.	1,747	100.00%	1,533	100.00%
TALENT CRO Inc.	2,235	100.00%	1,702	100.00%
CANDACE BIOMEDICAL INC. (Note 1)	40,764	100.00%	–	–
Total	$ 45,944		$ 4,363	

Note 1: On July 10, 2024, the Company established CANDACE BIOMEDICAL INC. through investment and acquired 100% of its equity.

The investments accounted for using the equity method were not pledged as collateral.

The Company's shares of the profit or loss of subsidiaries accounted for using the equity method for the years 2024 and 2023 are as follows:

Name of Investee	2024	2023
UNI-PROFIT INDUSTRIAL LIMITED (UNI-PROFIT)	$ 70	$ (44)
Chengze Medical Instruments (Shanghai) Co., Ltd.	162	173
TALENT CRO Inc.	(410)	(2,579)
CANDACE BIOMEDICAL INC.	1,809	–
Total	$ 1,631	$ (2,450)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

8. Property, Plant and Equipment

	December 31, 2024	December 31, 2023
Property, plant and equipment used by the Company	$ 1,083,737	$ 1,112,377

(1) Property, plant and equipment used by the Company

	January 1, 2024	Additions	Disposals	Others (Note)	Reclassification	December 31, 2024
Cost						
Land	$ 4,731	$ —	$ —	$ —	$ —	$ 4,731
Buildings	686,586	1,129	—	—	—	687,715
Machinery and testing equipment	863,650	12,596	(430)	—	2,984	878,800
Other equipment	45,619	2,666	(1,379)	—	—	46,906
Total	$ 1,600,586	$ 16,391	$ (1,809)	$ —	$ 2,984	$ 1,618,152
Accumulated depreciation and impairment						
Buildings	$ 158,095	$ 11,138	$ —	$ —	$ —	$ 169,233
Machinery and testing equipment	302,244	47,586	(430)	—	—	349,400
Other equipment	31,373	2,776	(1,379)	—	—	32,770
Total	$ 491,712	$ 61,500	$ (1,809)	$ —	$ —	$551,403
Construction in progress and equipment pending inspection	3,503	16,527	(58)	—	(2,984)	16,988
Net carrying amount	$ 1,112,377					$ 1,083,737

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	January 1, 2023	Additions	Disposals	Others (Note)	Reclassification	December 31, 2023
Cost						
Land	$ 4,731	$ —	$ —	$ —	$ —	$ 4,731
Buildings	686,318	268	—	—	—	686,586
Machinery and testing equipment	856,340	6,492	—	—	818	863,650
Other equipment	39,993	5,686	(2,005)	—	1,945	45,619
Total	$ 1,587,382	$ 12,446	$ (2,005)	$ —	$ 2,763	$ 1,600,586
Accumulated depreciation and impairment						
Buildings	$ 146,800	$ 11,295	$ —	$ —	$ —	$ 158,095
Machinery and testing equipment	254,833	47,411	—	—	—	302,244
Other equipment	30,174	2,490	(1,291)	—	—	31,373
Total	$ 431,807	$ 61,196	$ (1,291)	$ —	$ —	$ 491,712
Construction in progress and equipment pending inspection	4,619	1,710	(63)	—	(2,763)	3,503
Net carrying amount	$ 1,160,194					$ 1,112,377

Note: Refers to the retirement, restoration, and repair costs of leasehold improvements.

For information on property, plant and equipment pledged as collateral, please refer to Note 8.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

9. Intangible Assets

	December 31, 2024	December 31, 2023
Computer software costs	$ —	$ —
Trademark and patent rights	1,648	2,032
Total	$ 1,648	$ 2,032

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost				
Computer software costs	$ 2,249	$ —	$ —	$ 2,249
Trademark and patent rights	8,912	117	—	9,029
Total	$ 11,161	$ 117	$ —	$ 11,278
Accumulated depreciation and impairment				
Computer software costs	$ 2,249	$ —	$ —	$ 2,249
Trademark and patent rights	6,880	501	—	7,381
Total	9,129	$ 501	$ —	9,630
Net carrying amount	$ 2,032			$ 1,648

	January 1, 2023	Additions	Disposals	December 31, 2023
Cost				
Computer software costs	$ 2,249	$ —	$ —	$ 2,249
Trademark and patent rights	8,912	—	—	8,912
Total	$ 11,161	$ —	$ —	$ 11,161
Accumulated depreciation and impairment				
Computer software costs	$ 2,249	$ —	$ —	$ 2,249
Trademark and patent rights	6,337	543	—	6,880
Total	8,586	$ 543	$ —	9,129
Net carrying amount	$ 2,575			$ 2,032

The Company has not pledged any intangible assets as collateral.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

10. Corporate Bonds Payable

	December 31, 2024	December 31, 2023
Domestic unsecured convertible bonds payable	$ 134,785	$ 323,843
Less: Current portion	(134,785)	—
Net carrying amount	$ —	$ 323,843

Domestic unsecured convertible bonds payable

	December 31, 2024	December 31, 2023
Liability component:		
Face value of domestic unsecured convertible bonds payable	$ 132,900	$ 326,100
Discount on domestic unsecured convertible bonds payable	1,885	(2,257)
Subtotal	$ 134,785	$ 323,843
Less: Current portion	(134,785)	—
Net carrying amount	$ —	$ 323,843
Embedded derivative financial instruments	$ —	$ —
Equity component	$ 3,385	$ 8,306

On October 3, 2022, the Company issued domestic unsecured convertible bonds with a zero percent coupon rate. Based on the analysis of the contract terms, the convertible bonds consist of a debt component and an equity component (the holder's option to convert the bonds into the Company's common shares). The main issuance terms are as follows:

Total issuance amount: NT$400,000 thousand

Issuance period: From October 3, 2022 to October 3, 2025

Conversion terms:

A. Conversion target: Common shares of the Company

B. Conversion period: Bondholders may request conversion into the Company's common shares, in lieu of cash repayment, from January 4, 2023 to October 3, 2025

C. Conversion price and adjustment: The conversion price was initially set at NT$48.25 per share. In the event of any adjustment event as stipulated in the terms of issuance, the conversion price shall be adjusted in accordance with the prescribed formula. The conversion price as of December 31, 2024 was NT$46.29 per share.

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As of December 31, 2024, the amount converted was NT$267,100 thousand.

11. Other Payables

	December 31, 2024	December 31, 2023
Commissions payable	$ 82,887	$ 61,173
Compensation to employees and directors	32,576	23,332
Salaries payable	18,203	16,640
Others	25,209	18,154
Total	$ 158,875	$ 119,299

12. Post-employment Benefit Plans

(1) Defined Contribution Plans

For the years 2024 and 2023, the amounts recognized by the Company as expenses under defined contribution plans were NT$3,520 thousand and NT$3,376 thousand, respectively.

(2) Defined Benefit Plans

The amounts recognized as expenses under the defined benefit plans were as follows:

Item	2024	2023
Operating costs	$ 226	$ 223
Selling expenses	54	49
Administrative expenses	1,245	1,362
Research and development expenses	95	98
Total	$ 1,620	$ 1,732

(3) The cumulative amounts of actuarial gains or losses recognized in other comprehensive income were as follows:

	2024	2023
Beginning balance	$ 16,092	$ 16,702
Actuarial gain (loss) for the year	(4,722)	(610)
Ending balance	$ 11,370	$ 16,092

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(4) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets:

	2024	2023
Present value of defined benefit obligations	$ 52,465	$ 53,884
Fair value of plan assets	(44,325)	(34,966)
Contribution status	8,140	18,918
Net defined benefit liability	$ 8,140	$ 18,918

(5) Changes in the present value of defined benefit obligations:

	2024	2023
Opening balance	$ 53,884	$ 52,423
Current service cost	2,082	2,144
Actuarial gains or losses	(3,501)	(683)
Ending balance	$ 52,465	$ 53,884

(6) Changes in the fair value of plan assets:

	2024	2023
Opening fair value of plan assets	$ 34,966	$ 26,954
Return on plan assets	462	412
Actuarial gains or losses	1,221	(73)
Employer contributions	7,676	7,673
Closing fair value of plan assets	$ 44,325	$ 34,966

(7) As of December 31, 2024, the Company expects to contribute NT$7,655 thousand to the defined benefit plan within the next twelve months.

(8) The composition of the Company's plan assets as a percentage of total fair value is as follows:

	Pension Plan (%)	
	December 31, 2024	December 31, 2023
Cash	40%	45%
Others	60%	55%

The actual returns on plan assets for the years 2024 and 2023 were NT$1,683 thousand

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and NT$339 thousand, respectively.

The expected rate of return on plan assets is estimated based on historical return trends, analyst forecasts of market performance over the period of the defined benefit obligation, and reference to the management and performance of the labor retirement fund by the Supervisory Committee of Business Entities' Labor Retirement Reserve, as well as considering a minimum return not lower than the two-year time deposit interest rate offered by local banks.

(9) The following principal assumptions were used in determining the Company’s defined benefit plan:

	December 31, 2024	December 31, 2023
Discount rate	1.65%	1.20%
Expected salary increase rate	3.00%	3.00%

(10) A 0.25% increase or decrease in the discount rate would have the following impact:

	2024		2023	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
Present value of defined benefit obligation	$ (1,068)	$ 1,103	$ (1,244)	$ 1,287

(11) The amounts related to the defined benefit plan for the years 2024 and 2023 are as follows:

	2024	2023
Present value of defined benefit obligation at year-end	$ 52,465	$ 53,884
Fair value of plan assets at year-end	(44,325)	(34,966)
Surplus (deficit) of the plan at year-end	$ 8,140	$ 18,918
Experience adjustment on defined benefit obligation	$ (1,490)	$ (1,434)
Experience adjustment on plan assets	$ 1,221	$ (73)

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13. Provisions

	Decommissioning, Restoration and Dismantling Costs	
January 1, 2024	$	21,025
Changes due to discount rate and accretion of discount		121
December 31, 2024	$	21,146
Current－December 31, 2024	$	—
Non-current－December 31, 2024	$	21,146

	Decommissioning, Restoration and Dismantling Costs	
January 1, 2023	$	20,904
Changes due to discount rate and accretion of discount		121
December 31, 2023	$	21,025
Current – December 31, 2023	$	—
Non-current – December 31, 2023	$	21,025

Decommissioning, Restoration and Dismantling Costs

The provision for decommissioning, restoration, and dismantling costs was recognized in accordance with the terms of the land lease agreement between the Company and the Kaohsiung Export Processing Zone Administration. The Company is required to restore the leased site to its original condition at the end of the lease term, as estimated based on the agreement.

14. Equity

(1) Capital Stock

A. As of December 31, 2024 and 2023, the Company's authorized capital was NT$1,000,000 thousand, consisting of 100,000 thousand shares with a par value of NT$10 per share.

B. As of December 31, 2024 and 2023, the Company's issued capital was NT$717,920 thousand and NT$677,099 thousand, consisting of 71,792 thousand and 67,710 thousand shares with a par value of NT$10 per share, respectively.

C. In 2024, holders of the Company's convertible bonds exercised conversion rights, resulting in the issuance of 4,124 thousand common shares with a par value of NT$10 each. As of December 31, 2024, NT$627 thousand of these shares were not yet registered and were recorded under "bond conversion entitlement certificates."

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(2) Capital Surplus

	December 31, 2024	December 31, 2023
Share premium	$ 821,631	$ 673,138
Expired employee stock options	13,325	13,325
Treasury share transactions	5,570	5,570
Equity component arising from the issuance of convertible bonds – stock option rights	3,385	8,306
Transferred from exercised conversion rights	170	—
Total	$ 844,081	$ 700,339

In accordance with applicable laws, capital surplus can only be used to offset losses. When there is no accumulated deficit, the excess of the issuance price over the par value of shares and donations received may be capitalized annually up to a prescribed percentage of paid-in capital, or distributed in cash to shareholders in proportion to their shareholding.

(3) Earnings Distribution and Dividend Policy

According to the Company's Articles of Incorporation, earnings for the fiscal year shall be distributed in the following order:

1. Payment of taxes.
2. Offsetting of prior years' losses.
3. Appropriation of 10% of the current net income as legal reserve. However, this requirement may be waived once the accumulated legal reserve equals the total paid-in capital.
4. Appropriation or reversal of special reserves in accordance with applicable laws and regulations or directives of the securities authority.
5. Any remaining balance shall be allocated by the Board of Directors in the form of earnings distribution. If the distribution is in the form of new shares, it shall be resolved by the shareholders' meeting. If it is in cash, it shall be approved by a resolution of the Board of Directors attended by at least two-thirds of the directors and resolved by a majority of the directors present, and reported to the shareholders' meeting.
6. The Company may distribute all or part of the legal reserve and capital surplus in accordance with applicable laws and regulations. If the distribution is in the form of new shares, it shall be resolved by the shareholders' meeting; if in cash, it shall be approved by a resolution of the Board of Directors attended by at least two-thirds of the directors and resolved by a majority of the directors present, and reported to the shareholders' meeting.

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In consideration of the Company's operating environment, stage of growth, future capital requirements, and long-term financial planning, as well as to meet shareholders' need for cash flows, the Board of Directors shall propose an earnings distribution plan based on distributable earnings, which shall be resolved by the shareholders' meeting. At least 50% of distributable earnings shall be distributed as shareholder dividends, of which cash dividends shall not be less than 30% of the total dividends distributed for the year, and up to 100% maximum.

Pursuant to the Company Act, the legal reserve shall be appropriated until the total amount reaches the Company's paid-in capital. Legal reserve may be used to offset losses. When there is no accumulated deficit, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed as new shares or cash in proportion to the shareholders' existing shareholdings.

When allocating distributable earnings, the Company shall, in accordance with applicable laws and regulations, appropriate additional special reserve to make up for the difference between the special reserve originally set aside upon first-time adoption of IFRSs and the net amount of other equity items. When the net amount of other equity items subsequently reverses, the reversed amount of special reserve may be used for earnings distribution.

According to FSC Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company appropriated a special reserve in respect of unrealized revaluation surplus and cumulative translation adjustments that were transferred to retained earnings on the date of transition due to the exemption options adopted under IFRS 1 "First-time Adoption of International Financial Reporting Standards." Upon use, disposal, or reclassification of the related assets, the Company may reverse the special reserve for earnings distribution proportionally.

On March 6, 2025, the Company's Board of Directors resolved the earnings appropriation and distribution plan for the year ended December 31, 2024, as well as the dividend per share. On March 7, 2024, the Board resolved the earnings appropriation and distribution plan and the dividend per share for the year ended December 31, 2023, as follows:

	Earnings Appropriation and Distribution Plan		Dividend per Share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 24,603	$ 17,839		
(Reversal of) Special reserve	(52)	33		
Cash dividends on common stock	221,481	160,516	$ 3.08	$ 2.37

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

On March 7, 2024, the Company's shareholders' meeting proposed a cash distribution of NT$8,812 thousand from capital surplus, representing NT$0.13 per share.

For information regarding the basis of estimation and recognized amount of compensation to employees and directors, please refer to Note 6.17.

15. Operating Revenue

	2024	2023
Sales of goods	$ 847,149	$ 700,619
Rendering of services	20,080	8,527
Other operating income	1,004	1,603
Total	$ 868,233	$ 710,749

(1) Disaggregation of Revenue

	2024	2023
Timing of revenue recognition:		
At a point in time	$ 868,233	$ 710,749
Over time	—	—
Total	$ 868,233	$ 710,749

(2) Contract Balances

A. Contract liabilities

	December 31, 2024	December 31, 2023	January 1, 2023
Sales of goods and royalties	$ 2,428	$ 6,966	$ 592

The significant changes in the Company's contract liabilities for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Opening balance transferred to revenue in the current year	$ (6,966)	$ (592)
Increase in advance receipts (net of amounts recognized as revenue during the year)	2,428	6,966

B. Incremental Costs of Obtaining Contracts

The incremental costs incurred by the Company in 2024 and 2023 for obtaining contracts related to the sales of hyaluronic acid-based products amounted to NT$214,577 thousand

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and NT$149,567 thousand, respectively, and were classified under selling expenses.

16. Leases

The Company as a lessee

The Company leases multiple parcels of land, with lease terms ranging from 10 to 47 years.

The impact of leases on the Company's financial position, financial performance, and cash flows is summarized as follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

Carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Land	$ 21,551	$ 22,817

There were no additions to right-of-use assets in 2024 and 2023.

(b) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	$ 22,854	$ 24,070
Current	$ 1,176	$ 1,216
Non-current	$ 21,678	$ 22,854

For details on interest expense on lease liabilities in 2024, please refer to Note 6.18(4) Finance Costs. For maturity analysis of lease liabilities as of 2024, please refer to Note 12.5 Liquidity Risk Management.

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Land	$ 1,266	$ 1,267

C. Gains and expenses related to lease activities for the lessee

	2024	2023
Expense relating to short-term leases	$ 27	$ 28

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

D. Cash outflows related to lease activities for the lessee

The total cash outflows for leases in 2024 and 2023 amounted to NT$1,243 thousand and NT$1,257 thousand, respectively.

E. Other information related to leasing activities

Extension options and termination options

Certain property lease agreements of the Company include extension and termination options.

When determining the lease term, the Company considers the non-cancellable period during which it has the right to use the underlying asset, together with the periods covered by an option to extend the lease if it is reasonably certain that the Company will exercise that option, and periods covered by an option to terminate the lease if it is reasonably certain that the Company will not exercise that option. These options are used to maximize the operational flexibility of managing contracts. Most of these extension and termination options are exercisable only by the Company. The lease term is reassessed when significant events or changes in circumstances occur (within the lessee's control) that affect the Company's reasonable certainty to exercise options previously not included in the lease term or not to exercise options previously included.

17. Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function:

Function / Nature	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expenses						
Salaries	55,346	53,567	108,913	48,841	49,177	98,018
Labor and health insurance	3,829	5,166	8,995	3,643	4,925	8,568
Retirement benefits	1,901	3,239	5,140	1,819	3,289	5,108
Compensation to directors	—	18,647	18,647	—	14,187	14,187
Other employee benefits	2,342	2,144	4,486	2,157	1,965	4,122
Depreciation expenses	50,620	12,146	62,766	50,848	11,615	62,463
Amortization expenses	—	501	501	—	543	543

As of December 31, 2024 and 2023, the number of the Company's employees was 114 and 110, respectively, including 6 directors who did not concurrently serve as employees in both years.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Additional Disclosures:

(1) The average employee benefit expense in the current year was NT$1,181 thousand. The average in the prior year was NT$1,114 thousand.
(2) The average salary expense per employee in the current year was NT$1,009 thousand; in the prior year, NT$943 thousand.
(3) The average change in salary expenses was 6.94%.
(4) Compensation Policy:
   A. The Company evaluates the performance and determines the compensation of directors and managers by referring to the industry standards, and by assessing the reasonableness of the correlation between individual performance, company performance, and future risks.
   B. Employee compensation is based on market salary levels for similar positions, the scope of responsibilities, and the individual's contribution to the Company's business objectives. The compensation determination process takes into account not only the overall operating performance of the Company but also the individual's performance and contribution to the Company's results.

According to the Company's Articles of Incorporation, if the Company has earnings in the year, no less than 5% shall be allocated as compensation to employees, and no more than 5% as compensation to directors. However, if there are accumulated losses, an amount sufficient to offset the losses shall be retained first. The aforementioned compensation to employees may be paid in the form of stock or cash and shall be approved by a resolution of the Board of Directors with the attendance of at least two-thirds of the directors and consent of more than half of the attending directors. The resolution shall also be reported to the shareholders' meeting. Relevant information on the compensation to employees and directors approved or reported by the Board and shareholders' meetings can be found on the Taiwan Stock Exchange's Market Observation Post System.

The compensation to employees and directors for the years ended December 31, 2024 and 2023, as resolved by the Board of Directors on March 6, 2025, and March 7, 2024, respectively, is as follows:

	2024	2023
Compensation to employees	$ 16,288	$ 11,666
Compensation to directors	16,288	11,666

The amount of compensation to employees and directors for 2023 reported at the shareholders' meeting was not materially different from the amount resolved by the Board of Directors on March 7, 2024, and was also consistent with the amounts recognized as expenses in the accounts.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

18. Non-operating Income and Expenses

(1) Interest Income

	2024	2023
Interest income	$ 20,521	$ 14,872

(2) Other Income

	2024	2023
Rental income	$ 52	$ 135
Other income	1,406	726
Total	$ 1,458	$ 861

(3) Other Gains and Losses

	2024	2023
Gain on disposal of property, plant, and equipment	$ 190	$ 544
Net foreign exchange gain (loss)	20,390	(498)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,449	2,895
Total	$ 27,029	$ 2,941

(4) Finance Costs

	2024	2023
Interest on corporate bonds payable	$ (4,562)	$ (7,675)
Interest on lease liabilities	(408)	(424)
Interest on asset retirement obligations	(121)	(121)
Total	$ (5,091)	$ (8,220)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(5) Components of Other Comprehensive Income

The components of other comprehensive income for the year ended December 31, 2024 are as follows:

	Amount for the Period	Reclassification Adjustment	Other Comprehensive Income	Tax Benefit (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	$ 4,722	$ —	$ 4,722	$ (944)	$ 3,778
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	52	—	52	—	52
Total	$ 4,774	$ —	$ $ 4,774	$ (944)	$ 3,830

The components of other comprehensive income for the year ended December 31, 2023 are as follows:

	Amount for the Period	Reclassification Adjustment	Other Comprehensive Income	Tax Benefit (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	$ 610	$ —	$ 610	$ (122)	$ 488
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(33)	—	(33)	—	(33)
Total	$ 577	$ —	$ 577	$ (122)	$ 455

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

19. Income Tax

(1) Major Components of Income Tax Expense:

Income tax recognized in profit or loss

	2024	2023
Current income tax expense:		
Current tax payable	$ 33,539	$ 25,401
Adjustment of prior years' income tax in the current year	(147)	(2,695)
Deferred income tax expense (benefit):		
Tax benefit arising from the origination and reversal of temporary differences	6,861	1,408
Deferred tax arising from the origination and reversal of tax loss carryforwards and tax credits	8,639	7,983
Tax expense	$ 48,892	$ 32,097

Income tax recognized in other comprehensive income:

	2024	2023
Deferred tax benefit:		
Remeasurement of defined benefit obligation	$ (944)	$ (122)
Exchange differences arising on translation of foreign operations	—	—
Income tax relating to components of other comprehensive income	$ (944)	$ (122)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(2) Reconciliation of Income Tax Expense and Accounting Profit Multiplied by Applicable Tax Rate:

	2024	2023
Profit before tax from continuing operations	$ 291,146	$ 209,997
Income tax calculated at the statutory tax rate applicable to the Company	$ 58,229	$ 41,999
Tax effect of non-deductible expenses for tax purposes	614	1,889
Tax effect of temporary differences recognized as deferred income tax assets/liabilities	(1,668)	(1,409)
Adjustment of prior years' current income tax in the current year	(147)	(2,695)
Tax effect of other adjustments according to tax regulations	(8,136)	(7,687)
Total income tax expense recognized in profit or loss	$ 48,892	$ 32,097

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(3) Deferred Income Tax Assets (Liabilities):

	2024				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Ending balance
Temporary differences					
Investment tax credits	$ 10,620	$ (8,575)	$ —	$ —	$ 2,045
Pension	3,784	(1,212)	(944)	—	1,628
Others	1,064	(4,067)	—	—	(3,003)
Deferred income tax (expense)		$ (13,854)	$ (944)	$ —	
Net deferred income tax assets (liabilities)	$ 15,468				$ 670
Presented on the balance sheet as follows:					
Deferred income tax assets	$ 15,495				$ 5,016
Deferred income tax liabilities	$ 27				$ 4,346

	2023				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Ending balance
Temporary differences					
Investment tax credits	$ 18,657	$ (8,037)	$ —	$ —	$ 10,620
Pension	5,094	(1,188)	(122)	—	3,784
Others	1,231	(167)	—	-	
Deferred income tax (expense)		$ (9,392)	$ (122)	$ —	1,064
Net deferred income tax assets (liabilities)	$ 24,982				$ 15,468
Presented on the balance sheet as follows:					
Deferred income tax assets	$ 25,035				$ 15,495
Deferred income tax liabilities	$ 53				$ 27

(4) Unrecognized Deferred Income Tax Assets:

As of December 31, 2024 and 2023, the unrecognized deferred income tax assets amounted to NT$15,605 thousand and NT$15,109 thousand, respectively.

(5) Income Tax Return Assessment Status:

As of December 31, 2024, the Company's income tax filings have been assessed and approved through fiscal year 2022.

20. Earnings per Share

	2024		
	After-tax Amount	Weighted Average Shares Outstanding (in thousands)	Earnings per Share (NT$)
Basic Earnings per Share			
Net income attributable to ordinary shareholders of the Company	$ 242,254	69,105	$ 3.51
Effect of dilutive potential ordinary shares			
Interest on convertible bonds	3,649	5,208	
Employee compensation–stock	–	157	
Diluted Earnings per Share			
Net income attributable to ordinary shareholders of the Company plus effect of dilutive potential ordinary shares	$ 245,903	74,470	$ 3.30

	2023		
	After-tax Amount	Weighted Average Shares Outstanding (in thousands)	Earnings per Share (NT$)
Basic Earnings per Share			
Net income attributable to ordinary shareholders of the Company	$ 177,900	66,847	$ 2.66
Effect of dilutive potential ordinary shares			
Interest on convertible bonds	6,140	9,445	
Employee compensation–stock	–	150	
Diluted Earnings per Share			
Net income attributable to ordinary shareholders of the Company plus effect of dilutive potential ordinary shares	$ 184,040	76,442	$ 2.41

7. RELATED PARTY TRANSACTIONS

A. Names and Relationships of Related Parties:

Name of Related Party	Relationship with the Company
UNI-PROFIT INDUSTRIAL LIMITED (UNI-PROFIT)	100% owned subsidiary
Chengze Medical Instruments (Shanghai) Co., Ltd.	100% owned subsidiary
TALENT CRO Inc.	100% owned subsidiary
CANDACE BIOMEDICAL INC.	100% owned subsidiary
Dynamic Medical Technologies Inc. (Note)	Key management personnel of the Company (corporate director)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Note: As of June 28, 2023, Dynamic Medical Technologies Inc. ceased to be an associate of the Group due to loss of significant influence.

B. Significant Transactions with Related Parties

1. Sales

	2024	2023
Dynamic Medical Technologies Inc.	$ —	$ 22,100
CANDACE BIOMEDICAL INC.	3,500	—
Total	$ 3,500	$ 22,100

The Company's sales to Dynamic Medical Technologies Inc. are not comparable due to differences in sales region and product category. Other trading terms and credit conditions are not significantly different from those with general customers.

The Company entered into an exclusive distribution agreement with Dynamic Medical Technologies Inc. for its medical aesthetic products in the Taiwan region. The agreement was secured by a bank guarantee of NT$10,000 thousand. The distribution period was from November 20, 2011 to October 31, 2021. From November 1, 2021 to December 31, 2021, Dynamic Medical Technologies Inc. continued to sell the remaining inventory. In 2022, both parties agreed to renew the contract, with a new bank guarantee of NT$5,000 thousand. The new agreement is effective from January 1, 2022 to December 31, 2024, with a three-year term.

2. Services

	2024	2023
CANDACE BIOMEDICAL INC.	$ 4,080	$ —

3. Rental Income

	December 31, 2024	December 31, 2023
TALENT CRO Inc.	$ 29	$ 112

4. Accounts Receivable – Related Parties

	December 31, 2024	December 31, 2023
CANDACE BIOMEDICAL INC.	$ 7,752	$ —

5. Other Payables

	December 31, 2024	December 31, 2023
TALENT CRO Inc.	$ 2,760	$ —

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

6. Operating Expenses

	December 31, 2024	December 31, 2023
Chengze Medical Instruments (Shanghai) Co., Ltd.	$ 3,718	$ 3,562
TALENT CRO Inc.	7,235	2,361
Total	$ 10,953	$ 5,923

7. Compensation to Key Management Personnel of the Company

	2024	2023
Short-term employee benefits	$ 24,958	$ 20,586
Post-employment benefits	577	496
Total	$ 25,535	$ 21,082

8. PLEDGED ASSETS

The details of the Company's pledged assets are as follows:

	Book Value		
	December 31, 2024	December 31, 2023	Nature of Pledge
Property, plant and equipment	$ 478,272	$ 486,726	Pledged for bank credit lines and long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMIT-MENTS

None.

10. SIGNIFICANT LOSS FROM DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

On March 6, 2025, the Board of Directors resolved to issue the Company's third domestic unsecured convertible bonds in the amount of NT$400 million. The bonds bear a 0% coupon rate and have a maturity of three years.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

12. OTHERS

1. Categories of Financial Instruments

Financial Assets

	December 31, 2024	December 31, 2023
Financial assets at FVTPL:		
Mandatorily measured at FVTPL	$ 65,504	$ 59,055
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	654,886	504,859
Financial assets measured at amortized cost	99,900	233,900
Accounts receivable	180,418	95,488
Refundable deposits	260	260

Financial Liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Accounts payable	$ 165,917	$ 126,037
Bonds payable (including current portion)	134,785	323,843
Lease liabilities	22,854	24,070
Deposits received	2,006	2,006

2. Objectives of Financial Risk Management

The Company's financial risk management objectives are primarily to manage market risk, credit risk, and liquidity risk related to operating activities. Risks are identified, measured, and managed based on the Company's policies and risk appetite.

The Company has established appropriate policies, procedures, and internal controls in accordance with relevant regulations to manage the aforementioned financial risks. Significant financial activities must be reviewed by the Board of Directors in accordance with internal control systems. During the execution of financial management activities, the Company must strictly comply with its financial risk management guidelines.

3. Market Risk

The Company's market risk refers to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market prices. Market risks mainly include foreign exchange risk, interest rate risk, and other price risks.

In practice, it is rare for a single risk variable to change in isolation, as changes in risk variables are usually correlated. However, the sensitivity analyses for the following risks do not take into account the interrelationships among these variables.

(1) Foreign Exchange Risk

The Company is exposed to foreign exchange risk primarily through its operating activities (when revenues or expenses are denominated in a currency different from the Company's functional currency) and net investments in foreign operations.

Some of the Company's foreign currency receivables and payables are denominated in the same currencies, which naturally offsets a portion of the exposure. For the remaining exposure, the Company uses forward foreign exchange contracts to manage foreign exchange risk. However, as these natural hedges and forward exchange contracts do not qualify for hedge accounting, hedge accounting is not applied. Additionally, as net investments in foreign operations are considered strategic investments, the Company does not hedge this exposure.

The sensitivity analysis below demonstrates the impact of an appreciation/depreciation of relevant foreign currencies on the Company's profit or loss and equity, based on major foreign currency monetary items as of the end of the reporting period. The Company is primarily exposed to fluctuations in the exchange rates of the USD and RMB.

(2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The Company's exposure to interest rate risk mainly arises from floating-rate borrowings.

The Company manages its interest rate risk by maintaining an appropriate mix of fixed and floating rate borrowings.

(3) Sensitivity Analysis of Pre-tax Effects of Relevant Risk Changes for 2024 and 2023:

2024

Major Risk	Change Assumption	Sensitivity of Profit or Loss (in Thousands of NTD)
Foreign Exchange Risk	NTD to USD +/− 1%	−/+ 4,727
	NTD to RMB +/− 1%	−/+ 278
	NTD to EUR +/− 1%	−/+ 168
Interest Rate Risk	Market interest rate +/− 10bps	+/− 755

2023

Major Risk	Change Assumption	Sensitivity of Profit or Loss (in Thousands of NTD)
Foreign Exchange Risk	NTD to USD +/− 1%	−/+ 3,029
	NTD to RMB +/− 1%	−/+ 214
	NTD to EUR +/− 1%	−/+ 92
Interest Rate Risk	Market interest rate +/− 10bps	+/− 739

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

4. Credit Risk Management

Credit risk refers to the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company is exposed to credit risk arising from its operating activities (primarily accounts and notes receivable) and from its financing activities (primarily bank deposits and various financial instruments).

Each business unit manages customer credit risk in accordance with the Company's policies, procedures, and controls regarding customer credit risk. In addition, the Company uses certain credit enhancement tools where appropriate (such as advance payments and insurance) or may require guarantees from customers with weaker financial conditions to mitigate credit risk.

The Company's finance department manages the credit risk associated with bank deposits and other financial instruments in accordance with Company policy. The Company only transacts with domestic and international financial institutions with good credit ratings, and there are no significant concerns about their ability to fulfill obligations. As a result, there is no material credit risk.

5. Liquidity Risk Management

The Company maintains financial flexibility through cash and cash equivalents and bank borrowings. The table below summarizes the contractual maturities of the Company's financial liabilities based on the earliest possible repayment dates and undiscounted cash flows, including contractual interest payments. For floating rate liabilities, the undiscounted interest payments are based on the yield curve as of the end of the reporting period.

Non-Derivative Financial Liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
December 31, 2024					
Accounts and other payables	$ 165,917	$ –	$ –	$ –	$ 165,917
Convertible bonds	136,927	–	–	–	136,927
Lease liabilities	1,569	3,103	3,060	23,039	30,771
December 31, 2023					
Accounts and other payables	$ 126,037	$ –	$ –	$ –	$ 126,037
Convertible bonds	–	335,981	–	–	335,981
Lease liabilities	1,625	3,120	3,092	24,559	32,396

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

6. Reconciliation of Liabilities Arising from Financing Activities

The reconciliation of liabilities arising from financing activities for the year ended December 31, 2024, is as follows:

	Convertible Bonds	Lease Liabilities	Total Liabilities from Financing Activities
January 1, 2024	$ 323,843	$ 24,070	$ 347,913
Cash flows	—	(1,216)	(1,216)
Non-cash changes	(189,058)	—	(189,058)
December 31, 2024	$ 134,785	$ 22,854	$ 157,639

The reconciliation of liabilities arising from financing activities for the year ended December 31, 2023, is as follows:

	Convertible Bonds	Lease Liabilities	Total Liabilities from Financing Activities
January 1, 2023	$ 386,688	$ 25,299	$ 411,987
Cash flows	—	(1,229)	(1,229)
Non-cash changes	(62,845)	—	(62,845)
December 31, 2023	$ 323,843	$ 24,070	$ 347,913

7. Fair Value of Financial Instruments

(1) Valuation Techniques and Assumptions Used in Fair Value Measurement

Fair value refers to 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 methods and assumptions used by the Company in measuring or disclosing the fair value of financial assets and liabilities are as follows:

A. The fair values of cash and cash equivalents, receivables, payables, and other current liabilities approximate their carrying amounts due to their short maturities.
B. For financial assets and liabilities traded in active markets and with standard terms and conditions, fair value is determined based on quoted market prices (e.g., listed stocks, beneficiary certificates, bonds, and futures).

(2) Fair Value of Financial Instruments Measured at Amortized Cost

The carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

8. Information on Foreign Currency Financial Assets and Liabilities with Significant Impact

The Company's foreign currency financial assets and liabilities with significant impact are as follows:

	December 31, 2024			December 31, 2023		
	Foreign Currency (in thousands)	Exchange Rate	NTD	Foreign Currency (in thousands)	Exchange Rate	NTD
Financial Assets						
Monetary Items						
USD	$ 14,419	32.785	$ 472,715	$ 9,866	30.705	$ 302,944
RMB	6,215	4.478	27,832	4,947	4.327	21,405
EUR	493	34.14	16,826	272	33.98	9,236

The above information is disclosed based on the foreign currency carrying amounts converted into the functional currency.

As the Company engages in transactions involving various foreign currencies, it is not practicable to disclose the foreign exchange gains and losses for each currency with significant impact separately. The foreign exchange gain (loss) of the Company for the years 2024 and 2023 amounted to NT$20,390 thousand and NT$(498) thousand, respectively.

9. Fair Value Hierarchy

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified based on the lowest level input that is significant to the overall fair value measurement. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2: Observable inputs other than quoted prices included within Level 1, either directly or indirectly, for the asset or liability.
Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities measured on a recurring basis, the Company re-assesses their classification at the end of each reporting period to determine whether any transfers between levels of the fair value hierarchy have occurred.

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(2) Fair Value Hierarchy Information

The Company does not have any non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets and liabilities measured at fair value is as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Assets measured at fair value:				
Financial assets at FVTPL				
Beneficiary certificates	$ 13,903	$ —	$ —	$ 13,903
Corporate bonds	51,601	—	—	51,601

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets measured at fair value:				
Financial assets at FVTPL				
Beneficiary certificates	$ 10,797	$ —	$ —	$ 10,797
Corporate bonds	48,258	—	—	48,258

There were no transfers between Level 1 and Level 2 fair value measurements during the years ended December 31, 2024 and 2023.

10. Capital Management

The primary objective of the Company’s capital management is to maintain a sound credit rating and capital ratio to support business operations and maximize shareholder returns. The Company manages and adjusts its capital structure based on economic conditions and may adjust dividends, return capital to shareholders, or issue new shares in order to maintain or modify the capital structure.

13. ADDITIONAL DISCLOSURES

1. Information on Significant Transactions and Investee Companies

(1) Financings provided: None.

(2) Endorsement/guarantee provided: None.

(3) Marketable securities held (excluding investments in subsidiaries and associates): See Table 1.

(4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million

or 20% of the paid-in capital: None.

(5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

(6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None.

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

(9) Entities over which the Company has direct or indirect significant influence or control (excluding investments in Mainland China): See Table 2.

(10) Information about the derivative financial instruments transaction: None.

2. Information on investment in mainland China: See Table 3.

3. Information of major shareholders: See Table 4.

Table 1: Marketable Securities Held (Excluding investments in subsidiaries, associates, and joint ventures) (Amounts in Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type	Marketable Securities Name (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	December 31, 2024				Note
					Shares/Units Note (In Thousands)	Carrying Value (Note 3)	Percentage of Ownership (%	Fair Value	
SciVision Biotech Inc.	Beneficiary certificates	Yuanta Global Leaders Balanced F	—	Financial assets at fair value through profit or loss – current	—	$ 13,903	—	$ 13,903	—
	Corporate bonds	TSMC Arizona Foreign Bond	—	Financial assets at fair value through profit or loss – current	—	51,601	—	51,601	—

Note 1: The term "marketable securities" in this table refers to stocks, bonds, beneficiary certificates, and derivative securities derived from the aforementioned items, as defined under International Financial Reporting Standard No. 9 – Financial Instruments.

Note 2: If the issuer of the marketable security is not a related party, the corresponding column may be left blank.

Note 3: For securities measured at fair value, the column for carrying value should reflect the balance after fair value adjustments and deduction of accumulated impairment. For securities not measured at fair value, the column should show the original acquisition cost or amortized cost, net of accumulated impairment.

Table 2: Where the Company Directly or Indirectly has Significant Influence or Control Over an In-vested Company (Excluding Investments in Mainland China):

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
SciVision Biotech Inc.	UNI-PROFIT INDUSTRIAL LIMITED (UNI-PROFIT)	Hong Kong	International Trading	$ 1,451	$ 1,451	390	100.00%	$ 1,198	$ 70	$ 70	–
SciVision Biotech Inc.	TALENT CRO Inc. TALENT CRO Inc.	Taiwan	Management Consulting Services	$ 8,000	$ 8,000	800	100.00%	$ 2,235	$ (410)	$ (410)	–
SciVision Biotech Inc.	CANDACE BIOMEDICAL INC. CANDACE BIOMEDICAL INC.	Taiwan	Wholesale of Cosmetics	$ 41,000	$ -	4,100	100.00%	$ 40,764	$ 1,809	$ 1,809	–

Table 3: Information on Investment in Mainland China

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (US$ in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Chengze Medical Instruments (Shanghai) Co., Ltd.	Wholesale of Medical Devices	$63,791 (USD2,000,000)	1	$ 63,791	–	–	$ 63,791	$ 162	100.00%	$ 162	$ 1,747	–

Accumulated Investment in Mainland China as of December 31, 2023 (US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands) (Note 3)	Upper Limit on Investment
$63,791 (USD2,000,000)	$65,570 (USD2,000,000)	$1,138,231

Note 1: Investment methods are classified into the following three types; please indicate only the applicable category:

1. Direct investment in Mainland China.
2. Investment in Mainland China through a third-region company.
3. Other methods.

Note 2: Significant transactions, including pricing, payment terms, and unrealized gains or losses, conducted directly or indirectly through third-region companies with investees in Mainland China: None.

Note 3: All New Taiwan Dollar (NTD) amounts are translated using the exchange rate as of December 31, 2024.

Table 4: Information on Major Shareholders (Unit: Share)

Shares / Shareholders	Total Shares Owned	Ownership Percentage
—	—	—

Note 1: The information in this table regarding major shareholders is based on data provided by the Taiwan Depository & Clearing Corporation (TDCC) as of the last business day of each quarter. It includes shareholders whose combined holdings of common and preferred shares—already completed through book-entry registration (including treasury shares)—amount to 5% or more of the Company's total issued shares. Please note that the share capital recorded in the Company’s financial statements and the number of shares registered via book-entry may differ due to differences in the basis of preparation or timing.

Note 2: If a shareholder’s shares have been placed in trust, the information is disclosed under the name of the trustor in each sub-account established by the trustee. For shareholders subject to insider shareholding disclosures under the Securities and Exchange Act—i.e., those holding more than 10% of the Company's shares—such disclosures include both personally held shares and those placed in trust over which the shareholder retains decision-making rights. For detailed insider shareholding information, please refer to the Market Observation Post System (MOPS).

SciVision Biotech Inc.

1. Statement of cash and cash equivalents

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Petty cash		$ 33	
Cash on hand		281	
Subtotal		314	
Bank deposits:			
NTD checking and demand deposits		127,182	Exchange rate:
Foreign currency demand deposits－USD	USD 2,033 thousand	66,659	32.785
Foreign currency demand deposits－JPY	JPY 0.1 thousand	-	0.210
Foreign currency demand deposits－HKD	HKD 0.04 thousand	-	4.222
Foreign currency demand deposits－RMB	RMB 2,294 thousand	10,273	4.478
Foreign currency demand deposits－EUR	EUR 492 thousand	16,799	34.140
Foreign currency demand deposits－GBP	GBP 0.35 thousand	15	41.190
NTD time deposits		122,500	
Foreign currency time deposits－USD	USD 9,500 thousand	311,458	
Subtotal		654,886	
Total		$ 655,200	

SciVision Biotech Inc.

2. Statement of financial assets measured at amortized cost - current

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
NTD time deposits	NTD 99,900 thousand	$ 99,900	

SciVision Biotech Inc.

3. Statement of notes receivable

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Customer Name	Summary	Amount	Note
Company A		$ 8,400	
(Less): Allowance for credit losses		—	
Net amount		$ 8,400	

(Note): Individual customer balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

4. Statement of trade receivables

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Customer Name	Summary	Amount	Note
Company B		$ 98,809	
Company C		21,247	
Company D		17,558	
Company E		9,639	
Others (Note)		16,019	
Total		$ 163,272	
(Less): Allowance for credit losses		—	
Net amount		$ 163,272	

(Note): Individual customer balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

5. Statement of trade receivables - related parties

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Customer Name	Summary	Amount	Note
CANDACE BIOMEDICAL INC.		$ 7,752	
(Less): allowance for credit losses		—	
Net amount		$ 7,752	

SciVision Biotech Inc.

6. Statement of other receivables

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Other receivables	Others	$ 994	

SciVision Biotech Inc.

7. Statement of inventories

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Cost	Net realizable value	Note
Raw materials and supplies	$ 43,799	$ 43,346	
Work in process	13,568	13,568	
Finished goods	9,772	9,772	
Total	67,139		
(Less): Allowance for inventory valuation losses	(453)		
Net amount	$ 66,686		

SciVision Biotech Inc.

8. Statement of prepayments

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Prepaid insurance		$ 2,935	
Prepayments for purchases		22,663	
Other prepaid expenses		2,907	
Other prepayments		13,212	
Others (Note)		1,070	
Total		$ 42,787	

(Note): Item balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

9. Statement of changes in investments accounted for using the equity method

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Additions during the Period		Reductions during the Period		Earnings repatriated	Recognized Investment Income (loss)	Exchange Differences arising from Translation of Foreign Operations	Ending Balance			Total Market Value or Equity book Value	Valuation Basis	Pledged or Guaranteed	Note
	Shares (in thousands)	Amount	Shares	Amount	Shares	Amount				Shares (in thousands)	Shareholding percentage	Amount				
UNI-PROFIT INDUSTRIAL LIMITED	390	$ 1,128	–	$ –	–	$ –	$ –	$ 70	$ –	390	100.00%	$ 1,198	$ 1,198	Equity method	None	
Chengze Medical Instruments (Shanghai) Co., Ltd.	–	1,533	–	–	–	–	–	162	52	–	100.00%	1,747	1,747	Equity method	None	
TALENT CRO Inc.	800	1,702	–	943	–	–	–	(410)	–	800	100.00%	2,235	2,235	Equity method	None	(Note1)
CANDACE BIOMEDICAL INC.	–	–	4,100	41,000	–	(2,045)	–	1,809	–	4,100	100.00%	40,764	40,764	Equity method	None	(Note2)
Subtotal		$ 4,363		$ 41,943		$ (2,045)	$ –	$ 1,631	$ 52			$ 45,944				
(Less): Accumulated impairment		–		–		–	–	–	–			–				
Net amount		$ 4,363		$ 41,943		$ (2,045)	$ –	$ 1,631	$ 52			$ 45,944				

(Note 1): Additions during the period represent employee compensation distributed to employees of subsidiaries, amounting to NT$943 thousand.

(Note 2): Additions during the period represent new investments of NT$41,000 thousand, and reductions during the period represent NT$2,045 thousand from downstream transactions between subsidiaries.

SciVision Biotech Inc.

10. Statement of changes in right-of-use assets

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Changes during the Period			Ending Balance	Note
		Increase	Decrease	Reclassification		
Original cost						
Right-of-use assets – land	$ 27,472	$ —	$ -	$ -	$ 27,472	

SciVision Biotech Inc.

11. Statement of changes in accumulated depreciation of right-of-use assets

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Changes during the Period			Ending Balance	Note
		Increase	Decrease	Reclassification		
Accumulated depreciation						
Right-of-use assets – land	$ 4,655	$ 1,266	$ -	$ -	$ 5,921	

SciVision Biotech Inc.

12. Statement of deferred tax assets

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Deferred income tax assets		$ 5,016	

SciVision Biotech Inc.

13. Statement of refundable deposits

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Refundable deposits	1. Natural gas deposit	$ 250	
	2. Others (Note)	10	
		$ 260	

(Note): Item balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

14. Statement of other non-current assets

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Other non-current assets	Golf club membership	$ 2,950	

SciVision Biotech Inc.

15. Statement of current contract liabilities

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Advance receipts		$ 2,428	

SciVision Biotech Inc.

16. Statement of trade payables

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Supplier Name	Summary	Amount	Note
Company F		$ 1,678	
Company G		909	
Company H		588	
Company I		551	
Company J		503	
Others (Note)		2,813	
Total		$ 7,042	

(Note): Individual customer balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

17. Statement of other payables

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Accrued salaries	Provision for 2024 bonuses and December salaries	$ 18,203	
Accrued commissions		82,887	
Accrued employee bonuses		16,288	
Accrued compensation to directors		16,288	
Others (Note)		25,209	
Total		$ 158,875	

(Note): Individual customer balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

18. Statement of other current liabilities

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount	Note
Receipts under custody	$ 729	
Other advances received	2	
Total	$ 731	

SciVision Biotech Inc.

19. Statement of non-current net defined benefit liability

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount	Note
Beginning Balance	$ 18,918	
Provision for the period	1,620	
Allocation for the period	(7,676)	
Actuarial gains and losses for the period	(4,722)	
Ending Balance	$ 8,140	

SciVision Biotech Inc.

20. Statement of deposits received

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Deposits received	Performance bond and rental deposits for Shen Yong Real Estate	$ 2,006	

SciVision Biotech Inc.

21. Statement of operating revenue

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Hyaluronic acid-based products	77,285 boxes/pieces/bottles	$ 843,649
Chemical raw materials	557kg	7,000
Service income		20,080
Other operating income		1,004
Total		871,733
(Less): Sales returns and allowances	279kg	(3,500)
Net amount		$ 868,233

SciVision Biotech Inc.

22. Statement of operating costs

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount
Self-manufactured:	
Beginning raw materials	$ 57,225
Add: Raw materials purchased during the period	76,729
(Less): Ending raw materials	(43,799)
Others	(9,066)
Raw materials consumed during the period	81,089
Direct labor	16,984
Manufacturing expenses	131,851
Total manufacturing cost	229,924
Add: Beginning work in process	14,338
(Less): Ending work in process	(13,568)
Cost of finished goods	230,694
Add: Beginning finished goods	15,802
(Less): Ending finished goods	(9,772)
Others	(18,330)
Total production cost	218,394
Cost of goods sold	218,394
Inventory valuation losses	341
Others	2,863
Total operating cost	$ 221,598

SciVision Biotech Inc.

23. Statement of operating expenses

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	R&D expenses	Total
Salaries and wages	$ 12,088	$ 41,393	$ 21,971	$ 75,452
Utilities	2,039	7,007	2,504	11,550
Depreciation	575	7,675	3,896	12,146
Research service fees	—	—	9,917	9,917
Promotion expenses	217,008	—	—	217,008
Service fees	1,966	8,720	1,274	11,960
Supplies expenses	—	—	21,790	21,790
Other expenses (Note)	11,593	22,013	5,563	39,169
Total	$ 245,269	$ 86,808	$ 66,915	$ 398,992

(Note): Item balances not exceeding 5% of the total amount under this account are presented on a combined basis.

SciVision Biotech Inc.

24. Statement of non-operating revenue and expenses

Year 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount
Interest income	$ 20,521
Rental income	52
Miscellaneous income	1,406
Total other income	1,458
Gain on disposal of property, plant and equipment	190
Net foreign exchange gain	20,390
Net gain on financial assets and liabilities at fair value through profit or loss	6,449
Total other gains and losses	27,029
Finance costs	(5,091)
Share of profit or loss of subsidiaries and associates accounted for under the equity method	1,631
Total non-operating income and expenses	$ 45,548

SciVision Biotech Inc.

科研生物科技股份有限公司

Chairman

韓開程