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BIOTEQUE CORPORATION

2023

Annual Report

Printed on April 30, 2024

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. Name, title, telephone, and email of the spokesperson or acting spokesperson:

Spokesperson:

Name: Yi-Zhong Huang

Title: Chief Financial Officer

Telephone: (02) 2571-0269

Email: alexhuang@bioteq.com.tw

Acting spokesperson:

Name: Yi-Shin Lee

Title: Vice President

Telephone: (02) 2571-0269

Email: yishinlee@bioteq.com.tw

II. Address and telephone of the main office, branch office, factory:

Main Office: 5F-6, No. 23, Section 1, Chang-an East Road, Taipei City

Telephone: (02)2571-0269

Yilan Branch Office (Factory): No. 5, Ziqiang Road, Longde Industrial Park, Longde Li, Suao Township, Yilan County

Telephone: (03)990-5409

Yike Branch Office (Factory): Xinzhu Science Park, No. 360, Yike Road, Yilan City, Yilan County

Telephone: (03)925-3679

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

Name: President Securities Corporation

Address: Basement 1, No. 8, Dongxing Road, Taipei City

Telephone: (02)2746-3797

Website: www.pscnet.com.tw

IV. Name of the CPA and the name, address, website, and telephone of the accounting firm for the Financial Statement of the latest year:

Names of CPAs: Ming-Hung Huang and Chia-Chien Tang

Name of Firm: KPMG

Address: 68F, No. 7, Section 5, Xinyi Road, Taipei City (Taipei 101)

Telephone: (02)8101-6666

Website: www.kpmg.com.tw

V. Name of the trading site for securities listed overseas and how to search for the said overseas securities:

None

VI. Website: https://www.bioteq.com.tw/en

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I. Letter to the Shareholders

Dear Shareholders, Ladies and Gentlemen,

Hope everyone is well.

BIOTEQUE CORPORATION, under the joint efforts of all staff, hereby reports the 2023 Business Report and the 2024 Business Plan in brief as follows:

I. 2023 Business Report

(1) Accomplishments:

Unit: NT$1,000；%

Item	2023	2022	Increased / Decreased value	Change ratio
Operating revenue	1,944,701	2,010,272	(65,571)	-3.26%
Net operating profit	580,176	578,376	1,800	0.31%
Profit before tax	569,515	623,179	(53,664)	-8.61%
After-tax profit	452,550	493,540	(40,990)	-8.31%

2. Budget implementation: The Company only set budget goals internally for 2023 and did not disclose its financial forecast to the public.

3. Income, expenditures and profitability analysis:

Unit: NT$1,000；%

Item	Description	2023	2022
Financial income and expenditures	Operating revenue	1,944,701	2,010,272
	Gross profit	818,937	844,542
	After-tax profit	452,550	493,540
Profitability	Return on assets	10.15	11.92
	Return on equity	14.55	16.92
	Operating profit to paid-in capital ratio	83.72	83.46
	Before-tax profit to paid-in capital ratio	82.18	89.93
	Net profit ratio	23.27	24.55
	Earnings per share ($)	6.53	7.12

4. Research and development status:

The Company's accomplishments in research and development throughout 2023are as follows:

R&D Group 1	R&D Group 2	R&D Group 3	R&D Group 4
6 major accomplishments under [Research] and 4 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product research - Clinical MRI related testing methods and regulatory standards for drainage catheters with metal marking bands. 2. [Research] New product research - Clinical application and functional testing of drainage catheters in alcohol embolization. 3. [Research] New product research - Research on different material adhesion in gynecological catheter processing, multi-lumen catheter extrusion, vertical injection, and tip	7 major accomplishments under [Research] and 3 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - (Radiology) Percutaneous nephrostomy drainage bag related injection parts. 2. [Research] New product development - (Urology) Clinical application of urological extracting small stone fragments. 3. [Research] Product further development - (Urology) Novel customized ureteral stents for niche markets. 4. [Research] Product further development -	6 major accomplishments under [Research] and 4 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - Small-scale trial production of drainage bags completed. 2. [Research] New product development - Small-scale trial production of advanced drainage bags completed. 3. [Research] New product development - Completed product technical evaluation related to the Enteral feeding system, related mold and fixture development in progress.	5 major accomplishments under [Research] and 5 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - Compatibility assessment of infusion drugs and materials. 2. [Research] New product development - Establishment of supply chain for infusion tubing materials. 3. [Research] Product further development - Standardization of ethylene oxide (EO/ECH) residues in pediatric sputum suction tubes. 4. [Research] License maintenance - Microbial washing study of existed factory's closed

closure mold design and development. 4. [Research] Product further development- Evaluation and testing summary of biocompatibility assessment of different materials for drainage catheters. 5. [Research] Analysis of the latest authorization documents for medical devices (MDR) regulations established by the European Union Medical Device Coordination Group within the European Commission, and the establishment of standard operating procedures during systematic evidence collection. 6. [Research]Retrospective evaluation of the safety and effectiveness of	(Cardiovascular) Non-clinical evaluation of hydrophilic thin layer coating on fluoropolymer material surface for target markets. 5. [Research] Product further development - (Urology) Surface specific coatings that can increase the long-term safety of clinical use of catheters. 6. [Research] Product further development - (Cardiovascular) Through supply chain integration for product differentiation and flexibly respond to the market development of different regions and different customer groups. 7. [Research] Construction of CDMO project prototype - (Urology) Connecting tubing for the evaluation	4. [Research] New product - Completed the certificate application for solvent or drug for needle-free infusion drip series products. 5. [Research] New product development technology - Small-scale trial production of percutaneous thoracic surgery drainage valve completed. 6. [Research] New product development technology - Development of multicolor intravenous infusion medicine bag technology. 7. [Development] Submission for License - New factory's filter Taiwan QMS application and ISO13485 application. 8. [Development] New product	sputum suction tube 72-hour adult/child specifications. 5. [Research] Product further development - Compatibility assessment of tracheal drugs and materials. 6. [Development] Submission for License - QMS application and ISO13485 application for new factory's closed sputum suction tube. 7. [Development]License maintenance - Completion of CE submission for existed factory's closed sputum suction tube. 8. [Development] License maintenance - Completion of stability verification of adult specifications for existed factory's closed sputum suction tube.

clinical trials on drainage catheters. 7. [Development] Product further development - Completion of trial production of specification development for blood dialysis catheter set change product. 8. [Development] Construction of risk management required by MDR certification - Formulating a set of systematic hazards, event sequence, hazard situation, and injury, establishing their close and logical causal relationship. 9. [Development] Execution of chemical substance standard registration, completed 2 PVC raw material registration operations. 10. [Development]Six quality system	of voiding dysfunction. 8. [Development] Submission for License - New factory quality system certification - (Cardiovascular) Diagnostic intravascular catheter. 9. [Development] Submission for License - New factory quality system certification - (Vascular Access) Catheter guidewire. 10. [Development] Submission for License - New Factory quality system certification - (Urology) Ureteral stent.	development - Relevant efficacy reports of the infusion extension series products. 9. [Development] Product further development - Production and sampling of CDMO customer samples for infusion extension tubes. 10. [Development] Supply chain material approval - Localization of PVC material supply.	9. [Development] License maintenance - Completion of stability verification of pediatric specifications for existed factory’s closed sputum suction tube. 10. [Development] Retrospective evaluation of the safety and effectiveness of clinical trials on closed sputum suction tubes.

certifications for new Factory.			

II. Overview of the 2024 Business Plan

(1) Operation Policy

Bioteque upholds a corporate culture of honesty, diligence, and thrift as we provide safe and high-quality products in compliance with medical management regulations. We are committed to deepening and innovating within our core professional technologies, satisfying our internal and external customers, and enabling the sustainable development of our business.

(2) Expected Sales and Rationales:

Expected sales of products in 2024

Unit: ten thousand pieces

Item	QTY
Puncture needle	2,600
Surgical tube	120
Interventional cardiology catheter	45
Miscellaneous medical disposables	252
Hemodialysis tube	860
Infusion bag	8,200
Interventional radiology catheter	110

The Company has planned a ten-year operation growth strategy for future sustainable development in response to the steady growth of the medical materials market. We have built a 46833m2 plant in Yilan Science Park and made an overall plan for Industry 4.0 and automated production. The new plant has been certified to the standards of Taiwan's QMS, the US FDA, and the EU's ISO 13485 Medical Device Quality Management System. It is scheduled to complete relevant certifications and progressively enter production in 2024. With the influence of global geopolitics, the BMPI plant in the Philippines has become more and more important in response to friend-shoring. We will continue to expand the range and types of our products.

We have always expanded operations with our own brand. In the future, BIOTEQ will further strengthen the planning of OEM, OBM and CDMO orders, accept orders from more diverse sources to respond to global post-pandemic changes, and support the production capacity enhanced by the new plant. We hope that through the efforts of all our employees, we can capture the opportunities presented by each change and achieve revenue and profit growth.

III. Influence of the external competitive environment, regulatory environment, and overall business environment

(I) Higher thresholds for certification, and stricter and more harmonious regulatory management in major countries

In terms of product certification, the EU CE MDR certification has extremely strict requirements for product verification. In the 2018 version, a new regulatory perspective was proposed to prevent abuses. The requirement for pre-market clinical evidence resulted in high verification and audit fees. Furthermore, more stringent post-market monitoring has been implemented, imposing an enormous responsibility on manufacturers. All of the above have caused changes to the original ecosystem and posed a great challenge to the manufacturers inside and outside the EU who want to sell their products there. Recently, although the EU has a product license extension policy, its determination to implement new standards has not changed.

In terms of manufacturer quality system requirements, medical regulatory provisions are harmonized between mainstream countries and each other. The medical device management regulations of each country often use ISO 13485 as the benchmark for harmonization, and Taiwan is no exception. The US and the EU are also harmonizing their regulations on medical device quality systems with each other. Such harmonization is advantageous for manufacturers who want to expand business opportunities in other countries' markets.

(II) Russo-Ukrainian War, Israel-Hamas War, climate change, and the externalization of involution in China's economy

After the Russo-Ukrainian War, the expected post-pandemic economic boom in Europe did not materialize. The subsequent Israel-Hamas War caused the Suez Canal to be obstructed. As climate change has led to a lack of rainfall, the Panama Canal has been forced to reduce traffic, which has in turn resulted in a hike in freight costs. After the end of the pandemic, there have been supply chain disruptions. Coupled with geopolitical issues, countries around the world have increasingly demanded the de-risking of medical materials, drugs and other supplies. The rise of freight and regional economies has challenged global operating models.

China, another engine of the world economy, has also seen a weaker-than-expected internal circular economy performance due to the domestic economic setback after the pandemic. This has resulted in fiercer external competition for products made in China and more active penetration pricing, causing an impact on the existing market ecosystem.

The overall business environment for medical materials is becoming increasingly unpredictable: fiercer market competition, stricter regulatory management, increasing obstacles to international trade, inflation, and rising domestic production costs. Multinational corporations have discontinued unprofitable product lines and tended to be conservative about investment in fixed assets. However, after the pandemic has subsided, many market survey results show that the demand for medical materials has gradually returned to normal. With optimism about demand recovery and intensified competition and challenges, there is a cautiously optimistic outlook for the overall economic environment.

IV. Future Development Strategies

(I) In response to the tightening of laws and regulations, we need to implement proper certification planning, deploy corresponding resources, and improve system operations to ensure the continuity of certificates.

We strive to obtain CE MDR certificates for our competitive strategic products in order to, on the one hand, enter the European Union and the markets compatible with the EU, and, on the other hand, improve our overall system so that it can better connect with the systems of big companies so as to undertake CDMO, OEM and ODM orders. Faced with this new regulatory environment, we have made corresponding adjustments in quality system updates and completeness, the deployment of software and hardware resources, and talent cultivation to be prepared for challenges and opportunities.

(II) In response to the expansion of large manufacturers, the Company will strengthen the planning of CDMO and OEM orders and strive for business opportunities

Due to higher certification thresholds and a high level of instability in the industry, well-known brands have to grasp business opportunities on the one hand, and on the other hand, they need to reduce capital expenditures and allocate resources to higher-value activities. Only by outsourcing production activities to experienced and effective suppliers can they continue to pursue cost reduction, identify demand, and gain market access. Under this premise, collaboration with the CDMOs, OBMs, ODMs and OEMs of large manufacturers is exactly what we are actively seeking.

(III) In response to the fierce low-price competition, we will create complete product lines, develop competitive products, and build channels for product differentiation

To cope with low-price competition, the direction is to achieve comprehensive specifications and service packages for our competitive products to improve customer satisfaction and increase gross profits. For products, we will continue to upgrade existing products to increase the added value and competitiveness of our products. For channels, the Company will reinforce the alliance with overseas distributors, build more complete sales channels, and further strengthen partnerships with customers, bringing our services closer to end customers. In this way, a higher competition threshold can be formed, creating an advantage for the Company.

The Company will continue to focus on the development and production of single-use polymer medical consumable products, and adjust and increase items produced by the BMPI plant in the Philippines. For our own brand, we will focus on the development of high value-added internal catheter products to achieve a more complete product portfolio, and adjust product structure to increase the Company's overall gross profit margin. As for professional OEM services, we will increase the proportion of CDMO, OEM and ODM orders to work with international manufacturers and strive to become their strategic partner. To best implement this plan, the Company will further ensure the quality of our own supply chain, cement our partnerships with raw material suppliers, and secure stable quality and sources.

Looking into the future, the Company remains optimistic and positive. It is our hope that shareholders will continue to stay with us, support us, and provide us with feedback as they always have towards BIOTEQUE CORPORATION and we will continue to create better returns for our shareholders.

We wish all of you good health and the best in all of your endeavors!

BIOTEQUE CORPORATION

Chairman: Ming-Zhong Li

General Manager: Jin-Long Lin

Head of Accounting: Yu-Jin Lin

II. Company Profile

I. Date of Incorporation

November 13, 1991

II. Company History

BIOTEQUE was established in 1991 in Taipei City, with manufacturing facilities in the Longde Industrial Park of Yilan County. The Company went through reorganization at the end of 1996, with the introduction of a new management team, in response to the government's policy of developing high technology and promoting the domestic biotech industry, as well as exploring opportunities on the domestic and international healthcare markets so that the Company could turn international. Milestones of the Company are as follows:

Year	Month	Milestone
1991	11	"Bantuo Development Corporation" was established upon approval, with a registered capital size of NT$30 million and a paid-in capital size of NT$30 million. The company was registered in Taipei City.
1995	2	The Medical Device Permit was obtained from the Department of Health, Executive Yuan
1996	12	Directors and supervisors were re-elected; Mr. Ming-Zhong Li served as Chairman
1997	3	A two-year sales contract was signed with Chang Gung Memorial Hospital, which is affiliated with the Formosa Group.
1998	6	Directors and supervisors were re-elected; Mr. Bang-Chong Lin served as Chairman and Mr. Ming-Zhong Li as General Manager and CEO.
1998	8	The first company who successfully developed Infusion bags in Taiwan.
1998	9	Certified and qualified by ISO-9001 standards.
1999	5	Certified and qualified by CE, the manufacturing quality standard for medical devices in the European Community
1999	7	The name of the Company was changed to Bangtuo Biotech Corporation.

Year	Month	Milestone
1999	10	Capital increase in cash by NT$100 million was approved by the Securities and Futures Institute of the Ministry of Finance and public offering was completed.
1999	12	Certified and qualified by the US FDA 510K distribution market.
2000	9	Certified and qualified by ISO13485 standards.
2000	12	4,500 pings (1 ping = 3.305785 m^2) of land on Ziqiang Road in the Longde Industrial Park was obtained for expansion of facilities (BIOTEQUE Plant 2).
2001	5	The Company’s Chairman was re-elected after the shareholders' meeting; Mr. Shi-Guang Lu served as Chairman. Mr. Ming-Zhong Li served as Vice Chairman, General Manager and CEO.
2001	10	The Company stock was approved to be listed at the Taipei Exchange.
2002	3	The Company stock approved by the Taipei Exchange was officially traded over the counter. The paid-in capital size upon listing was NT$398 million.
2002	4	The new product TPU catheter - dual J-shaped and pig-tail drainage catheter developed by the Company was certified by the CE mark of the European Community and the permit was obtained domestically from the Department of Health, Executive Yuan, and was included in the coverage of National Health Insurance.
2003	10	Won the National Award of Outstanding SMEs and became the first one selected among medical device manufacturers in the country.
2004	4	Convertible corporate bonds were issued for the first time as approved in the country, with the total denomination worth NT$200 million for a period of 5 years that was due April 6, 2009.
2004	6	Directors and supervisors were re-elected; Mr. Zong-Li Tsai served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2004	9	Construction of the plant reinvested in by the Company in Changshu, Jiangsu, Mainland China (BIOTEQUE Corporation in Jiangsu) officially began
2004	11	Won the Technical Commercialization Bronze Medal during 2004 Bio@Taipei organized by the Taipei City Government and the New Product Creativity Award during 2004 Mediphar Taipei

Year	Month	Milestone
		organized by TAITRA.
2007	6	Directors and supervisors were re-elected; Mr. Zong-Li Tsai served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2007	7	Approved during the establishment inspection by the US FDA.
2007	7	Sold all the ownership of the plant in Mainland China as re-investment to Germany FMC Group and formed a strategic alliance with them by signing the Distribution Contract.
2007	10	Plant 1 of the Company in Suao caught fire; nearly all equipment and inventories in the facilities were destroyed. Fortunately, additional facilities spanning more than 1,000 pings in area inside Plant 2 were being built and all losses were covered by insurance.
2008	3	The Company built additional facilities at the site of its existing Plant 2.
2008	7	The name of the Company was changed to BIOTEQUE CORPORATION.
2008	12	The Yilan Branch of BIOTEQUE CORPORATION was set up.
2009	9	The Ministry of Economic Affairs approved a capital increase of NT$22,799,110, with the paid-in capital size after the capital increase being NT$782,769,360.
2010	6	Directors and supervisors were re-elected; Mr. Zong-Li Tsai served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2011	3	Establishment of the subsidiary as re-investment Zhongde Investment Co., Ltd. was approved.
2011	12	The Remuneration Committee was set up to consolidate corporate governance and the ethical management principles.
2013	1	Included in the list of medium-size enterprise by the Ministry of Economic Affairs for its good operational performance that fulfills certain characteristics and criteria for a medium-size enterprise, hidden champion experience and properties, unique and key technologies in specific fields, and highly competitive advantages on the international market.
2013	2	The Philippines BIOTEQUE was established as a re-investment of the Company.
2013	6	Directors and supervisors were re-elected; Mr. Zong-Li Tsai

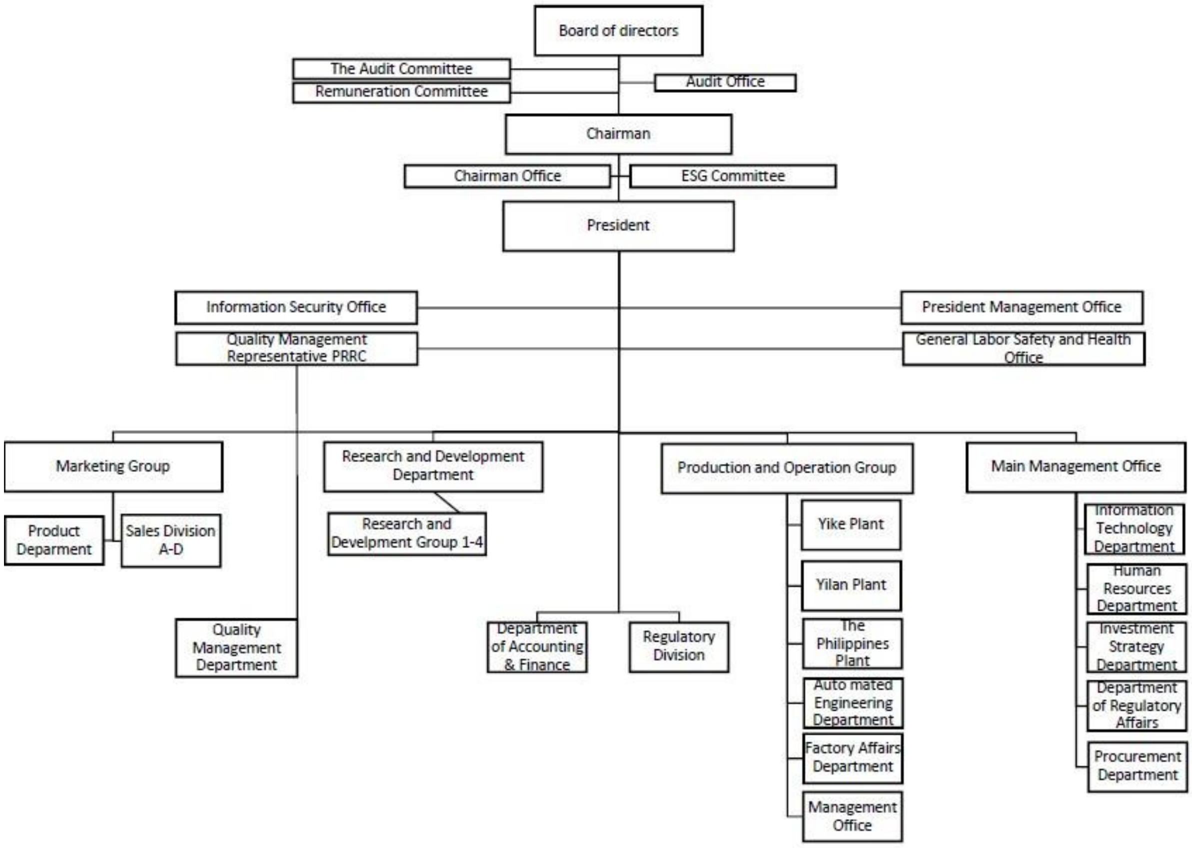
Year	Month	Milestone
		served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2013	8	Won the National Quality Award in the enterprise group for its outstanding performance in comprehensive quality management.
2013	9	Convertible corporate bonds were issued for the second time as approved in the country, with the total denomination worth NT$160 million for a period of 3 years that was due September 26, 2016.
2013	10	The Ministry of Economic Affairs approved a capital increase in cash worth NT$55,000,000, with the paid-in capital size after the capital increase being NT$837,769,360.
2014	1	Construction of the Philippines BIOTEQUE, a re-investment of the Company, officially began.
2014	9	Obtained sponsorship from the government for the technical development program of percutaneous transluminal coronary angioplasty (PTCA), a new product, spearheaded by the Industrial Development Bureau under the Ministry of Economic Affairs.
2015	5	Capital reduction in cash
2016	5	Directors and supervisors were re-elected for the tenth intake; Mr. Zong-Li Tsai served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2018	11	Obtained sponsorship from the government for the technical development program of high-value percutaneous transluminal coronary angioplasty catheter, a high-value program of the Industrial Development Bureau under the Ministry of Economic Affairs.
2019	6	Directors and supervisors were re-elected for the eleventh intake; Mr. Zong-Li Tsai served as Chairman and Mr. Ming-Zhong Li served as Vice Chairman and CEO.
2019	7	The Company won the Outstanding Company of the Year Golden Quality Award.
2020	12	Groundbreaking Ceremony of Bioteque's Flagship Plant in Yilan Science Park
2022	6	Directors were re-elected for the twelfth intake; Mr. Ming-Zhong Li served as Chairman, and Mr. Jin-Long Lin served as General Manager.

Year	Month	Milestone
		An Audit Committee was set up.
2022	8	The Yike Branch of BIOTEQUE CORPORATION was set up.

III. Corporate Governance Report

I. Organization

(I) Organizational Structure



(II) Major Departments and Their Scope of Operation

Major Department	Main Responsibilities
Chairman Office	1. Supervise the management team to propose business strategies and supervise the implementation results to ensure the effective implementation of internal control, legal compliance and risk management, and at the same time achieve the effective operation of the board of directors. 2. Set the company’s business goals and future development. 3. Formulation of investment plans for important projects and implementation and supervision of decision-making. 4. Annual operating budget target planning and formulation. 5. Project plan performance tracking and project improvement.

Major Department	Main Responsibilities
Audit Office	Plans and implements internal audit inspections, follows up, and improves them.
General Manager' Office	1. Adhere to the management and authority granted by the board of directors, comprehensively manage the company's business, be responsible for proposing business strategies, implement them and assume overall business responsibilities. and report relevant operating conditions and development plans to the board of directors and general meeting of shareholders. 2. Implement and promote the company's budget and business policies, business goals, and business strategies. 3. Quality policy, formulation of quality goals, and delivery of quality commitments. 4. Supervise the implementation of each unit's annual operating budget plan, review and improve those that fail to meet expected goals, and formulate countermeasures. 5. Develop and improve the company's internal systems and promote relevant measures and projects.
Information Security Office	1. Establishing the Company's information security policy. 2. Making major work plans for the Company's information and network development. 3. Conducting the integration and planning of the Company's information software and hardware. 4. Promoting information security management systems. 5. Planning information security education and training. 6. Deliberating on other matters related to information development and information security management.
Labor Safety and Health Office	1. Defines the occupational hazard prevention plan, the emergency response plan, and guides respective units over their implementation 2. Plans labor safety and health audits and management and supervises respective units over their implementation 3. Plans check points and inspections of safety and health facilities and supervises over their implementation 4. Plans rounds, periodic inspections, prioritized inspections, general knowledge about hazards, and workplace measurements and supervises related staff over their implementation 5. Plans and enforces labor safety and health educational training 6. Plans health examinations for employees and enforces health

Major Department	Main Responsibilities
	management 7. Reports occupational hazards such as disease, harm, disabilities, and deaths. 8. Enforces safety and health performance management assessments and provides workers with safety and health consultations
Quality Management Department	Performs quality operating system audits, process abnormality analyses, and material receiving and various quality control tests as mandated by the Quality Management Representative in order to enhance the quality of products and to fulfill the mission of the Company
Marketing Group	Takes orders from the General Manager and combines the Operation Department, marketing, and IPO, and stipulates budget growth goals in the respective areas. Sets the annual implementation plan reflective of the Company's operation policies and authorization guidelines in order to fulfill the task of expanding the market share, ensuring profits, and enhancing the brand image of the Company.
Sales Department	Takes orders from the heads of respective business groups and fulfills the annual sales targets set by the Company according to the annual budget goals of the respective groups and the action plans explored for respective markets.
Product Department	1. Marketing Takes order from the heads of respective business groups and takes part in business expos, helps with marketing (including stand design), product catalog design and outsourcing, the composition of the product development proposal and follow-up on exhibition efficacy, and controls the expenses and budget to facilitate the Operation Department to fulfill the annual sales targets according to the annual product development strategies and marketing strategies of business groups. 2. IPO Takes order from the heads of respective business groups and enforces the expansion of the Company's product lines and product specifications, searches for qualified suppliers of products and accessories, introduces them to be the Company's products on the market, and controls the expenses and budget in order to facilitate the Operation Department to fulfill the annual sales targets according to the annual product development strategies of business groups.

Major Department	Main Responsibilities
Regulatory Division	Takes orders from the heads of respective business groups and plans and enforces respective certifications of products, and controls the expenses and budget in order to facilitate the Operation Department fulfilling the annual sales targets according to the annual product development strategies of business groups.
Research and Development Department	Takes orders from the heads of respective business groups and enforces the development of products, expansion of specifications, and product improvements so that they can be available on the market on time in order to facilitate the Operation Department fulfilling the annual sales targets according to the annual product development and marketing plan of the business groups.
Main Management Office	Takes orders from the General Manager and combines efforts from the Information Technology Department, the Procurement Department, and the Department of Finance while stipulating the annual cost reduction goals of the Main Management Office, preparing the working method, efficiency improvement, and manpower plan in order to fulfill the goal of effectively controlling expenses, reducing expenses, and streamlining manpower.
Department of Accounting&Finance	Takes orders from the head of the Main Management Office while preparing the financial statements, summarizing the annual budget, filing taxes, planning financial affairs over the long term, raising and managing funds, integrating and planning financial resources of the Group, holding and arranging the Board of Directors' meeting, holding and arranging the shareholders' meeting, and reducing financial costs for the purpose of accomplishing the annual goals of the Company according to the annual financial plan of the Main Management Office.
Procurement Department	Takes orders from the head of the Main Management Office while purchasing and negotiating prices of important raw materials and supplies, parts and components, and production equipment, reducing the purchase cost, and controlling costs and the budget for the purpose of accomplishing the annual goals of the Company in accordance with the annual procurement plan of the Main Management Office.
Information Technology Department	Takes orders from the head of the Main Management Office while planning information systems, troubleshooting abnormalities experienced by and improving information systems, and ensuring stable operations of the ERP system for the purpose of enhancing the

Major Department	Main Responsibilities
	information system efficiency, controlling costs and the budget, and fulfilling the annual goals of the Company in accordance with the annual information plan of the Main Management Office.
Department of Regulatory Affairs	Takes orders from the head of the Main Management Office and is in charge of the Company’s regulatory affairs management task. It offers legal support for the Company, manages lawsuits and non-lawsuit affairs of the Company, and prevents and controls risks for the Company in order to ensure that the Company’s interests are not infringed upon and to maximize benefits and minimize risks for the Company.
Production Group	Takes orders from the General Manager while, together with the Yilan Plant, the Engineering Department, the Resources and Materials Department, the Quality Management Department, and the Human Resources Department, stipulating the annual goals for growth in production, preparing the production plan, and planning equipment investment and hiring for the purpose of fulfilling production tasks, quick deliveries, and controlling costs.
Management Department	Takes orders from the head of the Production Group and is in charge of planning, executing, and reviewing the procurements, general affairs, business matters, and personnel-related matters for the purpose of fulfilling the mission of the Company.
Factory Affairs Department	Takes orders from the head of the Production Group and is in charge of planning and supervising production control and warehouse-related matters for the purpose of fulfilling the mission of the Company.
Automated Engineering Department	Takes orders from the head of the Production Group and is in charge of planning and supervising biotech and engineering-related matters for the purpose of fulfilling the mission of the Company.
Yilan Plant	Takes orders from the respective heads of the Production Group while fulfilling productivity goals, enhancing production efficiency, controlling costs and quality control for the purpose of accomplishing the mission of the Company in accordance with the annual production plan.
Yike Plant	Takes orders from the respective heads of the Production Group while fulfilling productivity goals, enhancing production efficiency, controlling costs and quality control for the purpose of accomplishing the mission of the Company in accordance with the annual production plan.

II. Board Members and Management Team

1. Profile of directors, supervisors, and managers:

1-1 Director and Supervisor Information (I)

April 21, 2024

Position (Note 1)	Nationality or Place of Registration	Name	Gender	Age (note2)	Date Elected	Term in office	Date First Elected (Note 3)	Shares held upon Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in name of		Main experience/education (Note 4)	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse			Remar
								Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding Ratio			Position	Name	Relationship	
Director	Taiwan	Ming Sheng Co., Ltd.	Corporate entity	Not Applicable	15.06.2022	3 years	15.06.2022	1,917,000	2.77	1,917,000	2.77	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None	
Director Representative/ Chairman	Taiwan	Director Representative :Ming-Zhong Li(Note 1-4)	Male	Age.81-90	15.06.2022	3 years	08.01.1997	725,346	1.05	725,346	1.05	0.00	0.00	321,824	0.46	Tatung University EMBA, National Taiwan University	Chairman of the Company	Director Representative	Yi-Xun Li	Son	
Director	Taiwan	Yisheng Co., Ltd.	Corporate entity	Not Applicable	15.06.2022	3 years	15.06.2022	2,589,000	3.74	2,591,000	3.74	Not Applicable	Not Applicable	0	0	Not Applicable	Not Applicable	None	None	None	
Director Former Representative	Taiwan	Zhong-Kai Hong (Note 1-1)	Male	Age.31-40	05.08.2022	3 years	05.08.2022	371,000	0.54	371,000	0.54	0	0	0	0	Master of Management Science, Columbia University	Keyao Co., Ltd.- - Manager of strategic planning department.	None	None	None	
Director Representative	Taiwan	Hung-Ying Lee (Note 1-1)	Female	Age41-50	10.01.2023	3 years	10.01.2023	0	0	0	0	0	0	0	0	Master of Laws,University of Pennsylvania	Catcher Technology Co., Ltd. - Head of Corporate Governance and Legal Director	None	None	None	
Director Representative	Taiwan	Jing-Zhong Chen (Note 1-1)	Male	Age.51-60	27.06.2023	2 years	27.06.2023	0	0	0	0	0	0	0	0	National Chengchi University	Catcher Technology Co., Ltd. – Accounting Manager	None	None	None	
Director	Taiwan	Yide Co., Ltd.	Corporate entity	Not Applicable	15.06.2022	3 years	15.6.2022	2,233,000	3.22	2,252,000	3.25	Not Applicable	Not Applicable	0	0	Not Applicable	Not Applicable	None	None	None	
Director	Taiwan	Hsu-Yuan Li	Male		15.06.2022	3	15.6.20	0	0	0	0	0	0	0	0	National Taipei	Catcher Technology Co., Ltd. - Vice President	None	None	None	

Position (Note 1)	Nationality or Place of Registration	Name	Gender	Age (note2)	Date Elected	Term in office	Date First Elected (Note 3)	Shares held upon Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in name of		Main experience/education (Note 4)	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse			Remar
								Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding Ratio			Position	Name	Relationship	
Representative		(Note 1-2)		Age.51-60		years	22									Institute of Technology - Mechanical Manufacturing					
Director	Taiwan	Zong Yu Investment Co., Ltd.	Corporate entity	Not Applicable	15.06.2022	3 years	13.5.2015	1,606,752	2.33	1,611,752	2.33	Not Applicable	Not Applicable	0	0	Not Applicable	Not Applicable	None	None	None	
Director Representative	Taiwan	Jing-Yi Tsai (Note 1-3)	Female	Age.51-60	15.06.2022	3 years	18.6.2019	178,572	0.26	178,572	0.26	0	0	0	0	Master of Business Administration, PURDUE UNIVERSITY, USA	Vice Chairman and Vice Presidentof the Company	Director Representative	Xing Wang	Relation by marriage	
Director Representative	Taiwan	Xing Wang (Note 1-3)	Male	Age.61-70	15.06.2022	3 years	18.6.2019	44,000	0.06	44,000	0.06	186,000	0.27	0	0.00	Bachelor of Medicine, National Yang-Ming University	Superintendent of Jixing/Dingxiang Clinic	Director Representative	Jing-Yi Tsai	Relation by marriage	
Director	Taiwan	Ming Sheng Co., Ltd.	Corporate entity	Not Applicable	15.06.2022	3 years	15.06.2022	1,917,000	2.77	1,917,000	2.77	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None	
Director Representative	Taiwan	Yi-Xun Li (Note 1-4)	Male	Age.51-60	15.06.2022	3 years	27.6.2007	732,245	1.05	732,245	1.05	10,000	0.01	0	0	Post-graduate School of International Business, Rutgers University, USA Master of Finance and Business Administration, City University of New York Bachelor of Agriculture, National Taiwan University	Senior Vice President of the Company	Director Representative	Ming-Zhong Li	Son	

Position (Note 1)	Nationality or Place of Registration	Name	Gender	Age (note2)	Date Elected	Term in office	Date First Elected (Note 3)	Shares held upon Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in name of		Main experience/education (Note 4)	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse			Remar
								Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding Ratio			Position	Name	Relationship	
Director	Taiwan	Yao-Ren Ho (Note3-2)	Male	Age.51-60	15.06.2022	3 years	15.06.2022	100,000	0.14	111,000	0.16	0	0	0	0	Philadelphia University - Master of Textile Marketing	Ti Mao Co., Ltd. -General Manager	None	None	None	
Director	Taiwan	Ming Yeh.Cheng (Note3-1)	Female	Age.61-70	15.06.2022	3 years	12.05.2016	88,000	0.13	126,000	0.18	0	0	0	0	Shih Chien University Fashion Design Department.	Phoebes Inc.-Editor in chief	None	None	None	
Independent Director	Taiwan	Bin-Xi Lin	Male	Age.51-60	15.06.2022	3 years	15.06.2018	0	0	0	0	0	0	0	0	Bachelor of Medicine, National Yang-Ming University	Attending Physician, Division of Nephrology, Shin Kong Wu Ho-Su Memorial Hospital Vice Secretary-General of Taiwan Society of Nephrology Financial Committee of Taiwan Society of Nephrology	None	None	None	
Independent Director	Taiwan	Teng-Yao Hsiao (Note3-2)	Male	Age61-70	15.06.2022	3 years	15.06.2022	0	0	0	0	0	0	0	0	MBA, National Taipei University	Yun Cheng CPA Firm- Accountant New Palace International Co., Ltd.-Independent Director Formosa Electronic Industries Inc.-director	None	None	None	
Independent Director	Taiwan	Yiu-Cho Chin (Note3-4)	Male	Age71-80	27.06.2023	2 years	27.06.2023	0	0	0	0	0	0	0	0	Master of Business Administration, Saint Mary's University	.Pacific Hospital Supply Co.,Ltd-Independent Director	None	None	None	

Note 1: Both the name of the institution and its representative shall be listed for an institutional shareholder (For representatives of institutional shareholders, the name of the institutional shareholder shall be provided) and Table 1 below shall be completed.

Note 1-1 The legal representative of Ming Sheng Co., Ltd., was elected as a director on June 15, 2022;from August 5, 2022, Mr. Zhong-Kai Hong was appointed as the representative and from January 10, 2023, Mrs. Hung-Ying Lee was appointed as the representative and The representative will be Mr. Jing-Zhong Chen was by-elected as director on June 27, 2023.

Note 1-2 The legal representative of Ming Sheng Co., Ltd., was elected as a director on June 15, 2022.

Note 1- 3 Institutional representative of Zong Yu Investment Co., Ltd.

Note 1- 4 Institutional representative of Ming Sheng Co., Ltd.

Note 2: Please indicate the actual age, but such may be expressed in ranges, such as 41-50 or 51-60 years old.

Note 3: The duration of the initial term as director or supervisor of the Company shall be provided; In case of any discontinuation, it shall be noted.

Note 3-1: Director Ming Yeh. Cheng did not serve as the director of the Company from April 29, 2018, to June 14, 2022.

Note 3-2: Directors Tang-Lung Hsu and Yao-Ren Ho, and independent director Teng-Yao Hsiao, were elected as the director and the independent director on June 15, 2022, respectively. Director Tang-Lung Hsu resigned his position on September 30, 2022.Independant Director,Ren-Fung Lee,elected on June 15, 2022,and resigned on July 07, 2022.

Note 3-3: The tenure of Mr. Zong-Li Tsai, Jin-long Lin, Yi-zhong Huang, and Bang-Yan Zhang expired on June 15, 2022, and they did not serve as directors of the Company. The tenure of Mr. Zheng-Xiong Xu expired on June 15, 2022, and he did not serve as an independent director of the Company. The tenure of Mrs. Ying-ling Li and the representative of King Polytechnic Engineering Co., Ltd., Mr. Zhen-pan Hong, expired on June 15, 2022, and they did not serve as supervisors of the Company. The tenure of Mr. Xing Wang expired on June 15, 2022, and he was elected to serve as a director.

Note 3-4: Mr. Yiu-Cho Chin was by-elected as an independent director on June 27, 2023.

Note 4: For experiences related to the current position, such as working for an auditing or certifying accounting firm or an affiliated enterprise during the said period of time, the title and the responsibilities assigned shall be specified.

Note 5: When the chairman and the general manager or someone charged with equivalent responsibilities (the highest-ranking manager) of the Company are the same person, are each other's spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures (such as the increase in the number of independent directors and a majority of the directors who are not employees or managers, for example) shall be stated.

Table 1. Major shareholders of institutional shareholders

April 21, 2024

Name of the institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)
Zong Yu Investment Co., Ltd.	Jing-wen Tsai (28%), Jing-Juan Tsai (28%)
Ming Sheng Co., Ltd.	Ming-Zhong Li(43.95%) Ying-Ling Li(20.41%)
Yisheng Co., Ltd.	Catcher Technology Co., Ltd.(100%)
Yide Co., Ltd.	Catcher Technology Co., Ltd.(100%)

Note 1: When directors and supervisors are representatives of institutional shareholders, the name of the institutional shareholder shall be provided.

Note 2: Fill in the names of major shareholders of the said institutional shareholder (Top 10 in terms of the holding ratio) and their holding ratio. If the major shareholder is a corporation, Table 2 below shall be completed, too.

Note 3: When an institutional shareholder is not a company or an organization, the shareholder name and shareholding ratio as stated in the foregoing shall be disclosed as the name of the sponsor or the donor and the sponsorship or donation ratio. Where the donor has passed away, please mark "deceased".

Table 2. Major shareholders of the major shareholders in Table 1 that are corporations

December 13, 2023

Name of the corporation (Note 1)	Major shareholders of the corporation (Note 2)
Catcher Technology Co., Ltd.	Taishin International Commercial Bank Co., Ltd. is entrusted with the custody of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund's Taiwan ESG Sustainable High Dividend ETF Securities Investment Trust Fund Special Account (6.58%) and Yuanta Taiwan High Dividend Fund Special Account (3.74%). , Kelly Investment Co., Ltd. Hong Yiting (2.74%), Cathay Life Insurance Co., Ltd. (2.65%), Guo Sumei (2.26%), Lin Zhenmei (2.12%), Deneng Investment Co., Ltd. (1.88%), Hong Tianci (1.57%), Hong Weixiu (1.55%), Taipei Fubon Commercial Bank Co., Ltd. is entrusted with the custody of the Fuhua Taiwan Technology Premium ETF Securities Investment Trust Fund Special Account (1.52%)

Note 1: If the major shareholders in the above table are corporations, the names of the corporations shall be provided.

Note 2: Fill in the names of the major shareholders of the said corporations (Top 10 in terms of the holding ratio) and their holding ratio.

Note 3: When an institutional shareholder is not a company or an organization, the shareholder name and shareholding ratio as stated in the foregoing shall be disclosed as the name of the sponsor or the donor and the sponsorship or donation ratio. Where the donor has passed away, please mark "deceased".

1-2 Director and Supervisor Information (II)

The Company promotes and respects the director diversity policy. To enhance the corporate governance, and reinforce the healthy development of the composition and structure of the board of directors, we believe the diversity guideline is helpful to improve the overall performance of the Company. The principle of electing board members is that competency is the first priority. The board members supplement each other with their diversified and cross-discipline abilities, including the basic requirements and values (e.g. gender, age, and nationality), as well as their respective industrial experience and skills (e.g. aviation, sea freight, hotel, finance and accounting, laws and insurance, information security, and public welfare), and the abilities including operational judgement, business management, leadership, decision-making and crisis management. To improve the functions of the board of directors to achieve the ideal goal of corporate governance, Article 20 of the Company's "Corporate Governance Best Practice Principle" specifies the abilities that must be present in the board as a whole as follows: 1. The ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. The diversity policy for the current board members and the implementations are as follows:

Qualification / name		Professional qualification and experience (Note 1)	Fulfillment of independence (Note 2)	Number of other public offering companies serving as independent directors
Chairman	Ming-Zhong Li	Age:82 Professional: medical Related industrial experience: (medical/technology) General Manager of the Company	None of the conditions indicated under Article 30 of the Company Act	-
Director	Jing-Zhong Chen	Age:48 Professional: Finance and Accounting Related industrial experience: (medical/technology) Catcher Technology Co., Ltd. – Accounting Manager	None of the conditions indicated under Article 30 of the Company Act	
Dicrector	Hung-Ying Lee	Age:47 Professional: Finance and Accounting Related industrial experience: Legal Catcher Technology Co., Ltd. – Head of Corporate Governance and Legal Director	None of the conditions indicated under Article 30 of the Company Act	
Director	Hsu-Yuan Li	Age:51 Professional: medical Related industrial experience: (medical/technology) Catcher Technology Co., Ltd. - Vice President	None of the conditions indicated under Article 30 of the Company Act	
Director	Jing-Yi Tsai	Age:59 Professional: Finance and Accounting Related industrial experience: Bank/ Finance Related industrial experience: (medical/technology/bank) Vice Chairman and Vice President of the Company	None of the conditions indicated under Article 30 of the Company Act	-

Director	Yi-Xun Li	Age:54 Professional: medical Related industrial experience: (medical/technology) Senior Vice President of the Company	None of the conditions indicated under Article 30 of the Company Act	-
Director	Xing Wang	Age:61 Professional: medical Related industrial experience: medical Superintendent of Jixing/Dingxiang Clinic	None of the conditions indicated under Article 30 of the Company Act	-
Director	Ming Yeh.Cheng	Age:68 Professional: medical Related industrial experience: (medical/design) Phoebes Inc.-Editor in chief	None of the conditions indicated under Article 30 of the Company Act	-
Director	Yao-Ren Ho	Age:58 Professional: medical Related industrial experience: (medical/technology) Ti Mao Co., Ltd.-General Manager	None of the conditions indicated under Article 30 of the Company Act	-
Independent Director	Bin-Xi Lin	Age:61 Professional: medical Related industrial experience: medical Attending Physician, Division of Nephrology, Shin Kong Wu Ho-Su Memorial Hospital	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company.	no
Independent Director	Teng-Yao Hsiao	Age:68 Professional: Finance and Accounting Related industrial experience: Finance Yun Cheng CPA Firm- Accountant New Palace International Co., Ltd.-Independent Director Formosa Electronic Industries Inc.- Director	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company.	New Palace International Co., Ltd.-Independent Director
Independent Director	Yiu-Cho Chin	Age:76 Professional: Finance Related industrial experience: Finance Primax Electronics Ltd.- Senior Vice Presiden China Bills Finance Corporation- Director and General Manager China International Enterprise and Intangible Assets Evaluation and Fraud Prevention Association-Chairman Kinik Company-Senior Consultant	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company.	Pacific Hospital Supply Co.,Ltd-Independent Director

Note 1: Professional qualification and experience: specify the professional qualification and experience of each director and supervisor; for the members of the Audit Committee with accounting or finance specialty, specify their accounting or finance background and working experience, and explain if they are free from any circumstance in Article 30 of the Company Act.

Note 2: For independent directors, their conformity to the independence shall be specified, including but not limited to the shares and the weight thereof held by themselves, spouses, relatives within the second degree of kinship (or under others' names) ; serving as a director, supervisor, or employee in other companies having a specific relationship with the Company (please refer to Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remunerations by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of it in the past two years.

Note 3: Please refer to the example of best practices available on the website of TWSE's corporate governance center for the disclosure method.

1-2-1 The Company's opinions to the independence

The Company always believes that the independence of directors shall be determined based on the substantial situation, and has clearly declared so in the "Diversity Policy for Board Members." The board of directors makes all endeavors to continuously evaluate the board's independence, and considers all related factors, including: are the directors able to question the management and other directors in a constructive way; are the views they express are independent of the management and other directors, and if they behave properly in and out-of the board. The behaviors of the non-executive independent directors of the Company meet the expectations and demonstrate these traits under suitable circumstances.

(1) For the elven board members of the 12th intake (three independent directors included), as a whole, they possess the ability to make judgments about operations, accounting and financial analysis, business management, crisis management, and the international market perspectives, with the industrial experience and professional capabilities. The director who is experts in marketing management are Yi-Xun Li; the directors having significant contributions to public welfare are the Chairman; the directors with the business management expertise are the Chairman, Ming-Zhong Li, Ming Yeh.Cheng, Hsu-Yuan Li,Yao-Ren Ho and the independent director Yiu-Cho Chin. The independent director, Bin-Xi Lin, and the director, Xing Wang have medical professionalism and experience in practice, management or education. The directors, Jing-Yi Tsai, Jing-Zhong Chen and Teng-Yao Hsiao have expertise in finance, with experience in practice, management or education; The director, Hung-Ying Lee, have expertise in legal.

(2) The average tenure of the independent directors is six years. None of the independent directors took office for more than three consecutive intakes.
All the directors are Taiwanese nationals. The composition is that three independent directors for 25%; three directors serving as employees for 25%. In terms of their ages, two directors are 41-50 years old,four are 51-60 years old, ,four are 61-70 years old, one director is 71-80 years old and one is 81-90 years old. Other than the aforesaid, there is three female board members. The Company will strive to increase the proportion of female directors in the future.

(3) The diversity aspect, co-supplement, and implementation not only include, but also exceed the standards specified in Article 20 of the Company's "Corporate Governance Best Practice Principle." In the future, depending on the board operation, operating patterns, and development needs, the diversity policy is subject to addition and amendment, including but not limited to the two general standards, namely the basic requirements and values and the professional knowledge and skills, to ensure the board members generally possess the necessary knowledge, skill, and experience to perform their duties.

(II) Profile of the general manager, Vice President, associate managers, and heads of respective departments and branches

April 21, 2024

Position (Note 1)	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding in name of others		Main experience / education (Note 2)	Current positions at other companies	Managers who are the spouse or a relative within the second degree of kinship			Remarks (Note 3)
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relationship	
General Manager	Taiwan	Jin-Long Lin	Male	27.06.2022	172,926	0.25	6,260	0.01	0	0	Master, Institute of Biochemical Sciences, National Taiwan	None	None	None	None	
Senior Vice President	Taiwan	Yi-Xun Li	Male	9.12.2010	732,245	1.05	10,000	0.01	0	0	Post-graduate School of International Business, Rutgers	None	None	None	None	
Vice President	Taiwan	Jing-Yi Tsai	Female	11.9.2019	178,572	0.26	0	0	0	0	Master of Business Administration, PURDUE UNIVERSIT	None	None	None	None	

Note 1: It shall include the profile of the general manager, Vice Presidents, associate managers, and heads of the respective departments and branches, and also those whose responsibilities are equivalent to those of a general manager, Vice President, or associate manager. Everything shall be disclosed.
Note 2: For experiences related to the current position, such as working for an auditing or certifying accounting firm or an affiliated enterprise during the said period of time, the title and the responsibilities assigned shall be specified.
Note 3: When the general manager or someone charged with the equivalent responsibilities (the highest-ranking manager) and the chairman of the Company are the same person, are each other’s spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures (such as the increase in the number of independent directors and a majority of the directors who are not employees or managers, for example) shall be state

III. Remuneration Paid to Directors, Supervisors, General Managers, and Vice Presidents in the Most Recent Years

1-2-1 Remuneration for general and independent directors

Unit: NT$1,000

Positi on	Name	Remuneration for directors								Ratio of the sum of A, B, C, and D to after-tax profit (Note 10)				Related remuneration to those who are also employees								Ratio of the sum of A, B, C, D, E, F, and G to after-tax earnings (Note 10)				Claim of remuneration from re-invested businesses other than subsidiaries (Note 11)
		Reward (A) (Note 2)		Retirement and pension fund (B)		Remuneration for directors (C) (Note 3)		Operational expenditure (D) (Note 4)						Salary, Bonus, and Special expenditure (E) (Note 5)		Retirement and pension fund (F)		Remuneration for employees (G) (Note 6)								
		The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company		All companies included in the financial statement (Note 7)		The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company		All companies included in the financial statement		The Company		All companies included in the financial statement (Note 7)		
																		Cash Value	Share Value	Cash Value	Share Value					
Chairman	Ming Sheng Co., Ltd.	0	0	0	0	1,607	1,607	0	0	1,607	0.36%	1,607	0.36%	0	0	0	0	0	0	0	0	1,607	0.36%	1,607	0.36%	None
	Representative Ming-Zhong Li	0	0	0	0	0	0	12	12	12	0.00%	12	0.00%	6,916	8,896	685	685	2,690	0	2,690	0	10,303	2.28%	12,283	2.71%	None
Director	Zong Yu Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
	Representative Jing-Yi Tsai	0	0	0	0	1,071	1,071	12	12	1,083	0.24%	1,083	0.24%	3,044	3,044	0	0	1,161	0	1,161	0	5,288	1.17%	5,288	1.17%	None
Director	Yisheng Co., Ltd.	0	0	0	0	1,623	1,623	18	18	1,641	0.36%	1,641	0.36%	0	0	0	0	0	0	0	0	1,641	0.36%	1,641	0.36%	None
	Former Representative Zhong-Kai Hong Note 3	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
	Representative Hung-Ying Lee Note 3	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
	Representative Jing-Zhong Chen Note 4	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
Director	Yide Co., Ltd.	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
	Representative Hsu-Yuan Li	0	0	0	0	1,071	1,071	12	12	1,083	0.24%	1,083	0.24%	0	0	0	0	0	0	0	0	1,083	0.24%	1,083	0.24%	None
Director	Ming Sheng Co., Ltd.	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
	Representative Yi-Xun Li	0	0	0	0	1,071	1,071	0	0	1,071	0.24%	1,071	0.24%	0	0	0	0	0	0	0	0	1,071	0.24%	1,071	0.24%	None
Director	Zong Yu Investment Co., Ltd.	0	0	0	0	0	0	12	12	12	0.00%	12	0.00%	2,975	2,975	0	0	1,334	0	1,334	0	4,321	0.96%	4,321	0.96%	None
	Representative Xing Wang	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
Director	Yao-Ren Ho	0	0	0	0	1,071	1,071	12	12	1,083	0.24%	1,083	0.24%	0	0	0	0	0	0	0	0	1,083	0.24%	1,083	0.24%	None

Director	Ming Yeh.Cheng	0	0	0	0	1,071	1,071	12	12	1,083	0.24%	1,083	0.24%	0	0	0	0	0	0	0	0	1,083	0.24%	1,083	0.24%	None
Independent Directo	Teng-Yao Hsiao	421	421	0	0	0	0	60	60	481	0.11%	481	0.11%	0	0	0	0	0	0	0	0	481	0.11%	481	0.11%	None
Independent Director	Bin-Xi Lin	421	421	0	0	0	0	50	50	471	0.10%	471	0.10%	0	0	0	0	0	0	0	0	471	0.10%	471	0.10%	None
Independent Director	Yiu-Cho Chin Note4	304	304	0	0	0	0	40	40	344	0.08%	344	0.08%	0	0	0	0	0	0	0	0	344	0.08%	344	0.08%	None

1. Please clarify the payment policy, system, criteria, and structure of remuneration for independent directors and the association between factors such as responsibilities assigned, risks, and time spent, among others, and the value of the rewards paid. The remuneration for independent directors of the Company are based on the requirements in Article 196 Paragraph 1 of the Company Act. They were proposed by the Company's Remuneration Committee and reviewed by the Board of Directors before they were brought forth in the 2023 General Shareholders' Meeting to be approved. The rewards were approved by the Company's shareholders.

2. Besides those disclosed in the above table, remuneration paid to directors in the most recent year for having provided services to all companies covered in the financial statement (such as working as a consultant who is not an employee): None

Note 1: The Chairman of the Company is offered a personal car (NT$ 1.19 million) to facilitate utilization to fulfill official duties.

Note 2: The retirement and pension fund to be released was not what was actually paid.

Note 3:The former representative, Mr. Zhong-Kai Hong, resigned on January 10, 2023 and was replaced by Ms. Hung-Ying Lee.

Note 4: Mr. Yiu-Cho Chin, the independent director, and Mr. Jing-Zhong Chen, the representative, were by-elected as director on June 27, 2023.

Bracket by which remuneration are paid to individual directors of the company	Name of Director			
	Sum of the first four types of remuneration (A+B+C+D)		Sum of the first seven types of remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statement (Note 9) H	The Company (Note 8)	All companies included in the financial statement (Note 9) I
Below $1,000,000	Zong Yu Investment Co., Ltd., Yi-Xun Li, Bin-Xi Lin, Ming-Zhong Li, Zhong-Kai Hong, Hsu-Yuan Li, Teng-Yao Hsiao,Jing-Zhong Chen,Hung-Ying Lee, Yiu Cho Chin	Zong Yu Investment Co., Ltd., Yi-Xun Li, Bin-Xi Lin, Ming-Zhong Li, Zhong-Kai Hong, Hsu-Yuan Li, Teng-Yao Hsiao,Jing-Zhong Chen,Hung-Ying Lee, Yiu Cho Chin	Zong Yu Investment Co., Ltd., Bin-Xi Lin, , Zhong-Kai Hong, Hsu-Yuan Li, Teng-Yao Hsiao,Jing-Zhong Chen,Hung-Ying Lee, Yiu Cho Chin	Zong Yu Investment Co., Ltd., Bin-Xi Lin, , Zhong-Kai Hong, Hsu-Yuan Li, Teng-Yao Hsiao,Jing-Zhong Chen,Hung-Ying Lee, Yiu Cho Chin
$1,000,000 (inclusive) ～ $2,000,000 (exclusive)	Jing-Yi Tsai, Xing Wang, Yisheng Co., Ltd., Yide Co., Yao-Ren Ho, Ming Yeh.Cheng	Jing-Yi Tsai, Xing Wang, Yisheng Co., Ltd., Yide Co., Yao-Ren Ho, Ming Yeh.Cheng	Xing Wang, Yisheng Co., Ltd., Yide Co., Yao-Ren Ho, Ming Yeh.Cheng	Xing Wang, Yisheng Co., Ltd., Yide Co., Yao-Ren Ho, Ming Yeh.Cheng
$2,000,000 (inclusive) ～ $35,000,000 (exclusive)	Ming Sheng Co., Ltd.	Ming Sheng Co., Ltd.	Ming Sheng Co., Ltd.	Ming Sheng Co., Ltd.
$3,500,000 (inclusive) ～ $5,000,000 (exclusive)	None	None	Yi-Xun Li	Yi-Xun Li
$5,000,000 (inclusive) ～ $10,000,000 (exclusive)	None	None	Jing-Yi Tsai	Jing-Yi Tsai
$10,000,000 (inclusive) ～ $15,000,000 (exclusive)	None	None	Ming-Zhong Li	Ming-Zhong Li
$15,000,000 (inclusive) ～ $30,000,000 (exclusive)	None	None	None	None
$30,000,000 (inclusive) ～ $50,000,000 (exclusive)	None	None	None	None
$50,000,000 (inclusive) ～ $100,000,000 (exclusive)	None	None	None	None
Above $100,000,000	None	None	None	None
Total	17 people	17 people	17 people	17 people

Note 1: Names of directors shall be listed separately (both the name of the institution and its representative shall be listed for an institutional shareholder) and general and independent directors shall be listed separately.

Note 2: Remuneration for directors in the most recent years (including salaries for directors, differential pays, severance pays, various types of bonuses, and rewards, etc.)

Note 3: The remuneration for directors assigned as approved by the Board of Directors from the most recent year.

Note 4: Related operational expenditure incurred by directors in the most recent year (including transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind) When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate related remuneration that should be paid by the Company to the driver; the value, however, is not included herein.

Note 5: The salaries for directors, differential pays, severance pays, various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind, paid to directors who are also employees in the most recent year (including the General Manager, Vice President, other managers, and employees). When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate related remuneration that should be paid by the Company to the driver; the value, however, is not included herein. In addition, the value of compensation recognized according to IFR2 "share-based payment", including employee stock option certificate, restricted employee shares, and shares subscribed upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note 6: For directors who are also employees in the most recent year (including the General Manager, Vice President, other managers, and employees), to receive employee rewards (including stock and cash), the value of employee rewards assigned as approved by the Board of Directors from the most recent year shall be disclosed. If it is impossible to estimate the value, the value that intends to be assigned this year shall be calculated proportionally according to the actual value assigned last year and Exhibit 1-3 shall be completed.

Note 7: The total value of various types of remuneration paid to the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 8: For the total value of various remuneration paid to each director by the Company, disclose the name of the director in the respective bracket.

Note 9: The total value of various types of remuneration paid to each of the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed; the name of the director shall be disclosed in the bracket he/she belongs.

Note 10: After-tax profit refers to that shown in the individual financial statement of the most recent year.

Note 11:

a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's directors received shall be specified. (If none, indicate "N/A".)

b. If the Company’s directors received related remuneration from re-invested businesses other than the subsidiaries or the parent company, such remuneration shall be consolidated in Field I of the bracket table and the field name shall be changed to “parent company and all re-invested businesses.”
c. Remuneration are the compensation, rewards (including employees, directors, and supervisors), and payments from performing tasks received by the Company’s directors for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.
*The remuneration disclosed herein differs from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

2-2-1 Remuneration for Supervisors

The company no longer has a supervisor.

3-2-1 Remuneration for general managers and vice Presidents

Unit: NT$1,000

Position	Name	Salary (A) (Note 2)		Retirement and pension fund (B)		Bonus and Special expenditure, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Ratio of the sum of A, B, C, and D to after-tax earnings (%) (Note 8)				Claim of remuneration from re-invested businesses other than subsidiaries or the parent company (Note 9)
		The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company		All companies included in the financial statement (Note 5)		The Company		All companies included in the financial statement (Note 5)		
								Cash value	Stock value	Cash value	Stock value					
General Manager	Jin-Long Lin	3,013	3,013	500	500	1,394	1,394	1,780	0	1,780	0	1,780	1.48%	1,780	1.48%	None
Senior Vice President	Yi-Xun Li	1,944	1,944	0	0	1,031	1,031	1,334	0	1,334	0	1,334	0.95%	1,334	0.95%	None
Vice President	Jing-Yi Tsai	2,311	2,311	0	0	733	733	1,161	0	1,161	0	1,161	0.93%	1,161	0.93%	None

* Regardless of the title, any position equivalent to General Manager or Vice President(such as President, Chief Executive Officer, Executive Director, etc.) should be disclosed.
Note: The retirement and pension fund to be released was not what was actuate paid.

Remuneration bracket table

Bracket by which remuneration is paid to individual General Managers and Vice Presidents of the Company	Name of General Manager and Vice President	
	The Company (Note 6)	All companies included in the financial statement (Note 7)
Below $1,000,000	None	None
$1,000,000 (inclusive) ～ $2,000,000 (exclusive)	None	None
$2,000,000 (inclusive) ～ $35,000,000 (exclusive)	None	None
$3,500,000 (inclusive) ～ $5,000,000 (exclusive)	Jing-Yi Tsai ,Yi-Xun Li	Jing-Yi Tsai ,Yi-Xun Li
$5,000,000 (inclusive) ～ $10,000,000 (exclusive)	Jin-Long Lin	Jin-Long Lin
$10,000,000 (inclusive) ～ $15,000,000 (exclusive)	None	None
$15,000,000 (inclusive) ～ $30,000,000 (exclusive)	None	None
$30,000,000 (inclusive) ～ $50,000,000 (exclusive)	None	None
$50,000,000 (inclusive) ～ $100,000,000 (exclusive)	None	None
Above $100,000,000	None	None
Total	3 people	3 people

Note 1: Names of the general managers and vice Presidents shall be listed separately and individual payments made shall be summarized and disclosed accordingly.
Note 2: The salaries, differential pay, and severance pay of the general manager and the Vice Presidentin the most recent year shall be provided.
Note 3: Various types of bonuses, rewards, transportation, special expenditures, various allowances, dormitory, and company cars, among other supplies in kind paid to the general managers and vice Presidents in the most recent year and other remuneration shall be provided. When houses, automobiles,

and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate the related remuneration that should be paid by the Company to the driver. The value, however, is not included herein. In addition, the value of compensation recognized according to IFR2 "share-based payment", including employee stock option certificates, restricted employee shares, and shares subscribed to upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note 4: Employee remuneration (including stock and cash) distributed to general managers and vice Presidents through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally and Exhibit 1-3 shall be completed.

Note 5: The total value of various types of remuneration paid to the Company's general managers and vice Presidents by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 6: For the total value of various remuneration paid to each general manager and Vice Presidentby the Company, disclose the name of the general manager and Vice Presidentin the respective bracket.

Note 7: The total value of various types of remuneration paid to each of the Company's general managers and vice Presidents by all companies (including the Company) in the consolidated statement shall be disclosed. The name of the general manager or the Vice Presidentshall be disclosed in the bracket to which he/she belongs.

Note 8: After-tax profit refers to that shown in the individual financial statement of the most recent year.

Note 9:

a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's general managers and vice Presidents received shall be specified. (If none, indicate "N/A".)

b. If the Company's general managers and vice Presidents received related remuneration from re-invested businesses other than the subsidiaries or the parent company, such remuneration shall be consolidated in Field E of the bracket table and the field name shall be changed to "parent company and all re-invested businesses".

c. Remuneration includes the compensation, rewards (including employees, directors, and supervisors), and payments from performing tasks received by the Company's general managers and vice Presidents for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

＊The remuneration disclosed herein differ from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

3-1 Remuneration of Top 5 supervisors in terms of remuneration in TWSE/TPEx listed companies

Unit: NT$1,000

Position	Name	Salary (A) (Note 2)		Retirement and pension fund (B)		Bonus and Special expenditures, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Ratio of the sum of A, B, C, and D to after-tax earnings (%) (Note 8)				Claim of remuneration from re-invested businesses other than subsidiaries or the parent company (Note 9)
		The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company		All companies included in the financial statement (Note 5)		The Company		All companies included in the financial statement (Note 5)		
								Cash value	Stock value	Cash value	Stock value					
General Manager	Jin-Long Lin	3,013	3,013	500	500	1,394	1,394	1,780	0	1,780	0	1,780	1.48%	1,780	1.48%	None
Senior Vice President	Yi-Xun Li	1,944	1,944	0	0	1,031	1,031	1,334	0	1,334	0	1,334	0.95%	1,334	0.95%	None
Vice President	Jing-Yi Tsai	2,311	2,311	0	0	733	733	1,161	0	1,161	0	1,161	0.93%	1,161	0.93%	None
Chief Financial Officer	Yi-Zhong Huang	1,398	1,398	0	0	502	502	800	0	800	0	800	0.60%	800	0.60%	None
Senior Marketing Manager	Jia-Cheng Wu	975	975	0	0	333	333	370	0	370	0	370	0.37%	370	0.37%	None

Note 1: The so-called “Top 5 supervisors in terms of remuneration” refers to managers of the Company. As for the determination criteria, the scope of application for managers as specified in the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003 from the former Securities and Futures Commission under the Ministry of Finance applies. The “Top 5 supervisors in terms of remuneration” are determined with the sum of the salaries, retirement and pension funds, bonuses, and special expenditures of all companies included in the consolidated financial statement claimed by the managers and the remuneration for employees (that is, the sum of A+B+C+D) and those in the first five places are chosen. If a director is also one of the above-mentioned supervisors, this table and the above table (1-1) should be completed.

Note 2: The salaries, differential pay, and severance pay of the Top 5 supervisors in terms of remuneration in the most recent year shall be provided.

Note 3: Various types of bonuses, rewards, transportation, special expenditures, various allowances, dormitory, and company cars, among other supplies in kind paid to the Top 5 supervisors in terms of remuneration in the most recent year and other remuneration shall be provided. When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate the related remuneration that should be paid by the Company to the driver. The value, however, is not included herein. In addition, the value of compensation recognized according to IFR2 “share-based payment”, including employee stock option certificates, restricted employee shares, and shares subscribed to upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note 4: Employee remuneration (including stock and cash) distributed to the Top 5 supervisors in terms of remuneration through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally and Exhibit 1-3 shall be completed.

Note 5: The total value of various types of remuneration paid to the Company’s Top 5 supervisors in terms of remuneration by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 6: After-tax profit refers to that shown in the individual financial statement of the most recent year.

Note 7: a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company’s Top 5 supervisors in terms of remuneration received shall be specified. (If none, indicate “N/A”.)

b. Remuneration includes the compensation, rewards (including employees, directors, and supervisors), and payments from performing tasks received by the Company’s Top 5 supervisors in terms of remuneration for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

*The remuneration disclosed herein differ from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

3-5 Names of managers assigned with employee remuneration and the distribution

Unit: NT$1,000; March 06, 2024

	Job Title (Note 1)	Name (Note 1)	Stock value	Cash value	Total	Ratio of sum to after-tax earnings (%)
Manager	Chairman	Ming-Zhong Li	0	9,316	9,316	2.06%
	General Manager	Jin-Long Lin				
	Senior Vice President	Yi-Xun Li				
	Vice President	Jing-Yi Tsai				
	R&D Supervisor	Zong-Ming Lu				
	Marketing and Product Manager	Jia-Cheng Wu				
	Chief Financial Officer	Yi-Zhong Huang				
	Head of the Production Department	Yu-Zheng Wu				
	Corporate Governance Officer	Pei-Zhi Zhong				
	Head of Accounting	Yu-Jin Lin				

Note 1: The names and job titles of individuals shall be disclosed. The distribution of earnings, however, may be disclosed as an overview.

Note 2: Employee remuneration (including stock and cash) distributed to managers through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. After-tax profit refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, after-tax profit refers to that shown in the individual financial statement of the most recent year.

Note 3: The scope of application for managers is based on the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003 from the Commission. It is as follows:

(1) General manager and equivalent

(2) Vice Presidentand equivalent

(3) Associate manager and equivalent

(4) Head of Finance

(5) Head of Accounting

(6) Other people taking care of management and with the right to give a signature

Note 4: If the director, general manager, and Vice Presidentclaim remuneration for employees (including stock and cash), besides Exhibit 1-2, this table shall be completed, too.

(IV) Compare and describe separately the analysis of ratios of the total remuneration paid to directors, supervisors, general managers, and vice Presidents of the Company for the past two years by the Company and all companies in the consolidated statement to after-tax earnings indicated in the entity or individual financial statements and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future.

4-1. Analysis of ratios of the total remuneration paid to directors, supervisors, general managers, and vice Presidents of the Company for the past two years by the Company and all companies in the consolidated statement to after-tax earnings indicated in the entity or individual financial statements

Year	Ratios of the total remuneration to after-tax earnings indicated in the entity or individual financial statements (Note 1)			
Position	2022		2023	
	The Company	All companies in the consolidated statement	The Company	All companies in the consolidated statement
Director	2.04%	2.04%	2.44%	2.44%
Supervisor	0.27%	0.27%	0%	0%
Chairman, General Manager, and Vice President	5.29%	5.65%	5.63%	6.07%
Total	7.60%	7.96%	8.07%	8.51%

Note 1: The after-tax earnings in the entity financial statements of 2022 and 2023 were NT$ 493,540,000and NT$ 452,550,000, respectively.

Note 2: The Company’s Board of Directors approved on March 06, 2024 the distribution of remuneration for employees for 2023 worth NT$ 30,179,362 and those for directors worth NT$ 9,657,396 and the decision was reported during the 2024 General Shareholders' Meeting.

4-2. Correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future

(1) Remuneration for directors and supervisors can be divided into three categories, namely compensation, rewards, and payments from performing tasks.

The remuneration paid to the directors and supervisors are based on the requirements in Article 20 of the Company’s Articles of Incorporation: “The company shall appropriate no less than 5% of its earnings as remuneration to its employees and no more than 1.6% of its earning as remuneration to the directors and supervisors, if applicable. The Company shall appropriate the loss carried forward for write-offs, if applicable.” Once prepared by the Remuneration Committee, they are to be brought forth for discussions and approved by the Board of Directors and then reported during the shareholders' meeting. The Remuneration Committee and the Board of Directors shall take into consideration the extent of involvement in the Company's operations and the contributions of individuals while deciding reasonable rewards.

The evaluation items and percentages for directors' remuneration are as follows:

A. Operational performance: taking an 8.31% decrease in operating income and a 5.21%

decrease in after-tax earnings in 2023 into consideration as a whole.

B. Peer level: by reference to the average remuneration paid to directors by public companies nationwide (e.g. Pacific Hospital Supply).

Based on the above evaluation items, the directors' remuneration decreased by 8.46% (independent directors did not participate in the distribution of remuneration to directors). However, as the remuneration of independent directors was adjusted with reference to the peer level, the overall remuneration increased.

(2) The assignment, dismissal, and rewards of general managers and vice Presidents of the Company are approved by the Board of Directors.

The remuneration of managers includes fixed salary and variable salary. The salary of managers is determined based on the salary in the human resources market in Taiwan, and the salary and benefit policies of industries and companies of the same nature. The determination of the salary of managers to be employed shall consider their job titles, job grades, education (experience), professional skills, and responsibilities.

Factors that link a manager's variable salary to performance include:

A. Financial performance indicators: 8% growth in revenue and profit, budget target achievement rate, and 15% growth in the return on equity for shareholders.
B. Talent cultivation: cultivation of 6 elite employees, employee retention rate, and learning and improvement achievement rates.
C. Quality and risk: compliance with laws and regulations.
D. The Company's core values/functions: the practice of integrity, diligence, and frugality.
E. Engagement in ESG development and activities.
F. Achievement rate of projects.

(3) Correlation with risks in the future

Since the Company is in the medical device business that features a high entry threshold and non-drastic changes, and the Company is currently in a stable condition financially without investments in any high-risk financial instruments or derivative financial instruments, and has no outstanding deficits from before, overall, the operational risk of the Company in the future is relatively insignificant. Therefore, compensation payment is not included as part of the risks in the future.

IV. Implementation of Corporate Governance

(I) Operational Status of the Board of Directors

The Board of Directors met 4 times (A) in the most recent year (2023). Attendance of directors and supervisors in the meetings is as follows:

Position	Name (Note 1)	Actual attendance (seated) frequency(B)	Attendance through proxy	Actual attendance (seated) ratio (%) (B/A) (Note 2)	Remarks
Chairman	Ming-Zhong Li	4	0	100%	
Director Note2-1	Yisheng Co., Ltd. Former Representative: Zhong-Kai Hong	0	0	100%	Resigned on January 10, 2023
Director Note2-1	Yisheng Co., Ltd. Representative:Hung-Ying Lee	4	0	100%	Appointed on January 10, 2023
Director Note2-2	Yisheng Co., Ltd. Representative :Jing-Zhong Chen	2	0	100%	By-elected on June 27,2023
Director	Yide Co., Ltd. Representative: Hsu-Yuan Li	4	0	100%	
Director	Zong Yu Investment Co., Ltd. Representative: Jing-Yi Tsai	4	0	100%	
Director	Ming Sheng Co., Ltd. Representative: Yi-Xun Li	4	0	100%	
Director	Zong Yu Investment Co., Ltd. Representative: Xing Wang	4	0	100%	
Director	Ming Yeh.Cheng	4	0	100%	
Director	Yao-Ren Ho	4	0	100%	
Independent Director	Teng-Yao Hsiao	4	0	100%	
Independent Director	Bin-Xi Lin	4	0	100%	
Independent Director Note2-2	Yiu-Cho Chin	2	0	100%	By-elected on June 27,2023

Other details to be documented:

1. When the operation of the Board of Directors is found to have one of the following conditions, the date, session No., details of proposals, opinions of all independent directors and how the Company handles the opinions shall be stated:
   (I) Matters listed in Article 14-3 of the Securities Exchange Act: Please refer to “Opinions about or Decisions Made about Important Proposals of Independent Directors” on Page 42 of this Annual Report.
   (II) Besides the foregoing, other resolutions reached in Board of Directors’ meetings objected to or with reservations expressed by independent directors that are recorded or documented in written statements: None.
2. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, details of the proposal, reason for the recusal, and participation in the voting process shall be described: None
3. TWSE/TPEx listed companies shall disclose the evaluation cycle and duration, and scope, approach, and content of the evaluation, among other information, of the reviews performed independently by the Board of Directors or peer reviews and complete the implementation status of Board of Directors reviews in Exhibit 2(2): Please refer to “The Board of Directors Evaluation and Implementation Status” on Page 43 of this Annual Report.

4.	Reinforced assessments of functional objectives of the Board of Directors (e.g. to set up the Audit Committee and to enhance information transparency, among others) and implementation status of the objectives of the immediate year and the most recent year: The Company will work harder in enhancing the quality, transparency, and time-efficiency of information disclosure. The implementation is satisfying so far.

Note 1: When directors and supervisors are corporations, the name of the institutional shareholder, its representative, and the name shall be disclosed.

Note 2:

(1) In the event that directors or supervisors resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The actual attendance (seated) ratio (%) is calculated by the number of Board of Directors meetings held during service and the actual attendance (seated) in the meetings.

(2) In the event that directors or supervisors are re-elected before the end of a fiscal year, both the new and old directors and supervisors shall be listed and whether one is new or old or is serving a second term and the date of the re-election shall be indicated in the remarks field. The actual attendance (seated) ratio (%) is calculated by the number of Board of Directors meetings held during service and the actual attendance (seated) in the meetings.

Note 2-1: Yisheng Co., Ltd.,the former representative, Mr. Hong Zhong-Kai, resigned on January 10, 2023 and was replaced by Ms. Li Hong-Ying.

Note 2-2: Mr. Yiu-Cho Chin, the independent director, and Mr. Jing-Zhong Chen, the representative, were by-elected as director on June 27, 2023.

The implementation status of the current year and the opinions about or decisions made about important proposals of independent directors are based on the requirements under Article 14-3 of the Securities Transaction Act.

Date of meeting	Important decisions made	Opinions about or decisions made about important proposals of independent directors
March 9, 2023	1. Approved the recognition of the Company's 2022 "Internal Control System Statement" 2. Approved the recognition of the Company's 2022 Financial Statement. 3. Approved the Company's Business Report. 4. Approved Change of CPA for internal adjustments. 5. Approved proposed audit fees of attesting CPAs. 6. Approved the reviewed list of candidates for the by-election of board members for the 12th term. 7. Approved proposed amendments to the " meeting policy of the Company's Board of Directors ".	No opinions expressed by independent directors; Approved by all attending directors in the specific Board of Directors' meeting unanimously.
May 9, 2023	1. Approved lending to an important subsidiary, BIOTEQUE MEDICAL PHIL. INC. (the Philippines). 2. Approved appointment of a Corporate Governance Officer.	No opinions expressed by independent directors; Approved by all attending directors in the specific Board of Directors' meeting unanimously.
August 9, 2023	1. Approved the appointment of a Information Security Officer. 2. Approved the proposal for reappointment of the Head of Accounting. 3. Approved the appointment of the chief internal auditor of the company.	No opinions expressed by independent directors; Approved by all attending directors in the specific Board of Directors' meeting unanimously.
November 9 ,2023	1. Approved the 2024 Audit Plan. 2. Approved the Audit Plan of the Company's key subsidiary BIOTEQUEUE MEDICAL PHIL. INC. (BMPI) for 2024. 3. Rejected an additional adjustment of the remuneration to be distributed to managers. 4. Approved the liquidation of Zhong-De Investment Co., Ltd. and BIOTEQUE MEDICAL CO., LTD (SAMOA).	Except for Proposal 3, where more than two-thirds of all directors disagreed with the additional adjustment of managers' remuneration, all the proposals were

Date of meeting	Important decisions made	Opinions about or decisions made about important proposals of independent directors
		passed unanimously by all attending directors at the board meeting.

Notes: Except for the above-said proposals, the other proposals not approved by the Audit Committee but resolved with the consent of more than half of all the directors: none.

The Board of Directors Evaluation and Implementation Status

Evaluation Cycle	Period	Scope of Evaluation	Evaluation Methodology	Evaluated Content
Annual	January 1 to December 31, 2023	Board of Directors	Internal self-evaluation by the Board of Directors	Participation in Company operations, decision-making quality of the board of directors, composition and structure of the Board of Directors, selection and continuous education of Directors, and internal control measures
Annual	January 1 to December 31, 2023	Audit Committee	Self-evaluation by the Committee	The level of participation in company operations, understanding of the responsibilities, decision-making quality, composition and election of members and internal controls.
Annual	January 1 to December 31, 2023	Compensation Committee	Self-evaluation by the Committee	The level of participation in company operations, understanding of the responsibilities, decision-making quality, composition and election of members and internal controls.
Annual	January 1 to December 31, 2023	Individual Directors	Self-evaluation by Directors	Grasp of Company goals and undertakings, awareness of Directors' responsibilities, participation in Company operations, internal stakeholder relationship management and communication, Directors' professional and continuous education, internal control measures

Note 1: Specify the execution cycle of the board evaluation, e.g. once a year.

Note 2: Specify the covered period of the board evaluation, e.g. evaluate the board performance from January 1, 2019 to December 31, 2019.

Note 3: The evaluation scope includes the board of directors, individual board members, and the functional committees' performance.

Note 4: The evaluation methods include internal evaluation of the board, self-evaluation by the board members of themselves or peers, peer evaluation, and evaluation by an appointed external professional institution and experts, or other methods deemed appropriate.

Note 5: Based on the evaluation scope, the evaluation shall include at least the following:

(1) Performance evaluation for the board of directors: at least including participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control.

(2) Individual board member’s performance evaluation: at least including alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.

(3) Functional committees’ performance evaluation: at least including participation in the operation of the company; awareness of the duties of the functional committee; improvement of quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.

(II) Operation Status of the Audit Committee

1. The Audit Committee of the Company was set up on June 15, 2022, and it has three members.
2. The tenure of the Audit Committee: from June 15, 2022, to June 14, 2025.
3. The Audit Committee met 4 times in 2023, and the attendance of the independent directors at the meetings was shown as follows:

Position	Name (Note 1)	Actual attendance (seated) frequency (B)	Attendance through proxy	Actual attendance (seated) rate (%) (B/A) (Note 2)	Remarks
Convener	Teng-Yao Hsiao	4	0	100%	
Committee member	Bin-Xi Lin	3	0	75%	
Committee member	Yiu-Cho Chin	2	0	100%	By-elected on June 27,2023

Other details to be documented:

1. If the operation of the Audit Committee has any of the following circumstances, the date and session of the meeting of the Audit Committee, content of the proposals, opposing opinions, reserved opinions or major recommended items from the independent directors, resolution results of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated.

(1) The items listed in Article 14-5 of the Securities Exchange Act:

Please refer to "Opinions or Resolution Results of the Independent Directors on Major Proposals" on Page 42 of the Annual Report.

(2) Except for the aforementioned items, other resolution items that were approved by the Audit Committee but not consented by more than two-thirds of all the directors:

Please refer to "Opinions or Resolution Results of the Independent Directors on Major Proposals" on Page 42 of the Annual Report.

2. If the independent directors avoid interest related proposals in certain circumstances, the name of the independent directors, the content of the proposals, the reasons for avoidance of the interest related proposals, and the participation in voting shall be stated: None.

3. Communication between the independent directors and head of the internal audit and accountants (including major items, methods, and results of communication regarding the Company's financial and business conditions):

(1) Communication items between the Audit Committee and the head of audits for 2023:

Date	Content	Communication Methods	Communication Results
2023/3/8	Business report of the head of audits	The head of audits reported the audit results to the independent directors	No opinion
2023/5/9	Business report of the head of	The head of audits reported the audit results to the independent directors	No opinion

	audits		
2023/8/9	Business report of the head of audits	The head of audits reported the audit results to the independent directors	No opinion
2023/11/9	Business report of the head of audits	The head of audits reported the audit results to the independent directors	No opinion

The head of audits communicates with the independent directors monthly through the audit reports. Through meetings of the Audit Committee, the execution status of the audit business will be reported at least once a quarter. If there are any special circumstances, they will also be promptly reported to the members of the Audit Committee. As of the date of publication of the Annual Report, there were no special circumstances mentioned above. The communication between the Audit Committee and the head of internal audits of the Company is good.

(2) Communication items between the Audit Committee and accountants for 2023:

Date	Content	Communication Methods
2023/3/8	1. The accountants made an explanation of the financial and profit and loss conditions for the 4th quarter of 2022, and discussed some issues related to the application of part of the accounting standards. 2. The accountants discussed and communicated on the issues raised by attendees.	No opinion
2023/5/9	1. The accountants made an explanation of the financial and profit and loss conditions for the 1st quarter of 2023, and discussed some issues related to the application of part of the accounting standards. 2. The accountants discussed and communicated on the issues raised by attendees.	No opinion
2023/8/9	1. The accountants made an explanation of the financial and profit and loss conditions for the 2th quarter of 2023, and discussed some issues related to the application of part of the accounting standards. 2. The accountants discussed and communicated on the issues raised by attendees.	No opinion
2023/11/9	1. The accountants made an explanation of the financial and profit and loss conditions for the 3th quarter of 2023, and discussed some issues related to the application of part of the accounting standards. 2. The accountants discussed and communicated on the issues raised by attendees.	No opinion

The Company's certified public accountants communicated with the Audit Committee on some items, including the audit or review results of the current quarterly financial report, scope and scheduling of the audit or review, major findings, declaration of independence in the Codes of Professional Ethics for Certified Public Accountants, already complied with by the personnel who are subject to regulations on independence in a firm which the certified public accountants belong to, and decisions on key audit items which shall be communicated in the financial reports, impact of amendments to the laws and regulations on the Company, etc. If there are any special circumstances, they will also be promptly reported to the members of the Audit Committee. As of the date of publication of the Annual Report, there were no such special circumstances. The communication between the Audit Committee of the Company and the certified public accountants was good.

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

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(I) Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	■		The Company has established its corporate governance principles and they are disclosed on the Company's website and the MOPS.	No major deviations
(II) Shareholding structure & shareholders' rights				
1. Does the company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures?		■	Despite the fact that the Company does not have an internal operating procedure in place, the spokesperson system has been established as required. In cases of recommendations from shareholders or disputes, among others, throughout the Group, the Company's spokesperson will help address them.	No major deviations
2. Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	■		Changes in the shareholding status of directors, managers, and large shareholders with a holding ratio of 10% and above of the Company are all declared on a monthly basis as required by law.	No major deviations
3. Has the company established and implemented risk management and firewall mechanisms with its associated enterprises?	■		The risk control mechanism and firewalls of the Company are handled as required by the Company's Regulations for the Management of Subsidiaries and applicable laws and regulations.	No major deviations
4. Has the company established internal rules against insiders trading with undisclosed information?	■		The Group follows all applicable requirements and updates the related information and communicates on information from time to time in honor of the ethical corporate management principle. The Company has established internal corporate governance regulations that prohibit insiders of the Company from using any information not disclosed in the market to buy or sell securities.	No major deviations
(III) Composition and Responsibilities of the Board of Directors			(1) The diversification policy in the composition of the	No major

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Has the Board of Directors developed and implemented a diversified policy for the composition of its members?	■		Company's Board of Directors is defined in its corporate governance principles and disclosed on the Company's website. It covers: The Board of Directors shall consist of members that generally possess the required knowledge, skills, and attainments to perform their duties. In order to fulfill the ideal goals for corporate governance, the Board of Directors as a whole shall be capable of the following: making judgment about operations, accounting and financial analyses, operational management, crisis management, industrial knowledge, international market views, leadership, and decision-making. The Company's Board of Directors consists of diversified members. Refer to Page 51 of the Annual Report (Note 1) for how the Company consolidates its diversification policy in the composition of its Board of Directors. (2) Among the directors of the Company, independent ones account for 25% and directors who are also employees account for 25%. One of the independent directors has served on the Board of Directors for less than 1 to 3 years and one for less than 6 to 9 years. The Company attaches great importance to gender equality in the composition of its directors. At present, there are two female directors, and the target is to have at least three female directors.	deviations
2. Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee that are established as required by laws?		■	The Company does not have any other functional committee yet and such committees will be set up reflective of the actual demand in the future.	The Company will set up such units reflective of actual demand in the future.
3. Has the company established standards and method for evaluating	■		According to the "Board Performance Evaluation Measures and	No major

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
the performance of the Board of Directors, and does the Company implement the performance evaluation periodically and submit results of the performance evaluation to the Board of Directors, and use them for reference while deciding compensation and rewards for individual directors and nominating them for a second term in office?			Procedures" established by the Company's Board of Directors, it is specified that the Board of Directors shall conduct performance evaluations on the Board of Directors, board members, Remuneration Committee, and Audit Committee at least once a year. When the internal evaluation ends for each year, the current year's performance evaluation shall be conducted in accordance with the Measures. The measurement items for the performance evaluation of the Company's Board of Directors include the following five aspects: (1) Level of participation in company operations. (2) Improvement on the quality of board decision-making. (3) Composition and structure of the Board of Directors. (4) Election and continuing education of directors. (5) Internal control. The measurement items for the performance evaluation on board members include the following aspects: (1) Understanding for the Company and awareness of duty. (2) Level of participation in company operations. (3) Profession and continuing education of directors. (4) Internal control. The measurement items for the performance evaluation on the Remuneration Committee include the following aspects: (1) Level of participation in company operations. (2) Improvement of the decision-making quality of the Remuneration Committee. (3) Composition and structure of the Remuneration Committee. (4) Election of members. The measurement items for the performance evaluation of the Audit Committee include the following aspects: (1) Level of participation in company operations. (2) Improvement of the decision-making quality of the Audit Committee.	deviations

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
4. Does the company regularly evaluate the independence of CPAs?	■		(3) Composition and structure of the Audit Committee. (4) Election of members. The performance evaluation results for 2023 were submitted to the Board of Directors on March 6, 2024. Please refer to the "Evaluation Cycle and Period, Scope, Methods, and Content of the Board of Directors' Self-Evaluation" on Page 42 of the Annual Report. The Audit Committee of the Company evaluates the independence and competence of the certified public accountants belonging to it annually. In addition to requiring the certified public accountants to provide an "Absolute Independence Declaration" and "Audit Quality Indicators (AQIs) ", the Audit Committee also evaluates them in accordance with the standards in Note 2 and the 13 AQI indicators. It has been confirmed that the accountants and the Company have no other financial interests or business relationships except for fees for certification and financial and tax cases. The family members of the accountants also do not violate the independence requirements. Based on the information about the AQI indicators, it has been confirmed that the accountants and the firm have more excellent audit experience and receive more hours' training than the average level of peers. In addition, in the past three years, digital audit tools were continuously introduced to improve audit quality. The evaluation results for the most recent year were discussed and approved by the Audit Committee on March 6, 2024, and submitted to the Board of Directors on March 6, 2024, for approval of the evaluation of the independence and competence of the accountants. Refer to Page53 of the Annual Report.	No major deviations
(IV) For TWSE/TPEx listed companies, is there an exclusive	■		On May 9, 2023, the Company's Board of Directors approved the	No major

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(combined) unit or person for corporate governance to take charge of related matters (including without limitation providing directors and supervisors with materials required for them to carry out their tasks, taking care of Board of Directors' meetings and shareholders' meetings as required by law, registering the company and changing registered information, preparing the minutes of Board of Directors' meetings and shareholders' meetings)?			appointment of a Head of Corporate Governance to assist in providing the Company's directors with necessary information for them to perform their duties (such as: arrangements for board meetings and shareholders' meetings, directors' continuing education, and directors' compliance with and education on laws and regulations)	deviations.
(V). Has the company established a communication channel and build a designated section on its website for stakeholders (including, without limitation, shareholders, employees, customers, and suppliers, etc.) and properly respond to corporate social responsibility issues that stakeholders are concerned about?	■		The Company publishes operation information as required by applicable laws and regulations in order to protect the rights of stakeholders and the Company has the spokesperson system in place as required to address related issues. There is also the dedicated section for stakeholders on the Company's website where issues concerning stakeholders are properly responded to.	No major deviations
(VI) Does the company designate a professional shareholder service agency to deal with affairs relating to shareholders meetings?	■		The Company authorizes the Registrar of President Securities Corporation to deal with them.	No major deviations
VII. Disclosure of Information (I) Has the company established a corporate website to disclose information regarding its financial, business and corporate governance status?	■		The Company has set up its own website; investors may get information about the Company through the MOPS or the Investor section on the Company's website.	No major deviations
(II) Does the company adopt other ways of disclosing information (e.g., maintaining an English website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	■		The Company has assigned persons in charge of the respective units to take responsibility or disclosing the Company's information as required by law to hopefully disclose information impacting decisions made by shareholders and stakeholders in real time and has assigned suitable people to serve as spokespersons and acting spokespersons as required by law.	No major deviations
(III) Does the Company announce and declare its Annual Financial Statement within 2 months after a fiscal year ends and announce and declare the financial statements for the first, second, and third	■		The Company announces respective major financial information and news by the deadline given by the competent authority.	No major deviations

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
quarters and the operational status of each month by the required deadline?				
(VIII) Is there any other important information available to facilitate a better understanding of the company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	■		(I) Employee rights and care: The Company was established nearly 20 years ago and has now quite a few senior employees, which reflects not only the fact that the Company offers benefits comparable to the average level in the industry but also that the Company's employment system and workplace meet regulatory criteria and that the employer and its employees are communicating with each other well. As a result, the employer and its employees are getting along and growing together. Senior employees are willing to stay with the Company and work for it, too. (II) Investor relations: Public information of the Company is disclosed on the MOPS as required by law in order to protect the rights of investors. (III) Supplier relations: The Company keeps communication channels open for suppliers and maintains a good relationship with them. (IV) Rights of stakeholders: Communication channels between the Company and its staff, customers, suppliers, and current banks have been open and available. The Company respects the legitimate rights of these parties. In addition, the Company has assigned a registrar to help address issues concerning shareholders. (V) Risk management policy and risk evaluation criteria: The Company has not set up a special unit to take charge of related risk management and risk evaluation tasks in the Company. As part of respective internal control tasks, however, the approval power is available over the review of respective forms and respective departments are following requirements. There is also the audit unit to inspect the internal control system of the Company periodically and from time to time and submit a	No major deviations

Evaluation item	Operational status (Note)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			report accordingly. (VI) Implementation status of customer policies: There is a system available for customer relations management (CRM) under the Sales Department of the Company to centrally manage tasks and maintain related data with customers, keep communication channels with customers open, and maintain a good relationship. (VII) Purchase of liability insurance for directors and supervisors: The Company has had directors and supervisors covered in the liability insurance and it is specified in the Articles of Incorporation.	
(IX) Explain improvements made according to corporate governance evaluation results released in the most recent year by the corporate governance center of Taiwan Stock Exchange and provide priorities to be reinforced and measures among those pending improvements: None.				

Note: Whether "Yes" or "No" is checked for operational status, it shall be specified in the Summary field.

Note 1: Fulfillment of the diversification policy regarding the composition of the Company's Board of Directors

	Gender	Making judgment about operations	Accounting and financial analyses	Operational management	Crisis management	Industrial knowledge	International market views	Leadership	Decision-making
Ming Sheng Co., Ltd. Representative :Ming-Zhong Li	Male	V	V	V	V	V	V	V	V
Zong Yu Investment Co., Ltd. Representative: Jing-Yi Tsai	Female	V	V	V		V	V	V	V
Yisheng Co., Ltd. Representative: Jing-Zhong Chen	Male	V	V	V				V	V
Yisheng Co., Ltd. Representative: Hung-Ying Lee	Female	V		V	V	V	V	V	V

Yide Co., Ltd. Representative: Hsu-Yuan Li	Male	V	V	V	V	V	V	V	V
Ming Sheng Co., Ltd. Representative :Yi-Xun Li	Male	V	V	V	V	V	V	V	V
Zong Yu Investment Co., Ltd. Representative: Xing Wang	Male	V	V	V	V	V	V	V	V
Ming Yeh.Cheng	Female	V	V	V	V	V	V	V	V
Yao-Ren Ho	Male	V	V	V	V	V	V	V	V
Teng-Yao Hsiao	Male	V	V	V	V	V	V	V	V
Bin-Xi Lin	Male	V	V	V	V	V		V	V
Yiu-Cho Chin	Male	V	V	V	V		V	V	V

Note 2: 2024 CPA Independence and Competency evaluation Form

KPMG/ CPAs Ming-Hung Huang and Chia-Chien Tang

Evaluation item	Assessment outcome	Remarks
1. The CPA is not directly or indirectly related to the Company in terms of financial interest.	True	
2. The CPA is not in a major close business relationship with the Company.	True	
3. The CPA was not in a potential employer-employee relationship with the Company at the time of audit.	True	
4. The CPA is not related to the Company in terms of money lending.	True	
5. The CPA has not received any offering or gift of significant value from the Company and the Company's directors and managers (the value exceeds the ordinary social etiquette level).	True	
6. The CPA has not provided the Company with audit service for seven years in a row.	True	
7. The CPA does not hold the Company’s shares.	True	
8. The CPA, his/her spouse or dependent or audit team did not serve as the director or manager of the Company or hold a position with a major influence on cases being audited during the audit period or over the past two years and surely will not hold any of the above-mentioned positions during audit periods in the future.	True	
9. The CPA already meets applicable requirements about independence as stated in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 and the Independence Declaration of the CPA has been obtained.	True	
10. The certified public accountants and auditors have sufficient audit experience to carry out the audit work. (AQI indicators - professionalism)	True	
11. The firm has sufficient quality control resources, including risk management and audit professional consultants, etc., to support the audit team. (AQI indicators - quality control)	True	
12. The proportion of non-audit services provided by the firm to individual clients does not affect its independence. (AQI indicators - independence)	True	
13. The quality control and audit cases of the firm are carried out in accordance with the relevant laws and standards. (AQI indicators - supervision)	True	
14. The firm is committed to improving audit quality, including adopting or planning programs or investments related to the improvement of audit quality. (AQI indicators - innovation ability)	True	

After evaluation, the authorized CPAs are not found with any conditions in the above-mentioned independence evaluation sand hence their independence may be confirmed. The credibility of produced Financial Statement as expressed by them is free of issues.

(IV)Composition, Responsibilities, and Operations of the Remuneration Committee, If Available

(1) Membership of Remuneration Committee

Position (note 1)	Requirement / name	Professional qualification and experience (Note 1)	Fulfillment of independence (Note 2)	Number of other public offering companies with part-time membership in their Compensation Committee
Independent Director	Teng-Yao Hsiao	Information of Directors (I) on Page29.	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company	NO
Independent Director (Convener)	Bin-Xi Lin	Information of Directors (I) on Page 29	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company	NO
Independent Director	Yiu-Cho Chin	Information of Directors (I) on Page 29.	The Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company	NO

Note 1: Please specify the tenure of related works, professional qualification and experience, and independence of each member of the Remuneration Committee in the table. If the member is an independent directors, it may indicate to refer to the content of Schedule 1, Information of Directors and Supervisors (I) on Page 29. Please specify their identities as independent directors or other (in case of convener, please remark).

Note 2: Professional qualification and experience: specify the professional qualification and experience of each member of the Remuneration Committee.

Note 3: The conformity to the independence requirement: Specify the conformity of the Remuneration Committee members to independence, including but not limited to the shares and the weight thereof held by themselves, spouses, relatives within the second degree of kinship (or under others' names) ; serving as a director, supervisor, or employee in other companies having a specific relationship with the Company (please refer to Subparagraphs 5-8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remunerations by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of it in the past two years.

Note 3-1: As required for being listed, the Company has obtained the written declaration of each non-executive independent director, confirming the independence of themselves and the immediate families relative to the Company

Note 4: Please refer to the example of best practices available on the website of TWSE’s corporate governance center for the disclosure method.

(2) Information on the operational status of the Remuneration Committee

I. The Company's Remuneration Committee has 3 members in total.

II. Current members will serve from June 15, 2022 to June 14, 2025. The Compensation Committee met 2 times (A) in the most recent year. Qualification and attendance of members are as follows:

Position	Name	Actual seated frequency (B)	Attendance through proxy	Actual attendance (seated) (%) (B/A) (Note)	Remarks
Convener	Bin-Xi Lin	2	0	100%	
Committee member	Teng-Yao Hsiao	2	0	100%	
Committee member	Yiu-Cho Chin	2	0	100%	

Other details to be documented:

I. If the Board of Directors does not accept or modifies suggestions provided by the Remuneration Committee, the date of the Board of Directors meeting, the session number, contents of the proposal, decisions made by the Board of Directors, and management of opinions from the Remuneration Committee by the Company should be stated (If the compensation and rewards approved by the Board of Directors are superior to those advised by the Remuneration Committee, there should be descriptions of the differences and reasons considered): None.

II. For decisions made by the Remuneration Committee, as long as there are members objecting or having reservations that are recorded or stated in writing, the date of the Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: None.

III. Contents of proposals and decisions made by the Remuneration Committee and the Company's handling of opinions from the Remuneration Committee:

Remuneration Committee meeting	Contents of the proposal	Decision	The Company's handling of opinions from the Remuneration Committee
Fifth Intake No. 2 13.02.2023	1. Outcomes of the board and individual member's performance evaluation 2. Distribution of the Company's remuneration to its managers, employees, and directors and supervisors in 2022. 3. Distribution of 2022 year-end bonuses to the Company's managers.	They were approved by the Committee unanimously.	They were approved by all attending directors of the Board of Directors.
Fifth Intake No. 3 05.10.2023	1. Determination of the remuneration of the marketing and product manager concurrently serving as the quality management representative, the PRRC, the new Head of Corporate Governance, and the new Head of Accounting. 2. Distribution of the Company's remuneration to its managers	1.They were approved by the Committee unanimously. 2.After minor revisions made by the committee, the proposal was approved by all members.	1. Approved by all directors present at the board meeting. 2. Additional adjustment of managers' remuneration was rejected by all directors present at the board meeting through voting.

Notes:

(1) In the event that members of the Remuneration Committee resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The actual attendance ratio (%) is calculated by the number of Remuneration Committee meetings held during service and the actual attendance frequency in the meetings.

(2) In the event that members of the Remuneration Committee are re-elected before the end of a fiscal year, both the new and old members of the Remuneration Committee shall be listed and whether one is new or old or is serving a second term and the date of the re-election shall be indicated in the remarks field. The actual attendance ratio (%) is calculated by the number of Remuneration Committee meetings held during service and the actual attendance frequency in the meetings.

(V) The state of the company's implementation of promoting sustainable development, any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance.

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	■		In order to promote sustainable development, the Company set up a sustainable development project team in 2022, which was the highest level center for sustainable development decision-making within the Company. The Chairman served as the chairperson, and the General Manager served as the director general of the sustainable development executive team, which was composed of a number of senior executives in different professional fields to review the Company's core operating capabilities and plan the sustainable development schedule. The sustainable development executive team carried out the ESG policy of the Board of Directors as a communication platform for upper/lower integration and horizontal connection across departments. In 2023, the quarterly board meeting reviewed the implementation progress according to the schedule. According to the greenhouse gas verification schedule planned, in 2022, the Company must obtain the certification of ISO 14051 Material Flow Cost Accounting. With the guidance of the China Productivity Center, the Company obtained the certification of ISO 14051 Material Flow Cost	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Accounting in December 2022. In 2023, the Company will cooperate with and be guided by the China Productivity Center to establish an ISO 14064 Management System according to the greenhouse gas verification schedule. In 2023, the Company planned a greenhouse gas verification schedule. With the guidance of the China Productivity Center, we completed verification under the ISO 14064-1 management system in December 2023 and obtained a certificate in January 2024 (coverage: Yilan Plant).	
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the Company's operations under the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)		■	1. The Company formulated its "Operational Procedures for Preventing Insider Trading", "Operational Procedures and Guidelines for Ethical Conduct", and "Self-assessment Procedures for Internal Control Systems", aiming at the implementation of risk management policies. Additionally, their contents are formulated in accordance with the relevant government regulations. 2. The Company will, under the materiality principle, perform risk assessments and establish strategies on environmental, social, and corporate governance issues related to the Company's operations, and they are described below, respectively.	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			(see nested table below)	

Environment	Climate Change	Continuously promoting the planning, scheduling, implementation, and development of the Company's sustainable development roadmap.
Society	staff life	We regularly hold labor management meetings in accordance with labor-related laws and regulations, including the Labor Standards Act and the Act on Gender Equality Employment, etc, to discuss and resolve related issues. We adhere to adopting employee work rules as the management basis, and continuously update and amend them.
	Labor safety	1. We have established a safety and health management unit to handle labor safety and health management matters and implement automatic inspection and workplace measurement; we continue to improve various safety and health measures to create a safe, healthy, comfortable and friendly work environment. 2. Regularly reviewing changes in laws, evaluating the potential impact on the Company, and amending relevant regulations pursuant to internal control procedures. Holding orientation for new employees and regular training for incumbent employees. Periodically disinfecting work environment, providing occupational safety protection equipment and arranging regular health checkup for employees.
Corporate governance	Regulatory compliance	1.Implementing corporate governance, internal control system and internal audit system 2. When conducting education and training for our

Evaluation item	Operational status (Note 1)					Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					colleagues, regularly publicizing the Code of Ethical Conduct, and in order to strengthen knowledge for laws and regulations related to job duties, encouraging our employees to participate in seminars or training courses organized by the competent authorities. 3.The auditors conduct audits based on major cycles and important operations to confirm the performance status of colleagues' business and reduce the risk of illegal acts. 4.The management shall always pay attention to changes in important domestic and foreign policies and laws, and be aware of and respond to changes in the market environment.	
				Intellectual property rights protection	1. Continuously implementing internal review mechanisms for patent applications, intellectual property concepts, and training for protection of trade secrets to protect the Company's research and development results and technologies. 2. There is an inseparable relationship between technology innovation and patent acquisition. When acquiring new R&D technology, our employees are encouraged to apply for patents in a timely manner to ensure the competitive advantages of R&D. 3. Entering into employment contracts with the employees, specifying the ownership of intellectual property rights and confidentiality clauses to avoid the disclosure of research and development results and trade secret.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operational status (Note 1)</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td></td></tr><tr><td></td><td>Information security protection</td><td>1. In terms of physical protection for information security, continuously optimizing the multi-layer protection framework for software and hardware, including password complexity check, antivirus on both host- and user-end, network behavior management, protection against malicious websites, firewall, server data backup, data encryption, network IP management and etc. Exploiting various information security control techniques to effectively protect the Company’s intellectual property and trade secrets
2.In order to improve information security awareness of our colleagues, the Company requires them to strengthen their knowledge relevant to protection for information security through holding protection and education training for information and communication security.
3. Inspecting whether or not any major information security incidents occur, optimizing the Company's protection policies for information security in a rolling manner, and improving the Company's information security resilience.</td></tr></table></td><td></td></tr>
</table>

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
III. Environmental Issues (I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	■		The main office does not give rise to harmful factors impacting the environment. The Yilan Plant complies with various environment management regulations, establishes the managerial measures, procures pollution-prevention equipment and commissions third-party agencies for the environment inspection, to ensure the conformity to the environmental regulations. The new Yilan Science Park Plant is designed with pollution-prevention facilities during the design and planning stage, pursuant to the related governmental environment management measures.	No major deviations
(II) Has the company endeavored to improve the efficiency of resource utilization and used recycled materials which have a low impact on the environment?	■		The Company proactively promotes resource utilization efficiency by installing water-conserving devices onto faucets, e-operations, reducing the amount of paper used, classifying and reducing garbage, recycling resources and kitchen leftovers, and using personal dining ware, etc., in order to protect resources on earth and to protect environmental hygiene. Meanwhile, air-conditioning equipment runs only when the indoor temperature reaches 26℃ and above.	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company evaluate potential risks and opportunities now and in the future brought about by climate change for the corporation and adopts responsive measures regarding climate-related issues?	■		All the plastic raw materials used by the Company must be qualified for the food-grade or even higher medical-grade, and improvements have been made during the process, to increase the yield, and lower the defective damage and waste of raw materials. The defective products are categorized as recyclable and unrecyclable, for re-use and waste reduction, and thus the impact on the environment is reduced. The Company plans to establish the “Sustainable Development Committee” project team in 2022, as the highest-level sustainable development decision-making center in the Company. The Chairman, chairs the team. The team reviews the potential risks and opportunities to the Company’s operation generated from the climate changes and countermeasures proposed by the environment sustainability task force.	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the Company tally the total greenhouse gas emissions, water usage, and waste generated over the past 2 years and have energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies in place?	■		In 2023, the Company introduced ISO 14064-1 greenhouse gas inventory and verification activities in Yilan Plant 2, and conducted Scope 1 and 2 inventory and verification for Yilan Plant 2. In the same year, we completed the greenhouse gas inventory and verification for 2022, obtained a certificate, and formulated management policies to promote energy conservation, carbon reduction, and greenhouse gas emissions during the greenhouse gas inventory process. The Company has built facilities to cope with climate change in Yilan Plant 2 and Yilan Science Park Plant, including energy-saving measures for offices and production lines and the installation of energy-saving equipment, in order to achieve energy conservation and carbon reduction. At Yilan Science Park Plant, we have built air pollution prevention and treatment facilities, installed solar power and green energy facilities, and adopted green building designs. (I) The Company engages in development of a green medicine industry as its long-term goal and continues to promote energy conservation and carbon reduction, green purchasing, and respective sustainable development proposals: Process waste is handed over to	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			recycling contractors for resource reutilization. Meanwhile, the promotion of e-forms continues in order to reduce the amount of paper used and conservation of electricity and water is communicated. In order to enhance the energy utilization ratio, conservation of energy continues to be communicated to the staff. Products that are energy-saving and bear the environmental protection symbol are prioritized in procurement in order to minimize impacts on the environment. For newly-built facilities, green building materials will be extensively adopted and green energy will be used in order to reduce the use of non-renewable energies and to reduce impacts on the environment in an effort to proactively promote a friendly environment. (II) The Company has specialists in environmental safety and health. They perform tests and declare them as required to consolidate prevention of pollution and to ensure employee health, environmental safety, sanitation, and to comply with the latest international standards and regulatory requirements. (III) The energy conservation and carbon reduction strategies of the Company are described as follows: 1. Sound environmental management system that is constantly	

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			improved: In order to promote an effectively operating environmental management system, to continue advancing respective environmental management proposals, and to precisely follow regulatory requirements, spontaneous environmental inspections are performed periodically and low-carbon energy technologies and equipment are introduced to slow down impacts brought about by climate change. 2. Reduced use of energy and enhanced efficiency: The Company spontaneously promotes energy management. The use of water, electricity, and various types of energy are controlled. Energy-saving products are used, such as LED lights, thermal pumps, IE3 motors, air compressors with converters, hot water produced through waste heat exchange of the air compressor to support manufacturing processes and the demand in dormitories, continuous promotion of e-forms, periodic communications on energy conservation, promotion of public vehicle pooling, and energy conservation as the primary means of carbon reduction. 3. Consolidation of recycling and waste reduction measures to minimize impacts: Waste reduction management continues to effectively reduce the	

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			total amount of business waste generated and to enhance recyclable waste resources. Environmentally friendly packing materials are used. Meanwhile, process waste reduction is included into consideration while pollution control and improvement measures are being gradually enforced, including water pollution prevention and control, air pollution prevention and control, and management of toxic chemicals in order to ensure staff health and safety and to avoid impacts on the environment.	
IV. Social involvement issues (I) Has the company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	■		The Company's work rules over personnel management are established based on labor laws and regulations and are meant to protect both the employer and the employees and they cover employee attendance reviews, evaluations, penalties and rewards, and employment policies that are meant to protect the legitimate rights of employees.	No major deviations
(II) Does the Company define and enforce reasonable employee welfare measures (including compensation, leave, and other benefits, among others) and the operational performance or accomplishments are adequately reflected in	■		Wages include the monthly base salaries, differential pay, other allowances, food allowances, shift rotation allowances, and overtime paid under the Labor Standards Act. Non-wage subsidies are addressed according to respective regulations. The prizes available	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
the employees' compensation?			under the respective reward systems are a certain percentage of the remainder of profits or earnings, if any, after settlement and after taxes are paid, deficits are made up for, and dividends and reserve funds have been set aside. The release criteria are based on the goals of respective departments and the base count associated with the respective job responsibilities and evaluation results.	
(III) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	■		Pursuant to the Occupational Safety and Health Act, the Company conducts operating environment monitoring semi-annually. For the works with higher risks, the engineering improvements are made, or other controlling measures, including fitness for work and work selection. The quarterly meetings of the Occupational Safety Committee are held, to review, track, and promote the occupational safety information. The occupational safety staff patrol and inspect the internal operating environment two or three times per week. For any unsafe environment, equipment, or unsafe conduct of employees, immediate improvement is required, and training is arranged to provide a safe and comfortable working environment to the employees. Every month, the nurse stationed in the plant monitors the blood pressure, blood sugar, and other health problems requiring periodical diagnosis of these high-risk employees, and provides the	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			health education, or refers these employees for health control when required. The pregnancy cares are provided to the pregnant employee every two weeks. The injured or ill employees are tracked for their recovery, and arranged to resume the work at the proper position, to protect their health.	
(IV) Has the Company established an effective training program that helps employees develop skills over the course of their career?	■		The Company has a professional training program in place to support career developments and ensure that its people can perform the tasks required for their positions while at the same time receiving continuing education to gain the expertise that will help with their promotion.	No major deviations
(V) Does the Company comply with laws and international standards concerning customer health and safety, customer privacy, marketing, and labeling of products and services and define related policies and complaint-filing procedures to protect the rights of consumers?	■		The Company values the satisfaction that its customers have about the quality of its services and products. In light of the fact that medical devices are closely related to human health, ensuring user safety is the paramount goal. The Company continues to consolidate quality management on all fronts. Respective operations are meeting the requirements of applicable laws and regulations. The Company has the partner control procedure in place. The Company continues to communicate its corporate social responsibility policy and practice to its suppliers in order to accomplish balanced economic, social, and environmental developments.	No major deviations

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(VI) Does the Company define supplier management policies and require that suppliers follow applicable regulations on issues such as environmental protection, occupational safety and health, or human rights of workers and how are they implemented?</td><td>■</td><td></td><td>The Measures for Contractors’ Health and Safety Management are established. Of which, it is specified, pursuant to the Occupational Safety and Health Act, that the contractors must not hire child laborer, female laborer, pregnant labor, or those having childbirth in the past year, are not allowed for the hazardous or harmful works. The contractors are required to insure their employees with labor insurance, to protect the labor’s interests.</td><td>No major deviations</td></tr>
<tr><td>V. Does the Company prepare a Corporate Social Responsibility Report or other reports disclosing non-financial information of the Company by referring to international general principles or guidelines in the preparation of reports? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?</td><td></td><td>■</td><td>The company is preparing the 2023 corporate social responsibility report, which is expected to be uploaded to MOPS by the end of August 2024.</td><td>Related operations continue to be promoted.</td></tr>
<tr><td colspan="5">VI If the Company has its own CSR principles established according to the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its implementation and the principles:None</td></tr>
<tr><td colspan="5">VII. Other Important Information to Help Understand Utilization of Corporate Social Responsibilities:
The Company actively participates in contributing back to society and makes a contribution to social welfare. The concrete implementation results in 2023 are as follows:
1. Participated in public welfare activities to care for the disadvantaged groups in society; donated a total of NTD 1,800 thousand to disadvantaged groups in 2023.
2. Provided workplace visits for National LoTung Industrial Vocational High School and internship training for 7 students who participated in the cooperative education program.
3. Sponsored the booth for a medical association in the Philippines at the annual conference and provided education and training for medical staff.</td></tr>
</table>

Note 1: If "Yes" is checked for the operational status, please clarify the important policies, strategies, measures adopted and how they are implemented. If "No" is checked for the operational status, please explain the reason and the plan to adopt related policies, strategies, and measures in the future.

Note 2: If the CSR Report has been prepared, how the CSR Report can be accessed and the index page number may be indicated for the operational status instead.

(VI) Climate-Related Information of TWSE/TPEx Listed Company

Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The management reports important current information and implementation status to the board of directors every quarter, including the implementation results of energy conservation and carbon reduction, greenhouse gas emission management, climate impact assessment and progress in achieving sustainability goals.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The company classifies the risks and opportunities that affect corporate business, strategy and finance, and predicts short-term (1-3 years), mid-term (3-10 years) and long-term (more than 10 years) impacts, and develops appropriate responses. Strategy and detailed planning
3. Describe the financial impact of extreme weather events and transformative actions.	The financial impact of extreme weather events such as rising temperatures may mainly lead to an increase in operating costs (generating carbon taxes or carbon fees) or a decrease in shipments, resulting in a decrease in operating profits.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company is currently conducting research on climate risk identification and assessment, and will adjust the company's related businesses accordingly.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	The Company has not yet used scenario analysis to assess the resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has not yet developed a transition plan for climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used internal carbon pricing as a planning tool.

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	No plans yet
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Bioteque is a TPEx-Listed company with a capital of less than NT$5 billion and has no subsidiary. According to the "Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies", it belongs to the applicable schedule of the third stage and is required to disclose the greenhouse gas inventory in 2026 and the verification status in 2028.

(VII) Status of Ethical Corporate Management and Measures Adopted

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
I. Establishment of an ethical corporate management policy and proposals: (I) Has the Company defined ethical corporate management policies approved by the Board of Directors and declared its ethical corporate management policies and procedures in its rules and external documents, as well as the commitment of its Board of Directors and high-ranking management to implementing the management policies?	■		In order to establish a corporate culture and sound development of honest management, the company's board of directors has formulated the "Integrity Management Code" and the "Integrity Management Operating Procedures and Behavior Guidelines" and disclosed them on internal and external websites to announce and convey policy concepts to ensure the integrity management policy. implementation, and internal	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
			management also implements the integrity management policy. All directors signed a "Declaration of No Violation of Integrity Principles" when taking office. The board of directors and management have made all decisions based on integrity as the top priority of the company's business philosophy.	No major deviations
(II) Has the Company established an evaluation mechanism for unethical behavioral risks that helps periodically analyze and evaluate operational activities of relatively high unethical behavioral risks within the scope of operation and defined a solution to prevent unethical behavior accordingly that covers at least the preventive measures against respective acts under Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.	■		The company has established a supervision and check-and-balance mechanism for various business activities, and implements regular job rotation of personnel. The audit unit conducts various operational inspections based on the internal control system to assist the board of directors and management in evaluating whether preventive measures are operating effectively. An internal reporting and grievance channel has also been set up to ensure the effective implementation of various anti-fraud measures.	No major deviations
(III) Has the Company specified the operating procedures, guidelines of conduct, punishment for violators, and rules of appeal in the solution to prevent	■		The Company has rewards and punishments guidelines in place for its	

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
unethical behavior, and enforced them, and periodically reflected upon and amended the foregoing solution?			employees. Staff review meetings are held from time to time. It is strictly prohibited for staff to be engaged in foul play, fraud, embezzlement, bribery and corruption, and accept commissions. The highest punishment possible is having related people fired. The Company also signs the Integrity Commitment with partners in order to prevent suppliers from getting into unlawful acts with its staff, such as tunneling.	
II. Consolidation of ethical corporate management (I) Has the Company evaluated the ethical records of parties it does business with and stipulated ethical conduct clauses in business contracts? (II) Has the Company established a dedicated unit under the Board of Directors to promote ethical	■ ■		The company has established a regular evaluation mechanism for sales customers and suppliers. When signing a contract, the rights and obligations of both parties are specified in detail to protect the company's rights and interests. Each responsible unit shall keep an eye on the operating status and goodwill of the transaction partners at all times. If a business partner is found to have acted dishonestly, they may stop business dealings with them and list them as objects of refusal to implement the company's integrity management policy. The Company authorizes the General Manager to select personnel from the Management	No major deviations The Company will set up an exclusive unit to address ethical corporate management reflective of actual demand in the future.

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
corporate management and report its ethical management policy and solution to prevent against unethical behaviors and the status of implementation to the Board of Directors periodically (at least once a year)?			Department and the Human Resources Department to set up a dedicated unit, which is responsible for assisting the Board of Directors and management in formulating and supervising the implementation of ethical corporate management policies and prevention plans, and ensuring the implementation of the Code of Ethical Conduct. The dedicated unit reported one time to the Board of Directors on November 9, 2023. There were no cases of violations of integrity management in 2023. In 2023, 296 people will receive education and training on integrity management, totaling 148 hours.	No major deviations
(III) Has the Company established policies to prevent against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?	■		In order to prevent against conflicts of interest, among others, the Company set up the General Manager's Mailbox where workers can give their advice. No relevant reported cases were received in 2023.	No major deviations
(IV) Has the Company created effective accounting and internal control systems to consolidate ethical corporate management and does the internal audit unit stipulates related audit plans according to the evaluation results of unethical behavioral risks and inspect compliance with the solution to prevent against	■		In order to ensure the implementation of honest operations, the company has established an effective accounting system and internal control system. The internal audit unit formulates an annual audit plan based on the risk assessment results and	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
unethical behaviors or authorize the CPAs to perform inspections?			submits it to the board of directors for discussion and approval. Based on the plan, the company regularly checks whether the inspection operations of relevant departments are in compliance with internal regulations. control system, and report the audit results to the Audit Committee and the Board of Directors every quarter, review them in a timely manner, and track deficiencies and improvements to ensure the effective implementation of the internal control system.	
(V) Does the Company hold internal and external educational trainings on ethical management regularly?	■		The Company continues with related educational training and communication internally.	
III. Reporting System of the Company (I) Does the Company have substantial reporting and incentive systems in place, provide convenient reporting channels, and assign appropriate specialists investigate reported matters?	■		The Company has the “Whistleblower Mailbox “in place for workers to report and file complaints.	No major deviations
(II) Has the company established any standard operating procedures, subsequent measures to be adopted after the investigation is completed, or confidentiality mechanisms for handling reported matters?		■	None.	The Company will follow actual demands and regulatory requirements and handle accordingly in the future.

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary (Note 2)	
(III) Does the Company assure employees who reported on malpractices that they will not be improperly treated for making such reports?	■		The reporting party is kept confidential throughout the process by the Company and will not be punished as a result of reporting it.	No major deviations
IV. Reinforced Information Disclosure Has the company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.?	■		The Company discloses the implementation status of ethical corporate management in its Annual Report and uploads it to the MOPS as required.	No major deviations
V. If the company has its own Ethical Management Principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its implementation and the principles: None				
VI. Other important information that helps understand the implementation of ethical corporate management of the company: (e.g. discussion and correction of the Ethical Management Principles established by the company): None.				

Note 1: Whether "Yes" or "No" is checked for operational status, it shall be specified in the Summary field.

(VIII) How they may be found shall be disclosed if the company has established Corporate Governance Principles and related regulations: The company has formulated "Corporate Governance Best Practice Principles for the company" , which are published on the company's website (https://www.bioteq.com.tw/en) and linked to investor relation or corporate governance page for checking.

(VIIII) Other important information that is sufficient to boost knowledge of corporate governance shall also be disclosed: None.

(IX) Implementation status of internal control system: The following shall be disclosed.

(1) Internal Control Statement

BIOTEQUE CORPORATION
Internal Control System Declaration

Date: March 06, 2024

For the Company's internal control system of 2023, we would like to declare as follows according to the results of spontaneous inspections:

I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. The purpose of the system is to reasonably ensure the achievement of various objectives, including operational efficiency and effectiveness (including profitability, business performance and the security of assets), the reliability, timeliness and transparency of information disclosed, and compliance with relevant guidelines as well as relevant laws and regulations.

II. The internal control system has its inherent restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment
or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to "Governing Regulations" for details.

IV. The Company has already adopted the aforesaid items for assessing the effectiveness of its internal control system in terms of system design and implementation.

V. Pursuant to the results of the above-mentioned evaluations, the Company is of the view that the design and implementation of its internal control system as of December 31, 2023 Note 2 (including its supervision and management of subsidiaries), including its awareness of the extent by which the operating effects and efficiency goals are fulfilled, reliability of reports, and compliance with relevant laws and regulations, are such that it is effective and capable of reasonably ensuring that the aforementioned goals can be achieved.

VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable in accordance with Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This Statement was approved at the meeting of the Company's Board of Directors on March 06, 2024 with no director expressing dissent out of the 12 Directors in attendance. All agreed on the contents of this Statement. Please take note of it.

BIOTEQUE CORPORATION

Chairman
General Manager

(2) If review of the internal audit system is outsourced to CPAs as an exception, the CPA Review Report shall be disclosed: None.

(X) Any legal sanctions against the Company or its internal personnel, or any disciplinary action taken by the Company against its own personnel for violating internal control requirements in the most recent year and up to the date the Annual Report was printed: None.

(XI) Important decisions reached in shareholders' meetings and made by the Board of Directors in the most recent year up to the date the Annual Report was printed:

Date	Important Decision and Implementation Status
General Shareholders' Meeting on June 27, 2023	1. Proposal for Final statements and profit distribution plan for 2022 Implementation status: After voting, this proposal was approved just as it was. The benchmark date of distribution was set on September 5, 2023, and all distributions were completed on September 28, 2023, according to the resolution of the shareholders' meeting. (Cash dividend of NT$ 4.5 per share was distributed.) 2. Proposed amendments to the " meeting policy of the Company's Board of Directors ". Implementation status: They were announced on the Company's website on June 27, 2023, and handled according to the revised procedures. 3. Adjustment of the remuneration of the twelfth independent directors. Implementation status: The shareholders' meeting resolved to distribute NTD 30,000 per month to independent directors as compensation. 4. By-election of two directors (including one independent director) for the 12th term. List of the director elected: Jing-Zhong Chen, representative of Yisheng Co., Ltd. List of the independent director elected: Yiu-Cho Chin. Implementation status: Approved by the Department of Commerce of the Ministry of Economic Affairs for registration on August 16, 2023, and announced on the Company's website. 5. Lifting of the non-compete obligations on the directors elected at the current General Shareholders' Meeting and their representatives. Implementation status: After voting, this proposal was approved just as it was.

Date of meeting	Important decisions made
May 9, 2023	1. Approved the recognition of the Company's 2023Q1 Financial Statements. 2. Approved appointment of a Corporate Governance Officer. 3. Approved the capitalization of earnings for the Company's second-tier subsidiary BONTEQ, in the Philippines. 4. Approved lending to BIOTEQUE MEDICAL PHIL. INC. (the Philippines). 5.Approved the amendments to part of the articles of the Rules for Corporate Governance Practices.
August 9, 2023	1.Approved bank loan plans. 2.Approved the recognition of the Company's 2023Q2 Financial Statements. 3.Approved amendments to the "Independent Director Responsibility Principles." 4.Approved amendments to the "Standard Operating Procedure for Requests from Directors." 5.Approved the appointment of a Information Security Officer. 6.Approved the appointment of the chief internal auditor of the company. 7.Approved the adjustment of the Head of Accounting.
November 9, 2023	1. Approved bank loan plans. 2. Approved the recognition of the Company's 2023Q3 Financial Statements. 3 .Approved the 2024 Audit Plan. 4. Approved the Audit Plan of the Company's key subsidiary BIOTEQUEUE MEDICAL PHIL. INC. (BMPI) for 2024. 5.Approved the Company's 2024 budget. 6.Approved the adjustment to the organizational structural diagram of the Company.

Date of meeting	Important decisions made
	7.Approved the determination of the remuneration of the marketing and product manager concurrently serving as the quality management representative, the PRRC, the new Head of Corporate Governance, and the new Head of Accounting. 8. Rejected an additional adjustment of the remuneration to be distributed to managers. 9. Approved the liquidation of Zhong-De Investment Co., Ltd. and BIOTEQUE MEDICAL CO, LTD(SAMOA).
March 6, 2024	1. Approved bank loan plans. 2.Approved the recognition of the Company's 2023 "Statement of Internal Control". 3.Approved the recognition of the Company's 2023 Financial Statements. 4.Approved the periodic review of the independence of CPAs of the Company. 5.Approved proposed audit fees of attesting CPAs. 6.Approved the Company's Business Report. 7.Approved the profit distribution plan for 2023. 8.Approved the proposed time, venue, agenda, and deadline by which shareholders may submit their proposals and where they may be sent for the 2024 General Shareholders' Meeting. 9.Approved proposed amendments to the " meeting policy of the Company's Board of Directors ". 10.Approved the change to the capitalization of earnings for the Company's second-tier subsidiary BONTEQ, in the Philippines. 11.Approved the proposal for the remuneration distribution plan for employees, directors and supervisors for 2023. 12.Approved the distribution of the year-end bonus to the Company's managers for 2023.

(XII) Main contents of different opinions of directors or supervisors that are recorded and stated in writing on important decisions made by the Board of Directors in the most recent year and up to the date the Annual Report was printed: On November 9, 2023, at the board of directors meeting, more than two-thirds of the directors voted against the adjustment of management salary, and the case was not passed.

(XIII) Summary of resignations and dismissals of the Company's Chairman, general managers, accounting heads, financial heads, internal audit heads, and R&D heads in the most recent year and up to the date the Annual Report was printed:

Summary of Resignation and Dismissal of the Company's Key Employees

August 9, 2023

Position	name	Date of inauguration	Date of dismissal	Reason for resignation or dismissal
Head of Accounting	Yi-Zhong Huang	August 11, 2022	August 9, 2023	Adjustment of function
Internal audit officer	Yi-Jhen Chen	November 10, 2021	June 7, 2023	Resigned

Note: Related parties of the Company as indicated refer to the Chairman, the General Manager, the Head of Accounting, the Head of Finance, the Head of Internal Audit, the Head of Corporate Governance, and the Head of Research and Development.

V. Information on Independent Auditor’s Fee

（1）Information on CPAs’ Professional Service Fees

Name of Accounting Firm	Name of CPA	Duration of Inspection	Audit Fee	Non-Audit Fee	Total	Remarks
KPMG	Ming-Hung Huang	January 1, 2023 ~ December 31, 2023	2, 870	226	3,096	Non-Audit Fee: Transfer pricing, reporting on direct debit of business tax.
	Chia-Chien Tang	January 1, 2023 ~ December 31, 2023				

Please specify the content of non-audit fees (e.g. taxation certification, assurance, or other financial consultation.

Note: When the company changes its CPAs or accounting firm, the audit period shall be listed separately, and explain in the remark the reason for change, and disclose the paid audit and non-audit fees by orders. For the non-audit fees, the services shall be described.

Note: So-called audit fees are these service fees the Company paid to the CPAs for auditing, reviewing, rechecking financial statements, and reviewing the financial forecasts.

(II) When the accounting firm is changed and the audit fee in the year of replacement is reduced compared to that in the preceding year, the audit fee before and after the replacement and the reasons shall be disclosed: None.

(III) When the audit fee are reduced by more than 10% from the preceding year, the value reduced and its ratio and cause shall be disclosed: None.

VI. Information on Replacement of Independent Auditors:

(1) For former accountants

<table>
<tr><td>Date of Replacement</td><td colspan="4">Approved by the Board of Directors on March 9, 2023</td></tr>
<tr><td>Reason for Replacement and Description</td><td colspan="4">The financial statements of the Company were originally audited and certified by accountants Ya-Lin Chen and Yan-Da Su, but due to internal rotation of the accounting firm, from the first quarter of 2023, they were replaced by accountants Min-Hong Huang and Jia-Jian Tang.</td></tr>
<tr><td rowspan="3">Explain if the appointee or accountant is terminated or does not accept the appointment</td><td colspan="2">Client
Condition</td><td>Certified Public Accountant</td><td>Appointee</td></tr>
<tr><td colspan="2">Spontaneous termination of appointment</td><td colspan="2" rowspan="2">Not Applicable</td></tr>
<tr><td colspan="2">Does not accept (continue with) appointment</td></tr>
<tr><td>Opinions expressed in audit reports other than no reservations issued within the most recent two years and the reason</td><td colspan="4">Not Applicable</td></tr>
<tr><td rowspan="6">Different opinions from those of the publisher</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Scope of inspection or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>No</td><td colspan="3"></td></tr>
<tr><td colspan="4">Description: Not Applicable</td></tr>
<tr><td>Other matters disclosed (Those that should be disclosed as indicated in Article 10 Subparagraph 6 Items 1-4 to 1-7 of these Guidelines)</td><td colspan="4">No</td></tr>
</table>

(2) For Successive Accountants

Name of the Firm	KPMG
Name of the CPAs	Accountants Jia-Jian Tang, Ming-Hong Huang
Date of Appointment	March 9, 2023
Accounting treatment methods or standards for specific transactions before appointment	Not Applicable
Matters and results of consultation on opinions possibly issued for the financial statements	Not Applicable

(3) Reply from the former accountants to Article 10, Paragraph 6, Subparagraph 1 and 2-3 of the Standards: Not applicable.

VII. Disclosure of the name, position, and duration of service at firms or their associated enterprises in the most recent year of the Company chairman, general manager, and managers in charge of financial or accounting affairs: None.

VIII. Changes in the transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the most recent year and up to the date the Annual Report was printed

Unit: Share

Job Title (Note 1)	Name	2023		Year up to April 21,2024	
		Increase /Decrease in the number of shares held (Note7)	Increase /Decrease in the number of shares pledged	Increase /Decrease in the number of shares held	Increase /Decrease in the number of shares pledged
Director	Ming Sheng Co., Ltd.	0	0	0	0
Chairman	Ming-Zhong Li	0	0	0	0
Director	Yisheng Co., Ltd.	2,000	0	0	0
Director Representative	Hung-Ying Lee (Note6)	0	0	0	0
Director Former Representative	Zhong-Kai Hong (Note6)	0	0	0	0
Director Representative	Jing-Zhong Chen(Note6)	0	0	0	0
Director	Yide Co., Ltd.	19,000	0	0	0
Director Representative	Hsu-Yuan Li	0	0	0	0
Director	Zong Yu Investment Co., Ltd.	0	0	0	0
Director Representative and Vice President	Jing-Yi Tsai	0	0	0	0
Director	Ming Sheng Co., Ltd.	0	0	0	0
Director Representative and Vice President	Yi-Xun Li	0	0	0	0
Director	Zong Yu Investment Co., Ltd.	0	0	0	0
Director Representative	Xing Wang	0	0	0	0
Director	Ming Yeh.Cheng	15,000	0	0	0
Director	Yao-Ren Ho	11,000	0	0	0
Independent director	Teng-Yao Hsiao				
Independent director	Bin-Xi Lin	0	0	0	0
Independent director	Yiu-Cho Chin(Note3)	0	0	0	0
General Manager	Jin-Long Lin	0	0	0	0
Corporate Governance Officer	Pei-Zhi Zhong	0	0	0	0
CFO&Head of Finance	Yi-Zhong Huang	(10,000)	0	0	0
R&D Supervisor	Zong-Ming Lu	0	0	0	0
Head of Accounting	Yu-Jin Lin(Note5)	0	0	0	0

Note 1: A shareholder holding more than 10% of the total shares in the Company shall be indicated as major shareholder and be listed separately.

Note 2: If the counterparties in the transfer or pledge of equity are stakeholders, the following table shall also be completed.

Note 3: Mr. Yiu-Cho Chin was by-elected as an independent director on June 27, 2023.

Note 4: On May 9, 2023, the board of directors approved Pei-Zhi Zhong as the Coporate Governance Officer.

Note 5: On August 9, 2023, the board of directors approved the job adjustment to the position of accounting supervisor, and the accounting supervisor will be Yu-Jin Lin.

Note 6: From August 5, 2022, Mr. Zhong-Kai Hong was appointed as the representative and from January 10, 2023, Mrs. Hung-Ying Lee was appointed as the representative and The representative will be Mr. Jing-Zhong Chen was by-elected as director on June 27, 2023.

Note 7: Changes in equity capital are due to open market transactions, not related party transactions.

IX. Information on the relationships among the Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship.

Apr.21, 2024

Name	Shares held in person		Shares held by spouse and minor child(ren)		Shares held in someone else's name		The title or name and relationship among shareholders in the Top shareholding list who are related, spouse to each other, or relatives within the second degree of kinship (Note 3)		Remarks
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title	Relationship	
Catcher Medtech Co., Ltd.	6,788,000	9.8	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% owned and reinvested byCatcher Technology Co., Ltd.
Representative: Yu-Yan Lin	0	0	0	0	0	0	none	none	
Yishuitang Investment Co., Ltd.	3,000,000	4.33	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Representative: Jun-Yao Lin	0	0.00	0	0.00	0	0.00	none	none	
Catcher Medtech Co., Ltd.	2,729,000	3.94	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% owned and reinvested byCatcher Technology Co., Ltd.
Representative: Hsu-Yuan Li	0	0.00	0	0.00	0	0.00	none	none	
Yisheng Co., Ltd.	2,591,000	3.74	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% owned and reinvested byCatcher Technology Co., Ltd.
Representative: Yu-Yan Lin	0	0	0	0	0	0	none	none	
Yide Co., Ltd.	2,252,000	3.25	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% owned and reinvested byCatcher Technology Co., Ltd.
Representative: Yu-Yan Lin	0	0	0	0	0	0	none	none	
Ming sheng co., ltd.	1,917,000	2.77	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Representative: Ming-Zhong Li	725,346	1.05	0	0.00	321,824	0.46	none	none	Chairman of the Company
Zong Yu Investment Co., Ltd.	1,611,752	2.33	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Institutional Director of the Company
Representative: Meng-Jie Jiang	0	0	0	0	0	0	none	none	
Yifa Co., Ltd.	1,581,000	2.28	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% owned and reinvested byCatcher Technology Co., Ltd.
Representative: Yu-Yan Lin	0	0	0	0	0	0	none	none	
Citi Hosts Aoting's Emerging Market Investment Account	1,500,000	2.16	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Standard Chartered Trusts Swad Bank Hosts Aoting's Emerging Market	1,410,000	2.03	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

Investment Account									

Note 1: All of the Top 10 shareholders shall be listed. If they are institutional shareholders, the names of the institution and its representative shall both be listed.
Note 2: The shareholding ratio is calculated separately by the individual concerned, his/her spouse, minor child, or in another person's name.
Note 3: The shareholders listed in the foregoing include institutional entities and natural persons. The mutual relationships shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Number of shares held by the Company, the Company's directors, supervisors, managers, and directly or indirectly controlled businesses and the consolidated general holding ratio

Unit: Share; %; March 31, 2024

Re-invested business (Note)	Investment made by the Company		Directors, supervisors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Zhong-De Investment Co., Ltd.	2,880,000	100	0	0	2,880,000	100
BIOTEQUE MEDICAL PHIL.INC.	4,480,775	100	0	0	4,480,775	100
BIOTEQUE MEDICAL DISTRIBUTION PHIL. INC	100,000	100	0	0	100,000	100

Note: It is the investment of the Company using the equity method.

IV. Fund-raising

I. Capital and Shares

1. Source of Capital Stock

Unit: 1,000 shares; NT$1,000

MM / YYYY	Issue price ($)	Approved capital stock		Paid-in capital stock		Remarks		
		Shares	Value	Shares	Value	Source of capital stock	Using properties other than cash to write off the stock value	Others
March 2016	66.6	120,000	1,200,000	69,298	692,983	Convertible corporate bonds converted to common stock	0	March 2016 Jing-Shou-Shang No. 10501048020 Letter

Note 1: Data in the same year up to the date the Annual Report was printed should be provided.
Note 2: For capital increase, the date it takes effect (is approved) and the document number should be indicated.
Note 3: Shares that are issued at a value below the denomination shall be highlighted.
Note 4: When monetary creditor's rights and technologies are used to pay for the shares, it shall be specified so and the type and value of the write-off shall be noted.
Note 5: Private placement shall be highlighted.

Type of share	Approved capital stock			Remarks
	Circulating shares	Shares yet to be issued	Total	
Common share	69,298	50,702	120,000	TPEx stock

(II) Shareholder Structure

Unit: Share; %; April 21, 2024

	Government agency	Financial institution	Other corporations	Individual	Foreign institution and individual	Total
Number of Persons	0	0	191	14,863	78	15,132
Number of shares held	0	0	27,694,740	33,217,728	8,385,868	69,298,336
Shareholding Ratio	0	0	39.9645	47.9344	12.1011	100.000

Note: For first TWSE/TPEx companies and emerging companies, the shareholding ratios of mainland investors shall be disclosed. By mainland investors, it refers to the people, corporations, groups, other institutions of Mainland China or the companies they invested in in a third region as defined under Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in Taiwan.

3. Diversification of Equity

April 21, 2024

Shareholding classification	Number of shareholders	Number of shares held	Holding ratio
1 ~ 999	10,415	687,872	0.9926
1000 ~ 5,000	3,753	7,218,752	10.4169
5,001 ~ 10,000	464	3,604,558	5.2015
10,001 ~ 15,000	142	1,796,595	2.5926
15,001 ~ 20,000	86	1,548,148	2.2340
20,001 ~ 30,000	90	2,276,262	3.2847
30,001 ~ 40,000	41	1,491,645	2.1525
40,001 ~ 50,000	25	1,134,556	1.6372
50,001 ~ 100,000	47	3,226,042	4.6553
100,001 ~ 200,000	24	3,707,975	5.3507
200,001 ~ 400,000	20	5,853,263	8.4465
400,001 ~ 600,000	4	1,772,287	2.5575
600,001 ~ 800,000	5	3,675,154	5.3034
800,000 ~ 1,000,000	4	3,645,475	5.2606
Above 1,000,001	12	27,659,752	39.9140
Total	15,132	69,298,336	100.000%

(IV) List of primary shareholders: List the shareholders that hold at least 5% of the equity or those whose holding ratio is one of the Top 10, their name, quantities held, and the holding ratio.

Unit: Share; %

Share / Name of major shareholder	Number of shares held	Holding ratio
Catcher Medtech Co., Ltd.	6,788,000	9.80%
Yishuitang Investment Co., Ltd.	3,000,000	4.33%
Catcher Medtech Co., Ltd.	2,729,000	3.94%
Yisheng Co., Ltd.	2,591,000	3.74%
Yide Co., Ltd.	2,252,000	3.25%
Ming sheng co., ltd.	1,917,000	2.77%
Zong Yu Investment Co., Ltd.	1,611,752	2.33%
Yifa Co., Ltd.	1,581,000	2.28%
Citi Hosts Aoting's Emerging Market Investment Account	1,500,000	2.16%
Standard Chartered Trusts Swad Bank Hosts Aoting's Emerging Market Investment Account	1,410,000	2.03%

(5) Related information of market price per share, net value, earnings, and dividends for the past two years. In case of an allotment of shares upon earnings or capital reserve transferred capital increase, information on the market value or cash dividends adjusted retroactively according to the released number of shares shall also be disclosed.

Unit: NT$; Share

Item \ Year			2022	2023	Current year up to March 31, 2024 (Note 8)
Market value per share (Note 1)	Maximum		125	122.5	127
	Minimum		100.5	102	109.50
	Average		113.03	111.48	118.35
Net worth per share (Note 2)	Before distribution		43.75	46.03	As of the date this Annual Report was printed, the first quarter financial statement data that had been reviewed and approved by the CPAs were yet to be approved by the Board of Directors.
	After distribution		—	—	
Earnings per share (EPS)	Weighted average number of shares (thousand shares)		69,298	69,298	
	Earnings per share (Note 3)		7.12	6.53	
Dividend per share	Cash dividends		4.5	4.5	
	Free share assignment	—	—	—	
		—	—	—	
	Accumulated unpaid dividends (Note 4)		—	—	
Analysis of return on investment	Price to earnings ratio (Note 5)		15.88	17.07	
	Price to dividend ratio (Note 6)		25.12	24.77	
	Cash dividend yield (Note 7)		3.98%	4.04%	

＊ In case of allotment of shares upon earnings or capital reserve transferred capital increase, information on the market value or cash dividends adjusted retroactively according to the released number of shares shall also be disclosed.

Note 1: List the maximum and minimum market values of common stock each year and the annual average market price is calculated according to the strike price and the trading volume in each year.

Note 2: Please use the number of shares already issued at the end of the year and provide information on their distribution as decided in the shareholders' meeting of the coming year.

Note 3: If retroactive adjustment is needed due to free share assignment, the earnings per share before and after adjustment shall be shown.

Note 4: If it is specified in equity security release conditions that the dividends not assigned for a specific year may be carried over to the year with earnings, dividends yet to be paid accumulated up to the specific year shall be disclosed, respectively.

Note 5: Price to earnings ratio
＝ Mean closing price per share of the year/Earnings per share

Note 6: Price to dividend ratio
＝ Mean closing price per share of the year/Cash dividends per share

Note 7: Cash dividend yield
＝ Cash dividends per share/Mean closing price per share of the year

Note 8: For the net worth per share and earnings per share, data from the most recent quarter that have been audited (reviewed and approved) by the CPA as of the date the Annual Report was printed shall be provided; for the other fields, data of the current year as of the date when the Annual Report was printed shall be provided.

6. Company's dividend policy and implementation status:

(1) Dividend policy:

The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply. Secondly, special surplus reserves shall be set aside pursuant to relevant laws and regulations enacted by the competent authority. If there are surplus profits remaining, at least 20% shall be allocated for distribution of shareholder dividends. The Board of Directors draft a dividend distribution proposal and submit it to the shareholders meeting for resolution, in which cash dividends should make up at least 20% or more.

(2) Implementation status:

The Board of Directors decided on March 06, 2024 that the cash dividends would be issued at NT$ 4.5 per share for 2023, the Dividend Payout Ratio is 68.91%.

7. Impacts of free share assignment intended through the current shareholders' meeting on the Company's operational performance and earnings per share:

No free share assignment is intended to be discussed for the current year; Therefore, it is not applicable.

(VIII) Remuneration for employees, directors:

(1) Percentage or range of remuneration for employees and directors/supervisors as stated in the Company's Articles of Incorporation:

Article 20 of the Company's Articles of Incorporation stipulates that: "The company shall appropriate no less than 5% of its earnings as remuneration to its employees and no more than 1.6% of its earning as remuneration to the directors , if applicable. The Company shall appropriate for write-off the loss carried forward, if applicable.

(2) Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration for employees, directors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

2-1 Basis for estimating the amount of remuneration for employees, directors of the current term: Based on the Company's 2023 profits (profit before tax with the profit prior to distribution of remuneration for employees and directors deducted) multiplied by 5% for distribution of employee remuneration as specified in the Company's Articles of Incorporation and according to the decision made in the shareholders' meeting and 1.6% to be distributed to directors, it is estimated that the value of remuneration for employees is NT$30,179,362 and that for directors and supervisors is NT$9,316,000; They are to be assigned in cash.

2-2 Basis for calculating remuneration distributed to employees in stock: Not applicable

2-3 Accounting measures adopted when the actual value of distribution differ from the estimates: There is no difference from the estimated value for the year to be recognized.

(3) Approval of distribution of remuneration by the Board of Directors:

3-1 Remuneration for employees and directors distributed in cash or stock. In case of any difference from the estimated value of the year recognized, the difference, cause, and how it is handled shall be disclosed: There is no difference from the estimated value for the year to be recognized.

3-2 Ratio of the value of remuneration for employees distributed in stock and the sum of after-tax income and total employee remuneration in the entity or individual financial statement of the current term.

(4) When there is a difference between the actual distributed amount of remuneration for employees, directors (including the number, value, and price of shares distributed) and the recognized remuneration for employees, directors, and supervisors in the preceding year, the difference, cause for the difference, and how it is handled shall also be specified:

<table>
<tr><th>Item</th><th colspan="2">Actual distribution</th></tr>
<tr><td rowspan="2">Remuneration for directors</td><td>Value distributed</td><td>NTD$9,316,000</td></tr>
<tr><td>Difference, cause, and management</td><td>No difference</td></tr>
<tr><td rowspan="2">Remuneration for employees</td><td>Value distributed</td><td>NT$30,179,362</td></tr>
<tr><td>Difference, cause, and management</td><td>No difference</td></tr>
</table>

(IX) Buyback of the Company stock: None.

II. Corporate bond, special stock, global depositary receipt, employee stock option certificates, restricted employee shares and M&A or acceptance of transferred shares of another company for issuance of new shares, implementation of the funds utilization plan: None.

V. Operational Highlight

I. Scope of Operation:

1. Scope of Operation

(1) The scope of operation as stated in the Articles of Incorporation is as follows:

A. CF01011 Medical devices manufacturing
B. F108031 Medical devices wholesale
C. F208031 Medical devices retailing
C. ZZ99999 operations not prohibited or restricted by law besides the said approved ones

2. Operational weight:

Unit: NT$1,000

	2023	
	Value	%
Hemodialysis tube	346,770	17.83%
TPU catheter	543,596	27.95%
Infusion bag	363,120	18.67%
Puncture needle	109,429	5.63%
Interventional cardiology catheter	157,427	8.10%
Surgical tube	210,646	10.83%
Critical component and parts	62,581	3.22%
Miscellaneous medical disposables	151,132	7.77%
Total	1,944,701	100.00%

3. Current commodities:

Primary product categories at present: The Company primarily has eight major categories of products now. They are Hemodialysis tubes, Puncture needles, Infusion bags, TPU internal catheters, Interventional cardiology catheters, Surgical tubes, key medical parts and components, and others.

4. New products planned to be developed

For our own brand, the Company will continue to develop consumables for minimally invasive surgery, catheters for catheterization, and related peripheral products, and strengthen integrated services to create differentiation. In terms of development and manufacturing outsourcing services, the Company will make use of existing technologies and capabilities to respond to new international situations, and expand collaboration with large European and American medical material manufacturers to develop and produce products as an OEM. In response to the stricter medical regulations in the EU, BIOTEQ will consolidate the licenses of existing competitive products and comply with the latest regulations in order to serve customers.

Explanation as below:

(1) TPU internal catheters: Biopsy Needle,Micro-introducer Set,Multi-lumen Hemodialysis Cath.,Chest Valve,Improved Drainage Cath.

(2) Vascular catheters: Micro-catheter, and next-gen Sheath Introducer.

(3) Surgical tubes and others: OEM products, CDMO products, urinary diagnosis and treatment products, and high-end infusion therapy products.

(II) Overview of the Industry:

1. Current status and developmental trends of the industry

1-1 Current status of the industry

Medical demand has returned to normal growth in the post-pandemic era. The COVID-19 pandemic has been brought under control with the spread of vaccines, and its impact has been less than the Russo-Ukrainian War, the Israel-Hamas War, the supply chain confrontation and restructuring between China and the US, geopolitical development, and countries' inflation. In May 2023, the World Health Organization (WHO) officially lifted the Public Health Emergency of International Concern for COVID-19, and the world has come back to normal.

After the popularization of big data mining and AI analysis technology in the development of digital medicine and the AI-based application of medical materials, major manufacturers have developed a variety of AI medical technologies by collecting and accumulating health big data and exploring clinical medical insights. Medical regulatory authorities in various countries are also adjusting their review methods and attitudes, hoping to speed up pre-marketing evaluation with reasonable evidence, so that the public can enjoy the benefits and convenience of new technologies.

According to the 2023 Biotechnology White Paper compiled by the Industrial Development Bureau, Ministry of Economic Affairs, from a policy perspective, Taiwan hopes to promote the development of digital medicine by leveraging its strengths and foundation in the ICT industry. Since 2021, on the basis of the past 5+2 "Biomedical Industry Innovation Program," the "Taiwan Precision Health Strategic Industry Development Program" that includes six core strategic industries, has been initiated. The National Science and Technology Council, Ministry of Economic Affairs, Ministry of Health and Welfare, Ministry of Education, National Development Council, Financial Supervisory Commission, Ministry of Agriculture, and Academia Sinica have jointly promoted the "Taiwan Precision Health Policy" with the biomedical industry as the core. They utilize Taiwan's advantages in the medical and information and communication industries to develop the biomedical industry towards the vision of all-age health covering prevention, prediction, health care, detection, diagnosis, treatment, prognosis, and care and seek solutions for personalized medicine. As a manufacturer of medical consumables, BIOTEQ will continue to utilize its own experience and advantages to work with domestic providers of these services and make efforts in approaching the last mile of consumables development for users.

The global market in the white paper: A BMI Research report cited in Taiwan's 2023 Biotechnology White Paper points out that the global medical device market was worth USD 483.27 billion in 2022, with a 6.4% growth from 2021 and that the market is expected to grow to USD 589.68 billion by 2025, with a compound annual growth rate of about 6.7%.

Domestic market: The white paper also indicates that the turnover of Taiwan's medical device and health care industry was NTD 193.9 billion in 2022. Due to the poor overall economic environment, inflation, and global inventory problems, the export of fitness equipment fell sharply, thereby affecting the overall turnover, which fell by 17.9% from NTD 236.3 billion in 2021. If only medical equipment was included, there was a 7.4% growth., as shown in the table below.

Overview of Taiwan's medical device industry operations from 2018 to 2022

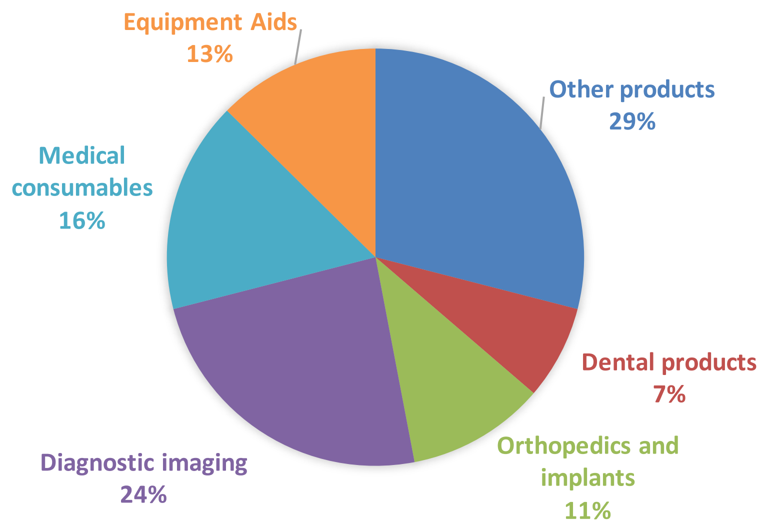
Year	2018	2019	2020	2021	2022
Revenue (in NT$100 million)	1,592	1,692	1,924	2,363	1,939
Manufacturers (by company)	1,128	1,157	1,216	1,241	1,294
Industry practitioners (number of people)	43,850	46,953	48,365	49,916	50,936
Export value (in NT$100 million)	955	1,041	1,171	1,461	1,084
Import value (in NT$100 million)	790	886	956	968	1,009
Import: Export (%)	40:60	40:60	39:61	38:62	39.61

Domestic market demand (in NT$100 million)	1,427	1,538	1,709	1,870	1,864

Source: Industrial Development Bureau, Ministry of Economic Affairs; Industry, Science and Technology International Strategy Center of the Industrial Technology Research Institute, 2023

By category: According to the 2023 White Paper, the global demand for conventional medical devices generally recovered in 2022. The strength of the rebound in demand for medical equipment, surgery supplies, and elective medicine in each region might differ due to economic factors and labor shortages. There was a strong demand for orthopedic implants and surgery materials in multiple countries. The demand for hospital equipment and furniture slowed down in 2021. In 2022, sales in various regions generally increased significantly, pushing up the proportion of other types of medical materials and products, and the market share of other products decreased relatively, but the structure was similar to that in 2021. As shown in the following figure, in 2022, global medical consumable products accounted for 16.4%, slightly decreasing by 0.1% from 16.5% in 2021. Medical consumable products include bandages, dressings, suture materials, syringes, needles, catheters, and other consumables, and most of the Company's products fall into this category. The pandemic caused a higher base period, which led to unsatisfactory performance this year. However, as the pandemic has receded, the demand for medical consumables will return to normal.

FIGURE 2-3 2022 OVERVIEW OF GLOBAL DISTRIBUTION OF MEDICAL DEVICES



1-2 Developmental trends

The developmental trends in the global medical device industry feature below:

(1) Higher thresholds for certification, and stricter and more consistent regulatory management in major countries

In March 2017, the EU adopted a new version of the Medical Device Regulation (MDR) and introduced a stricter medical device management mechanism to strengthen protection for all citizens of member states. The EU's Medical Device Regulation (MDR) came into effect on May 25, 2017. However, due to pandemic factors and countries' lack of preparation, the current compromise is that manufacturers that plan to or have applied for MDR certification for their applicable devices (with certificates that have expired or have not expired) have a chance to extend the end of the transition period for Class III and Class IIb implantable devices to December 31, 2027 and to December 31, 2028 for Class IIb devices other than the aforesaid, and Class IIa and Class I devices in a non-sterile condition or having a measuring function. No matter how the transition period is extended, the direction in which this new regulation will be enforced is certain.

The EU's new Medical Device Regulation (MDR) has made countries around the world begin to make their regulations consistent with it. Generally, there will be stricter requirements for producers, and it will be more expensive and difficult to get the CE Mark in the European Union in the future. Therefore, for the EU market, the current supply chain and operational models need to be adjusted. This is an opportunity and also a challenge.

In terms of manufacturer quality system requirements, medical regulatory provisions are harmonized between mainstream countries and each other. The medical device management regulations of each country often use ISO 13485 as the benchmark for harmonization, and Taiwan is no exception. The US and the EU are also harmonizing their regulations on medical device quality systems with each other. In addition, the QMSR has been introduced. Such harmonization and consistency are advantageous for manufacturers who plan to expand business opportunities in other countries' markets. BIOTEQ's quality system is consistent with the mainstream standards and has been certified. For our competitive products, we will continue to maintain CE MDR certificates to gain advantages and face challenges.

In the future, due to the popularization of digitization and the development of handheld devices, the supervision of medical devices will be more advanced and intensive. Authorities in various countries will be able to control more information regarding development, production management, quality control, batch management, sales channels, and adverse event notification. After organization, the information will be helpful not only for supervision and management, but also for product improvement. In the face of current and imminent regulatory environments, the Company will prepare the system and corresponding digital resources to cope with this challenge.

(2) Under the new international landscape, the CDMO trends of the major medical device manufacturers

With the steady growth of medical demand, global medical device manufacturers have invested a lot of money to develop new products. However, the development and production of medical devices is a multi-faceted and complex process. The entire development and manufacturing processes often take many years and cost millions of dollars. Most importantly, there are high regulatory thresholds for production sites and products. If a company wants to quickly increase production capacity without increasing fixed assets, choosing a CDMO as a partner is an important choice for big manufacturers to focus on their core business and reduce development time and costs.

For a long time, BIOTEQ has controlled the entire product realization process, from product development, production, and quality engineering to regulatory certification for high-risk consumables. Such core competency is an important opportunity for BIOTEQ to build a new plant and work with big manufacturers as a CDMO, and it is the direction we have continued to work on. Under new international situations, for low-risk medium and entry-level medical materials, once a customer requires the transfer of traditional production bases for risk diversification, BIOTEQ, which already has entered the ASEAN market and has years of production experience, is undoubtedly the strategic partner for large medical device manufacturers.

(3) The rise of the medical device market related to elderly and long-term care

Home care not only helps reduce medical expenses for patients and the workload of healthcare professionals in hospitals but also enables patients to live independently in an environment that they are familiar with or to live in nursing facilities with specialized caregivers and the quality of life is improved. As such, it is becoming a new approach to providing medical care. Taking into consideration both healthcare expenditure and quality of life for the patient, in addition to the fact that chronic diseases have become the main pattern of illness, home care is an important healthcare program in the respective countries. Under this trend, medical devices being developed are growing home care and minimally invasive surgery-oriented to reduce the length of hospital stay for patients combining computer technology or molecular medicine. The goal is to cut back on medical expenses and to improve quality of life. For home care products, the Company will produce low-risk and highly labor-intensive products in the Philippines plant. In Taiwan, we are currently collaborating with large manufacturers as an OEM to work on the treatment of geriatric diseases.

(4) After the Covid-19 epidemic, the emergence of short-chain economy and the internal and externalization of China's economy

The supply chain was disrupted by the pandemic outbreak, causing a failure to meet end demand. In response to this, a call to locally produce strategic medical supplies to prevent national security from being affected emerged. In 2021, high freight and high inflation suddenly hit. What's worse, due to the Russo-Ukrainian War, Israel-Hamas War, canal obstruction, plus the pressure of carbon tax, high freight and high inflation, the global operating model since 1990 has even been declared to an end. China, another engine of the world economy, has also seen a weaker-than-expected internal circular economy performance due to the domestic economic setback after the pandemic. This has resulted in fiercer external competition for products made in China and more active penetration pricing, causing an impact on the existing market ecosystem.

In response to the low-price competition, the direction is to achieve complete specifications and service packages for our competitive products to improve customer satisfaction and increase gross profits. For products, we will continue to upgrade existing products to increase the added value and competitiveness of our products. For channels, the Company will reinforce the alliance with overseas distributors, build more complete sales channels, and further strengthen partnerships with customers, bringing our services closer to end customers. In this way, a higher competition threshold can be formed, creating an advantage for the Company. In addition, the proportion of short, light and thin products needs to be increased to respond to such changes.

2. Correlation among Upstream, Mid-stream, and Downstream of the Industry

(1) Upstream: Medical grade polymer materials and related materials. All the materials need be verified and comply with the relevant specifications.

(2) Mid-stream: Medical device manufacturers, such as BIOTEQUE. It is responsible for the overall design and manufacturing of products.

(3) Downstream: Domestic and foreign distributors and agents, and then these partners deliver the products to users in hospitals.

3. Respective developmental trends of products

As far as hemodialysis products are concerned, the global population on dialysis is growing at 7% each year. As products and techniques are getting better and better, the population dying of dialysis keeps dropping. In addition, countries around the world have gradually included hemodialysis in their health insurance system and reduced the reuse of relevant consumables, leading to the continuing expansion of the demand for hemodialysis consumables and a year-by-year increase in their consumption.

Domestically, there are around 10 million hemodialysis treatments annually in Taiwan. We produce competitive hemodialysis catheters through our plant in the Philippines to benefit patients requiring hemodialysis in Taiwan under the health insurance reimbursement system. Safety intra-arterial/venous fistula puncture needles can protect the nursing staff performing hemodialysis from the risk of needle stick injury. At present, BIOTEQ has an automated production line for such products in Taiwan and imports needles for domestic and foreign use.

In terms of diagnostic and therapeutic internal catheters, we continuously strive to develop minimally invasive consumables for use in hospitals, particularly internal catheters to be used at cardiovascular, intervening radiology, and urology divisions, and efforts are being made to reach out to other divisions by constantly developing minimally invasive catheters that are competitive on the market and help boost the wellbeing of patients. Many products are known for their high market shares domestically and internationally. At present, the shipment of catheter products has accounted for a major proportion of our sales.

4. Competition

In the field of advanced consumables, such as internal catheters or vascular catheters, etc, our competitors are mainly well-known mainstream manufacturers around the world. With Taiwan's excellent management and technical capabilities, we produce high-quality products and utilize price advantages to compete with the well-known brand manufacturers in the market worldwide. For catheter products, we strive to make OEM production for large European and American manufacturers; For mature hemodialysis products, large manufacturers have adjusted their strategies due to product maturity and fierce competition. Through a strategic plan, we use our production base in the Philippines to remain competitive in the price war against products made in China.

(III) Technical, Research and Development Status

1. Technical level of sales and overview of research and development

To cope with domestic and international challenges, the most important thing to do at present in terms of satisfying the needs of large manufacturers by undertaking OEM or CDMO orders is to turn production intelligent, flexible, and automatic and to apply big data to improving business forecasting capabilities, as well as production preparedness and speed. Besides proactively developing machines sharing the same platform through collaboration with large automated equipment manufacturers, we will further integrate further production information and real-time information on supplies so that management and production can be more effective.

The Company continues to develop high-end medical catheter products. As a result of years of hard work, we have excelled in catheter extrusion, special catheter processing, parts injection, special shape processing, polymer welding, and hydrophobic coating and printing. In the future, the Company will develop high-end internal catheter products. In addition to expanding our own brand, we will also strive to provide (contract development and manufacturing organization) CDMO services for international companies to accelerate revenue growth.

2. Research and development expenses

Unit: NT$1,000

Research and development expense	2023
	70,442

3. Successfully developed technologies and products

R&D Group 1	R&D Group 2	R&D Group 3	R&D Group 4
6 major accomplishments under [Research] and 4 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product research - Clinical MRI related testing methods and regulatory standards for drainage catheters with metal marking bands. 2. [Research] New product research - Clinical application and functional testing of drainage catheters in alcohol embolization. 3. [Research] New product research - Research on different material adhesion in gynecological	7 major accomplishments under [Research] and 3 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - (Radiology) Percutaneous nephrostomy drainage bag related injection parts. 2. [Research] New product development - (Urology) Clinical application of urological extracting small stone fragments. 3. [Research] Product further development - (Urology) Novel customized ureteral stents for niche markets.	6 major accomplishments under [Research] and 4 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - Small-scale trial production of drainage bags completed. 2. [Research] New product development - Small-scale trial production of advanced drainage bags completed. 3. [Research] New product development - Completed product technical evaluation related to the Enteral feeding system, related mold and	5 major accomplishments under [Research] and 5 major accomplishments under [Development] , for a total of 10 items: 1. [Research] New product development - Compatibility assessment of infusion drugs and materials. 2. [Research] New product development - Establishment of supply chain for infusion tubing materials. 3. [Research] Product further development - Standardization of ethylene oxide (EO/ECH) residues in pediatric sputum suction tubes.

catheter processing, multi-lumen catheter extrusion, vertical injection, and tip closure mold design and development. 4. [Research] Product further development-Evaluation and testing summary of biocompatibility assessment of different materials for drainage catheters. 5. [Research] Analysis of the latest authorization documents for medical devices (MDR) regulations established by the European Union Medical Device Coordination Group within the European Commission, and the establishment of standard operating procedures during systematic evidence collection. 6. [Research]Retrospective evaluation of the safety and effectiveness of clinical trials on drainage catheters. 7. [Development] Product further development - Completion of trial production of specification development for blood dialysis catheter set change product. 8. [Development] Construction of risk management required by MDR certification - Formulating a set of systematic hazards, event sequence, hazard situation, and injury, establishing their close and logical causal relationship.	4. [Research] Product further development - (Cardiovascular) Non-clinical evaluation of hydrophilic thin layer coating on fluoropolymer material surface for target markets. 5. [Research] Product further development - (Urology) Surface specific coatings that can increase the long-term safety of clinical use of catheters. 6. [Research] Product further development - (Cardiovascular) Through supply chain integration for product differentiation and flexibly respond to the market development of different regions and different customer groups. 7. [Research] Construction of CDMO project prototype - (Urology) Connecting tubing for the evaluation of voiding dysfunction. 8. [Development] Submission for License - New factory quality system certification - (Cardiovascular) Diagnostic intravascular catheter. 9. [Development] Submission for License - New factory quality system certification - (Vascular Access) Catheter guidewire. 10. [Development] Submission for License - New Factory quality system certification - (Urology) Ureteral stent.	fixture development in progress. 4. [Research] New product - Completed the certificate application for solvent or drug for needle-free infusion drip series products. 5. [Research] New product development technology - Small-scale trial production of percutaneous thoracic surgery drainage valve completed. 6. [Research] New product development technology - Development of multicolor intravenous infusion medicine bag technology. 7. [Development] Submission for License - New factory's filter Taiwan QMS application and ISO13485 application. 8. [Development] New product development - Relevant efficacy reports of the infusion extension series products. 9. [Development] Product further development - Production and sampling of CDMO customer samples for infusion extension tubes. 10. [Development] Supply chain material approval - Localization of PVC material supply.	4. [Research] License maintenance - Microbial washing study of existed factory's closed sputum suction tube 72-hour adult/child specifications. 5. [Research] Product further development - Compatibility assessment of tracheal drugs and materials. 6. [Development] Submission for License - QMS application and ISO13485 application for new factory's closed sputum suction tube. 7. [Development]License maintenance - Completion of CE submission for existed factory's closed sputum suction tube. 8. [Development] License maintenance - Completion of stability verification of adult specifications for existed factory's closed sputum suction tube. 9. [Development] License maintenance - Completion of stability verification of pediatric specifications for existed factory's closed sputum suction tube. 10. [Development] Retrospective evaluation of the safety and effectiveness of clinical trials on closed sputum suction tubes.

9. [Development] Execution of chemical substance standard registration, completed 2 PVC raw material registration operations. 10. [Development]Six quality system certifications for new Factory.			

(IV) Long-term and Short-term Business Development Plans.

1. Short-term Business Development Plan

1-1 Management strategy

A. Southbound market: For mature products, we will utilize the strength of local production to produce suitable items so that the products can maintain their cost advantage in the face of penetration pricing. We will also build our southbound channels to secure the home advantages in the ASEAN market.

B. Organizational change: Through process review, BI (business intelligence) data applications, and responsibility center activities, we will build responsibility awareness for personnel to ensure proactiveness and a spirit of initiative.

C. Strengthening education and training on core expertise and competency. The Company provides regular personnel training and requires each department to implement independent knowledge management in order to improve personnel quality and competence.

1-2 Marketing strategy

A. Expanding the position of CDMO links to major manufacturers, deepening the deployment of product distribution channels and enhancing the ratio of high-value-added products. Utilize agile and quickly responding marketing tactics, improve service ability, and maximize market shares. The enhanced promotions are conducted in the ASEAN area, and for the in vivo catheter products.

B. Adequately adjust launching strategies for imports and exports and maximize product items on the domestic market, enhance customer services, respond to the impacts of freight risks, and diversify operational and financial risks.

C. We will continue to expand overseas markets. International exhibitions are still the most effective way to reach target customers. We will also make good use of data to develop customers and understand their needs, enhancing our international marketing.

1-3 Production strategy: Proactively apply restructuring, streamlining, consolidation, and deletion of operations to enhance organization's operational efficiency. Form a quality improvement task force to periodically discuss and follow up on quality improvement outcomes.

A. Consolidation of quality: Continue to enforce changes made to ISO 13485: 2016 and the updated GMP, and implement in system that helps ensure product safety and quality.

B. Productivity enhancement through intelligence: The Company strictly controls the procurement of raw materials and supplies and the waste and unnecessary consumption during production procedures, and uses automated production equipment to expand production capacity, reduce defective products, and enhance productivity in order to boost price competitiveness.

C. Continuous improvement through intelligent production: We will thoroughly consolidate lean manufacturing through the standard operating procedure, QCC, and TQM activities and continue to apply data, integrate the enterprise resource planning system, expedite the integration of production, sales, management, and financial operations, and comprehensively enhance the management performance of the Company.

2. Long-term business development plan

2-1 Management strategy

A. Continue with Industry 4.0 to satisfy customers and apply big data to expedite responses and realize the innovation of sales service and production.

B. We will develop high-end products and deepen product services to create product differentiation. For example, with different catheter products and specifications, the Company offers comprehensive solutions with treatment as the core for relevant devices under our own brand.

C. As far as customization and professional OEM are concerned, continue to reinforce current R&D and production strengths and increase quality strengths through excellent and experienced quality systems and automated shelving, to enhance customer stickiness.

2-2 Marketing strategy

A. Select internationally famous manufacturers to form strategic alliance partnerships and to jointly explore markets for the sake of maximizing market shares.

B. Carefully evaluate the necessity of establishing sites overseas or find a suitable professional dealer to secure business opportunities and serve customers locally.

C. Create a sound quality assurance and after-sales service management system and build the Company's brand and publicity.

2-3 Production strategy

A. Set up a specialized product development department to develop and adjust production technologies, supplies, or conditions to boost production efficacy.

B. Build a sound human resources unit and system that proactively trains required operators in terms of their professionalism and the second skills to facilitate flexibility in supporting production.

C. Strengthen collaboration with primary raw materials suppliers for sound supply chain management and steady sources of materials.

D. Create and thoroughly enforce operation and care systems for respective production equipment, public equipment, and testing equipment in order to properly use these equipments through production in the industry.

II. Market and Production/Distribution Overview

1. Market Analysis

1. Main products and distribution markets

Distribution of sales and values involved of primary products of the Company in the recent 3-Year

Unit: NT$1,000

Sales region \ Year		2021		2022		2023	
		Value	%	Value	%	Value	%
Domestic sales		376,732	20.64	382,766	19.04	369,235	18.99
Exportation sales	Asia	654,905	35.87	705,440	35.09	718,950	36.97
	America	469,986	25.75	533,520	26.54	466,550	23.99
	Europe	248,677	13.62	275,748	13.72	195,123	10.03
	Africa	75,191	4.12	112,798	5.61	194,843	10.02
Total		1,825,491	100.00	2,010,272	100.00	1,944,701	100.00

2. Future supply, demand, growth on the market

The supply and demand in the market are as follows:

A. Hemodialysis tubing

(A) Domestic market

At present, Taiwan's dialysis population has exceeded 90,000, and the penetration rate is among the highest in the world. Hemodialysis treatment accounts for about 90% of the population. The monthly hemodialysis catheter consumption is about 1 million sets. The brands we import include KAWASUMI (Japan), NIPRO (Japan), and Perfect Medical (Vietnam), as well as local ones BIOTEQ and Sunder. There are also some other labels that are imported in small quantities.

(B) International market

Our products have reached the international level in terms of quality, and we have obtained international CE Mark (Europe) and FDA 510(k) (USA) certifications. In addition to stable product quality, our production base being moved to the Philippines has provided us with a competitive advantage. The Company's export markets are all over the world, and for the time being, we will strengthen the functions of our services for the ASEAN region and local markets to increase customer stickiness.

B. Safe Puncture needle

(A) Domestic market

This is a required material for hemodialysis; it is used in combination with the tubings. Each set of tubings needs to go with 2 puncture needles (one connected to the vein and the other to the artery). In the past, most of them were imported foreign brands and well-known ones such as JMS, NIPRO, KAWASUMI were all from Japan. BIOTEQ is the first in Taiwan to have invested enormous R&D manpower in self-design and in the introduction of fully automatic production, Furthermore, we use the needles imported from Japan with excellent quality. They not only have a competitive price advantage, but also have reached the international level in terms of quality. Currently, such needles remain competitive in the domestic market.

(B) International market

At present, the laws and legislation of countries emphasize safety equipment and devices to protect medical staff. The Company has a stable supply of such equipment and devices. Thanks to fully automated production, the quality of our products is good, and their prices are competitive with other products in the same class.

C. Infusion bag (IV bags)

(A) Domestic market

The Company's Infusion bags are being produced with fully automatic equipment in large quantities and of optimal quality. They are delivered quickly and the cost is highly competitive. They have been a preferred choice designated in many hospitals. The market share domestically has exceeded 30%.

(B) International market

The Company attends multiple international medical fairs each year. The optimal quality and competitive prices of our products have helped us successfully enter markets in Central and South America, Southeast Asia, the Middle East, and Africa. Our products are quite well liked by customers in the international market.

D. Invasive therapeutic internal (TPU) catheter

This product has been marketed globally since 2003. At present, its sales at home and abroad are good, and it has stable customers in Europe, Asia, and America.

E. Interventional cardiology catheters

Vascular catheters are a product prioritized by the Company for development. Currently, such products are produced only in advanced countries such as the United States, Germany, and Japan. As different new therapeutic purposes are being developed, such products constantly grow in both variety and specification. The market demand is quickly expanded and so is the growth rate. There are, however, high requirements in terms of quality and safety. Therefore, the Company is going all out to develop them to make its own product line more complete. As new treatment options are constantly being enhanced and becoming more popular, the demand for these products on the international market will be even more impressive in the future, and the Company's performance is sure to be eye-catching.

F. Closed sputum suction tubes

In our age of increasing globalization, the rise in respiratory diseases, especially with the outbreak of the COVID-19 pandemic has greatly increased the demand for such anti-epidemic medical materials. The closed sputum suction tube is the company's first product to enter the respiratory anesthesiology market. The safety devices to be added onto existing traditional sputum suction tubes to prevent cross-contamination in hospitals, and are already certified with the CE MARK (Europe) and FDA 510(k) (United States). The quality is comparable to that of international well-known brands. Additionally, automatic production has helped reduced the production cost for the Company and promotes Industry 4.0, allowing us to offer prices that are competitive in the market. This product has now been distributed throughout the world. For the domestic market, the DOH permit has been obtained. In response to the government's policy, traditional open-ended sputum suction tubes will be gradually switched to closed ones.

3. Competitive niche

Primary products of the Company are being produced fully automatically by machines. The cost is significantly reduced and the throughput is increased. Meanwhile, the Company is the first in Taiwan to be honored with the National Quality Award and has obtained multiple certifications such as GMP, the CE MARK, and FDA 510(k), and been recognized as a quality professional medical device manufacturer multiple times by the US FDA following its establishment inspection to ensure that its products can be delivered to customers and hospitals quickly, timely, and safely and that patients can use the products with assurance. The Company also takes part in around 15 professional medical fairs worldwide. Quality of its products has reached international criteria. BIOTEQUE as a brand is widely known both domestically and internationally.

4. Advantageous and disadvantageous factors for future developments as well as response measures

4-1 Advantageous factors

(1) Advantageous factors

A. Stricter regulations, higher barriers of entrance.

The use of medical devices concerns people's health; therefore, besides the quality that needs to satisfy customers, each product, aside from its own quality, needs to be produced by a factory whose quality system has been qualified. Therefore, regulatory requirements are in place for governing and confining purposes. Unlike other industries, the entry level for the medical device manufacturing sector is relatively high. To be able to be sold to Europe and America, in particular, FDA approval and CE MARK are required; otherwise, there is no access to the market.

The circulation of medical products internationally primarily relies on the harmonization of medical device management systems proactively promoted by regulatory authorities and businesses in advanced countries. Applicable laws and regulations have been announced in countries in Europe and America for the past few years. For quality control, the ISO 13485 2016 EU Quality Assurance System is adopted. The Company is devoted to enhancing its quality control and has been certified by the US FDA 510(k), the Europe CE MARK, and the domestic GMP, among others. It helps significantly with sales domestically and internationally. As for the domestic market, the preparation and approval of the Medical Devices Act further declares the determination of Taiwan to be on a par with advanced countries in Europe and America.

B. Optimal R&D technology and stable product quality

The R&D team of the Company consists of professionals specializing in medical engineering, chemical engineering, and molecular processing, among others, who have accumulated quite abundant experiences in the industry. The R&D team has been proactively seeking technical breakthroughs for the past few years, too, in order to develop more advanced medical devices, such as TPU catheters, among others. The market for TPU catheters around the world is worth around US$ 8 billion and focuses mainly in the United States, Europe, and Japan and it is growing quickly (at an annual ratio of 15%). The market is full of potential. Besides the developing TPU materials processing technologies with the Biomedical Engineering Center of the ITRI domestically, BIOTEQUE currently also seeks technical transfers or professional OEM with international heavyweights in order to develop balloon catheters, vascular stents, and chest tumor catheters, among other top-notch and most value-added medical devices around the world.

C. Self-brands marketed globally

The Company's marketing efforts currently reach out to the whole world and cover more than 50 countries including Japan, Europe, and the United States with its own brands and has been certified in countries around the world such as Europe, the United States, and Mainland China. Preemptive action has been taken on the expansion of exports market of the Company. With certain heavyweights, the collaboration follows the OEM model in production.

D. Capable and robust management team

Main leaders in the Company have been working in this industry for at least 5 years on average and have abundant experience in the research and marketing of the industry. The primary management team of the Company has optimal attainments and is highly stable and it is conducive to the Company trying to grow its business.

E. Government policy incentives

Currently, the important policies of Taiwan's government supporting the medical device and healthcare industries are shown as follows:

(A) Regulations for the Development of Biotechnology and Pharmaceutical Industry;
(B) Measures for the Determination of Biotechnology and Pharmaceutical Companies;
(C) Measures for the Application of Investment Deduction for Machines and Equipment or Systems Invested in by Biotechnology and Pharmaceutical Companies;
(D) Measures for Income Deduction for An Individual's Investment in Biotechnology and Pharmaceutical Companies;
(E) Operational Measures for Recognition of Tax-deferred Stocks Owned by Senior Professionals and Technical Investors of Biotechnology and Pharmaceutical Companies.

F. Construction of Yilan Plant to expand production capacity

More than NT$ 1 billion will be invested according to the construction plan for the new plant in the Yilan Science Park of BIOTEQUE. Our new plant will introduce intelligent production to comprehensively improve the connection of various systems and enhance digitization, real-timeliness, and connection.

4-2 Disadvantageous factors

A. Primary raw materials highly dependent on importation

Primary raw materials used for the Company's products are consistently medical PVC compounds and TPU, among other chemical engineering raw materials. Most of such raw materials, if needed, are imported (from Europe, the United States, and Japan). Due to the regulations of medical devices, it is important to maintain a good relationship with suppliers to ensure steady supplies. The Company has several suppliers for each type of raw materials it uses. Therefore, the supply is not a concern. Due to the fluctuating prices of crude oil around the world, the price of PVC is volatile, too. The cost of PVC materials has been high.

Response measures: The global procurement strategy is adopted in order to bring down the costs of raw materials and supplies and suppliers of related raw materials (such as) are being supported in order to further bring down the costs. For the time being, there are several internationally known heavyweight suppliers of raw materials and the collaboration has been normal. In the future, besides reinforcing collaboration with existing suppliers, alternative raw materials will be proactively researched and developed in order to be more competitive in the market in the future.

(A) Enhance the throughput, the procurement scale, and the procurement price negotiation ability and seek preferred conditions for making payments and for bringing down the procurement cost.

(B) Strengthen technical exchange and transfers with primary raw material producers in the upstream and proactively research and develop formation technology to hopefully reduce the procurement cost.

(C) Besides stabilizing existing sources of procurement, also decentralize them in order to reduce the risk of the raw materials intentionally held back by the suppliers.

(D) Promote Industry 4.0, enhance the production technology, and reduce the losses of raw materials.

B. Impacts of change in exchange rate on profitability

The Company's primary raw materials are non-toxic medical PVC particles and some parts and components. In order to fulfill the CE MARK and FDA 510(k) criteria, they need to be imported, mainly from Japan, Europe, and the United States, and the quotations are provided mainly in Euros and Japanese Yen. The impacts of the changes in the exchange rate versus Euros and Japanese Yen are huge. Therefore, the response measures adopted are as follows:

(A) Banks are asked to provide analysis of changes in exchange rate and professional advisory service by closely watching the trends of exchange rate and utilizing respective financial instruments to reinforce hedging.

(B) When providing quotations for products to be exported, the Sales Department shall adopt the hard currency or the source currency. A foreign currency deposit account is set up to fulfill the hedging purpose.

(C) When negotiating the prices of equipment and raw materials, the Procurement Department shall take into consideration the factor of changes in the exchange rate and responsively adjust the currency or sign an exchange rate contract in order to protect profits for the Company.

(D) We will make the best use of the real-time foreign exchange quotation system. To minimize the damage caused by exchange rate fluctuations.

(E) Parts and components have been comprehensively localized for the time being. The main parts and components can be produced in Taiwan and the dies are in place. The competitive advantages will grow further from now on.

C. In the post pandemic era, due to huge changes and many uncertainties, large manufacturers have adjusted their strategies.

German medical giant, Fresenius Medical Care, proposed the 2025 growth strategies for the next stage:

(A) To globalize the operational model to utilize professional knowledge, seize growth opportunities, and accelerate value creation.
(B) To divide the business operations into two global operation departments: care engagement

(CE) and care delivery (CD).

Baxter also made a strategic change (on January 6, 2023):

(A) within 12-18 months, to complete the split-off of Renal Care and Acute Therapies.
(B) to simplify business models and production footprints to facilitate making clear its strategies, improve operational efficiency, and accelerate future growth.
(C) to develop strategic options for biopharmaceutical solutions in the business sector to facilitate future focus and improve funding structure.

Another medical giant, Medtronic, announced in May 2022 that it will establish a new joint venture with DaVita by splitting off its kidney care business.

D. The tightening of laws and regulations, the increase of CE license fees, and stricter verification and review will affect license application policies.

(II) Purposes and production processes of main products

1. Purposes of main products

(1) Blood tubing: Such tubings are used during hemodialysis to extract blood from the veins of the patient (driven by the motor of the machine) and to deliver blood during dialysis.

(2) Puncture needle: It is the needle inserted into the patient's blood vessel during hemodialysis (dialysis) so that the blood may come in on the one end and out on the other to render dialysis effects.

(3) Infusion set: It is the catheter used during priming prior to hemodialysis.

(4) Infusion bag: commonly known as an IV bag; it can be used to carry any drug and is meant to supplement fluids and nutrients or for dialysis.

(5) Urine collection bag: It is used to collect and measure urine to facilitate a diagnosis rendered by and treatment provided by the physician.

(6) TBU internal catheter: For the treatment of infections of respective organs and stones, drainage of abscess, and diagnosis and treatment of nervous and vascular disease.

2. Production and preparation processes

(1) Hemodialysis tube

Extrusion of PVC materials Part injection	→	Assembly Packaging	→	E.O.Gas Disinfection	→	Q.C. test Test/Laboratory test	→	Shipment

(2) Puncture needle

Extrusion of PVC materials Part injection	→	Fully automatic assembly /Packaging	→	E.O.Gas Disinfection	→	Q.C. test Importation of laboratory testing needle	→	Shipment

(3) Infusion set

Extrusion of PVC materials Part injection	→	Semi-automatic Assembling machine	→	E.O.Gas Disinfection	→	Q.C. test Laboratory test	→	Shipment

(4) Infusion bag

Extrusion of PVC materials Part injection	→	Fully automatic infusion bag processing	→	Q.C. test	→	Shipment

(5) TPU catheter/Interventional cardiology catheter

Extrusion of materials Part injection Catheter forming	→	Processing and assembly Packaging	→	E.O.Gas Disinfection	→	Q.C. test Laboratory testing	→	Shipment

(III) Supply of main raw materials

The PVC raw materials adopted by the Company are consistently non-toxic medical PVC compounds that have been tested and qualified by internationally well-known laboratories for having met the requirements of US FDA 510(k) and have been CE MARK certified.

product	Main raw material	Primary source	Expected supply
Blood tubing	Medical PVC materials	US, Japan, Europe, Taiwan	Good
	Part	US, Japan, Europe, Taiwan	Good
TPU catheter	Thermoplastic polyurethane	US, Japan	Good

(IV) List of main sales customers over the past two years

1. Main sales customers over the past two years (those having accounted for at least 10% of the total sales in any year)

Unit: NT$1,000; %

	2022				2023			
No.	Name	Value	Percentage in the net sales throughout the year	Relationship with the issuer	Name	Value	Percentage in the net sales throughout the year	Relationship with the issuer
1	JA	179,961	8.95	None	JA	190,426	9.79	None
2	Others	1,830,311	91.05	None	Others	1,754,275	90.21	None
Total	Net sales	2,010,272	100.00		Net sales	1,944,701	100.00	

Note: List the names of customers accounting for at least 10% of the total sales over the past two years and the value and ratio of their sales. When the names of customers or counterparts who may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

2. Main purchases customers over the past two years (those having accounted for at least 10% of the total purchases in any year)

Unit: NT$1,000; %

	2022				2023			
No.	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer
1	TA	165,665	15.85%	None	TA	104,946	12.42	None
2	Others	879,376	84.15%	None	Others	740,333	87.58	None
Total	Net Purchase	1,045,041	100.00		Net Purchase	845,279	100.00	

Note: List the names of customers accounting for at least 10% of the total purchases over the past two years and the value and ratio of their purchases. When the names of suppliers or counterparts who may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

(V) Production and sales volumes/values over the past two years

1. Production volumes/values over the past two years

Unit: 1,000 PCS/NT$1,000

Year	2022		2023	
Product \ Production volume/value	Production volume	Production value	Production volume	Production value
Hemodialysis tube	11,051	419,949	7,669	304,685
Interventional radiology catheter	594	103,541	680	118,169
Infusion bag	67,420	229,202	71,418	239,353
Puncture needle	27,990	114,616	20,431	92,472
Interventional cardiology catheter	1,012	99,823	1,194	119,788
Surgical tube	2,576	101,260	2,503	108,249
Critical component and parts	1,092,533	419,104	840,841	374,444
Miscellaneous medical disposables	—	395,636	—	356,450
Total	—	1,883,131	—	1,713,610

Note: Due to the fact that the measurement unit of each product is not identical, the total production volume is not indicated.

2. Sales volume/values over the past two years

Unit: 1,000 PCS/NT$1,000

Year	2022		2023	
Product \ Sales volume/value	Sales volume	Value	Sales volume	Value
Hemodialysis tube	9,316	467,544	6,564	346,770
Interventional radiology catheter	568	488,057	638	543,596
Infusion bag	70,951	336,963	70,679	363,120
Puncture needle	26,809	142,293	21,048	109,429
Interventional cardiology catheter	693	134,896	794	157,427
Surgical tube	2,373	188,444	2,416	210,646
Critical component and parts	109,638	62,766	92,353	62,581
Others (Note)	—	189,309	—	151,132
Total	—	2,010,272	—	1,944,701

Note: Due to the fact that the measurement unit of each product is not identical, the total sales volume is not indicated.

III. Summary of employees for the most recent 2-Year up to the date the Annual Report was printed

Item/Year		2022	2023	By April 30, 2024 of the said year
Number of employees	Persons-in-charge	49	48	46
	Full-time employees	290	258	258
	Contracted employees	108	100	101
	Total	447	406	405
Mean age		36.2	39.14	39.18
Mean years in service		7.9	8.49	8.57
Distribution of education	Doctoral Degree	0.60%	0.68%	0.68%
	Master	8.11%	10.17%	10.14%
	College and university graduate	44.51%	47.80%	47.30%
	Senior high school graduate	24.02%	27.80%	28.04%
	Below senior high school	12.92%	13.56%	13.85%

IV. Information on Environmental Protection Expenditures:

(I) The total value of losses (including indemnities) and punishments borne due to polluting the environment in the past year up to the date the Annual Report was printed: None. The Company did not suffer damages and punishments due to polluting the environment throughout 2023 and 2024 ended on the date of publication of the annual report

(II) Explain the countermeasures (including improvements) and possible expenses (including estimated values of possible losses, penalties, and compensation due to failure to take countermeasures; if reasonable estimates are impossible, state the facts why they cannot be reasonably estimated) in the future: Not applicable.

Environmental protection-related expenditure of the Company

Item	Longde Plant		Yike Plant	
	Name of Improvement Items	Amount (thousand NT$)	Name of Improvement Items	Amount (thousand NT$)
1-1 Investment and improvement of air pollution control equipment	None	-	Addition of 3 sets of waste gas treatment systems for scrubber	19,500
1-2 Investment and improvement of water pollution control equipment	None	-	Addition of 4 sewage collection front tanks	6,000

Item	Longde Plant		Yike Plant	
	Name of Improvement Items	Amount (thousand NT$)	Name of Improvement Items	Amount (thousand NT$)
			Addition of 1 set of sewage treatment facility	8,000
			Addition of 1 set of sewage discharge measurement facility	35
1-3 Investment and improvement of waste equipment	Secondary recycling of discarded space bags	-	Addition of special waste storage yards	2,000
			Additional purchasing of large garbage bins for classification purposes	22
			Additional purchasing of medium-sized garbage bins for classification purposes	8
2. Operation and maintenance costs for wastewater treatment plant and prevention equipment (including testing costs)	Maintenance of efficiency and cleaning and transportation of sewage treatment equipment	68	Maintenance of efficiency and cleaning and transportation of sewage treatment equipment	34
	Calibration of sewage discharge measurement facilities	14		
	Renew of sewage discharge measurement facilities	34		
	Self-monitored sewage quality detection	20	Self-monitored sewage quality detection	24
3-1 Costs for air pollution prevention	The whole year's expenses after effective control	139		
3-2 Costs for water pollution prevention	The whole year's expenses after effective control	118	The whole year's expenses after effective control	29
4-1 Costs for operation and maintenance of waste treatment yard	Disinfection of peripheral environment	12	Disinfection of peripheral environment	12
4-2 Expenses for waste cleaning, transportation and handling		1,142		

Item	Longde Plant		Yike Plant	
	Name of Improvement Items	Amount (thousand NT$)	Name of Improvement Items	Amount (thousand NT$)
5. Improvement of prevention and treatment equipment of toxic substances during sterilization	Calibration of detection equipment	18	Additional purchasing of personal protective equipment for poisonous and chemical disasters	388
			Addition of EO gas leakage detection equipment	600
Total		1,565		36,652

The Company completed the greenhouse gas inventory for Yilan Plant 2. The result of the greenhouse gas inventory for Yilan Plant 2 in 2022 showed that for Scope 1-2 emissions, CO2 emissions accounted for the highest (95.67%), followed by HFCs emissions (3.63%); CO2 emissions accounted for all of the Scope 3-5 emissions (100.00%). The total greenhouse gas emissions of all our plants were 13,589.952 tons CO2e. There was no greenhouse gas removal.

V. Labor-Management Relations

(I) List the various employee benefits, continuing education, training, retirement system available at the Company and their implementation and the agreement between the employer and employees as well as protection of the various rights of employees

(I) Implementation of benefits

1. Benefits
   - (1) Labor Insurance, National Health Insurance, pension fund appropriated according to the new/old system.
   - (2) Special leave, sick leave, marital leave, paternity leave, bereavement leave, maternity leave, menstrual leave, family care leave, occupational injury leave, leave for a break to visit Taiwan from overseas, child care leave with retained position and no pay as required by the Labor Standards Act and the Act of Gender Equality in Employment.
   - (3) The Employee Welfare Committee is established as required by law to take charge of organizing travel and events, benefits for three major festivals, subsidies for weddings/funerals/celebrations, emergency aids, networking meal gatherings, entertainment events, and subsidies for societies in order to serve and care for the employees in respective needs in life.
   - (4) Insurance coverage: Besides Labor Insurance and National Health Insurance, employees are enrolled in the group program that covers fixed-term life insurance, accident insurance, unexpected medical care insurance, and occupational hazard insurance.
   - (5) Gift money is available for the Labor Day, the Moon Festival, and employee’s birthday.
   - (6) There is the nursery room on the premises where employees may go to collect their breast milk during working hours if needed.
   - (7) Parental leave is available according to law. Qualified employees may adjust their working hours to accommodate their parental leave.
   - (8) Child care leave with retained position and no pay is available; employees may submit a

request if necessary. Shown in the table below:

Applied		Returned position	On leave	On leave without pay
Female	Male			
9	2	4	2	5

(9) Healthcare: There are professional nurses to provide medical care services and consultations and contract occupational therapists provide site visits and consultations at the plant once every two months. Employees are provided with periodical health examinations. Employees engaged in special operations that are hazardous to health due to noise and specific chemicals go through special health examinations and health classified management is enforced. Weight management, body fat management, physical fitness and healthy exercise, muscle tone and aerobic training, nutritional workshops, and pressure relief workshops, among other health promotion events are held. Meanwhile, health-related information is distributed from time to time.

2. Compensation and incentive system

(1) The Company's compensation and incentive system is meant primarily to fulfill the long-term and short-term strategic goals of the Company. By effectively recruiting and inspiring the morale at work of affiliated staff and retaining outstanding talent, it contributes to a sustainable management classic model featuring a harmonious labor-management relationship, sharing of profits, and joint involvement of the employer and employees in corporate management. Internally, it depends on the fulfillment of the fairness and consistency principles in performance and reflects the performance-oriented culture. It also needs to go with the overall salary standards under existing and future organizational structures of the Company. Externally, through the overall salary standards and rewards system, the competitive advantages of the Company in the biotech industry are ensured.

(2) Compensation available at the Company includes wages and non-wage subsidies and incentives.

(3) Wages include the monthly base salaries, differential pay, other allowances, food allowances, shift rotation allowances, and overtime paid under the Labor Standards Act. Market salary intelligence report is obtained by participating in the salary survey each year and the salary is adjusted according to the fulfillment status of the operational goals of the Company each year and individuals' performance from the annual evaluation.

(4) Non-wage subsidies are addressed according to respective regulations. The prizes available under respective reward systems are a certain percentage of the remainder of profits or earnings, if any, after settlement and after taxes are paid, deficits are made up for, and dividends and reserve fund have been set aside. The release criteria are based on the goals of respective departments and base count associated with respective job responsibilities and evaluation results. These include the following:
a. Remuneration for employees (Article 20 of the Company's Articles of Incorporation stipulates that: "These company shall appropriate no less than 5% of its earnings as remuneration to its employees and no more than 1.6% of its earning as remuneration to the directors and supervisors, if applicable. The Company shall appropriate for write-off the loss carried forward, if applicable.)
b. Three-festival prize and year-end bonus
c. Business performance incentive
d. Special rewards for orders taken by the Sales Department

e. Patent prize, to encourage colleagues engage themselves to innovative research and development and apply for a patent

f. Rewards for and recognition of outstanding employees

g. Improvement proposal bonus

h. Talent referral bonus, to encourage colleagues to refer outstanding talent to work for the Company

i. Various patent bonuses

3. Implementation of the retirement system

The Company has defined its own Employee Retirement Regulations as required by the Labor Standards Act and the Labor Pension Statutes. Those who have worked for at least 15 years and are 55 years old or older, having worked for at least 25 years, and having worked for at least 10 years and are 60 years old or older can apply for retirement. The Company also has an actuary to precisely calculate the pension reserve each year in order to ensure that a sufficient amount is set aside and to protect the rights of colleagues to apply for payment out of the pension fund.

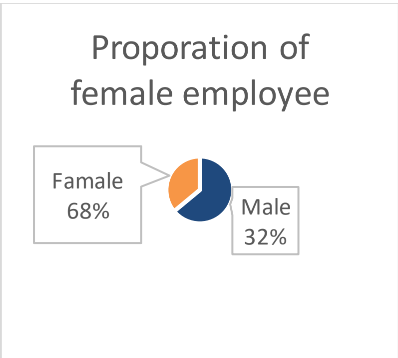
(1)For the appropriation of the pension fund for employees applicable under the old system according to the Labor Standards Act, the Company sets aside 2% from the total salary each month to be the pension fund and it is saved in the Bank of Taiwan account opened in the name of the Employee pension reserve Supervisory Committee. The Company also follows the requirement in Article 56 Paragraph 2 of the Labor Standards Act that before the end of each year, employers shall assess the balance in the designated labor pension reserve funds account of the preceding Paragraph. As of the end of December 2023, total pension reserve is 19,714,000, the pension reserve requirements are all set up. Total of one person applied for retirement on 2022 and two person applied for retirement on 2023.

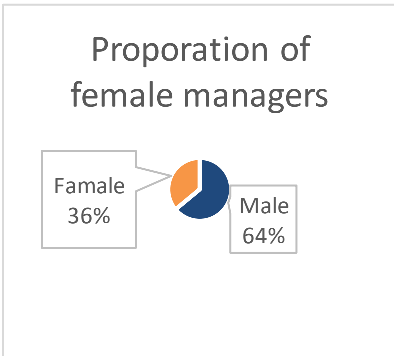
(2)For the pension fund that is applicable to employees under the new system according to the Labor Pension Statutes, the appropriation is based on the wage bracket table for appropriation of the labor pension fund that each employee's mean salary is qualified under. It is appropriated at 6% on a monthly basis to be the pension fund and to the personal account of the specific employee opened with the Labor Insurance Bureau.

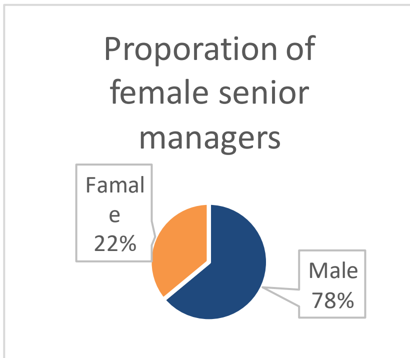
4. Workplace diversity

The employment, salary, promotion and remuneration of the Company's employees are determined based on their job type, education and experience, professional knowledge and skills, professional seniority, and personal performance, and do not differ due to age, gender, ethnicity and other factors. The Company incorporates gender balance into all human resources practices.

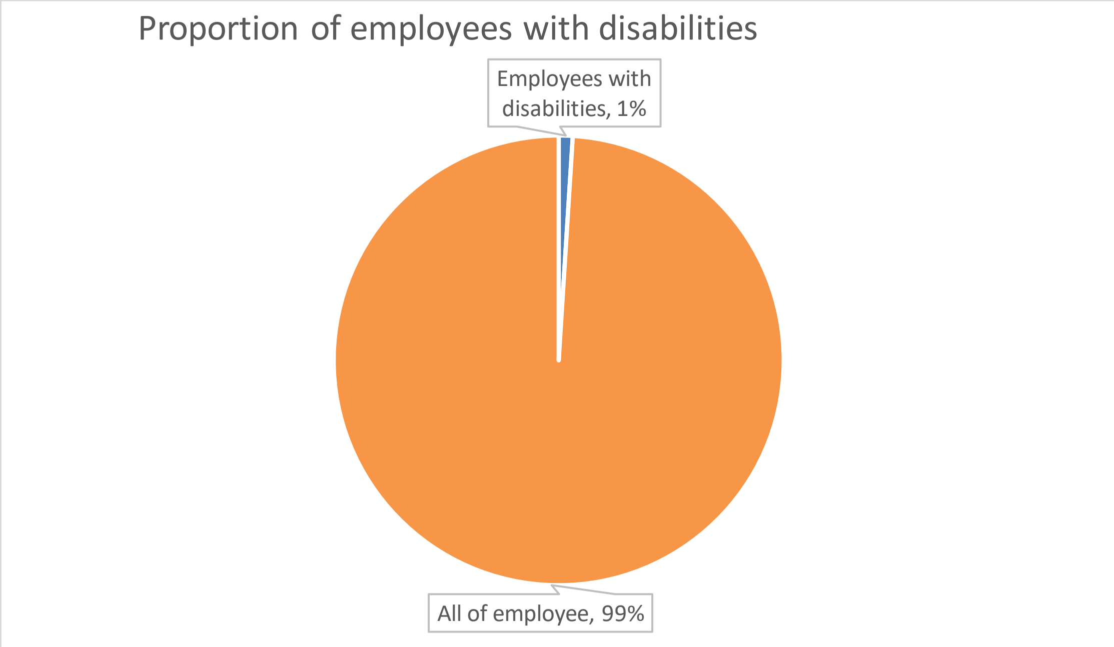
(1) Gender-friendly workplace

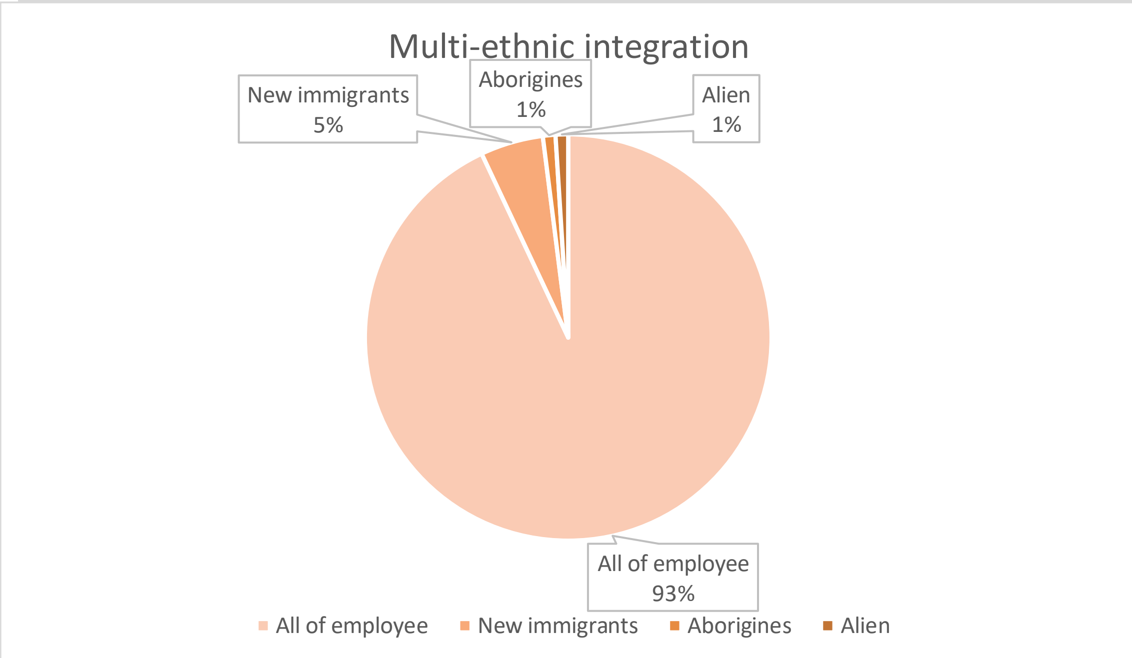






(2) Diversification





(II) Implementation status of talent training and development

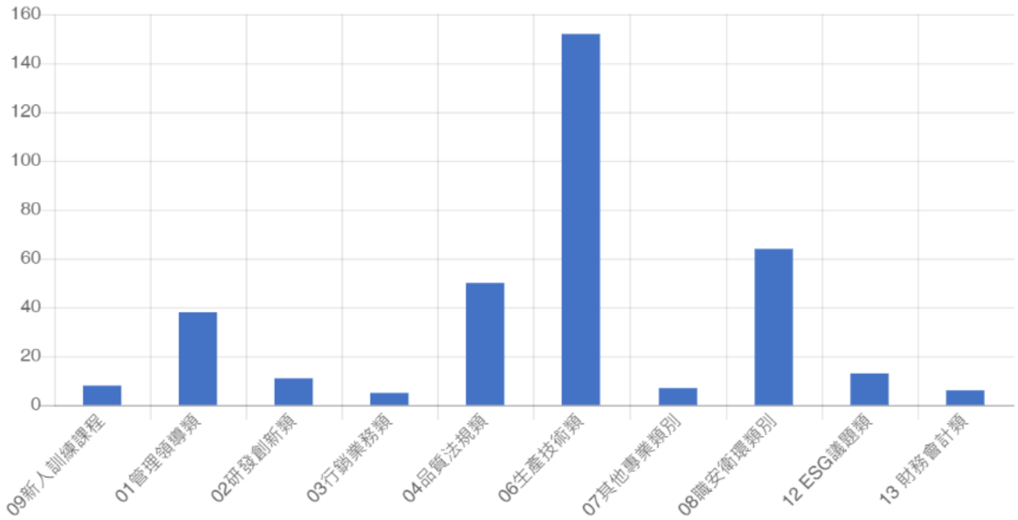
1. Employee cultivation and education and training

   The Company plans a variety of education and training courses based on organization development, annual operating plans, and the training needs of the organization, departments, and individuals. We hope to improve the knowledge, skills, abilities and attitudes of all employees from the three aspects of training, education, and development, so as to enhance the work performance of individuals and teams, thereby achieving the goal of sustainable business operations!

2. Implementation status in 2023

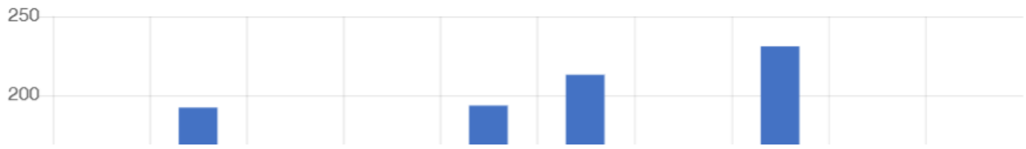
各類別開課數量 2023-01-01 ~ 2023-12-31

總課程數	最高	最低	平均
354	152	5	35.4



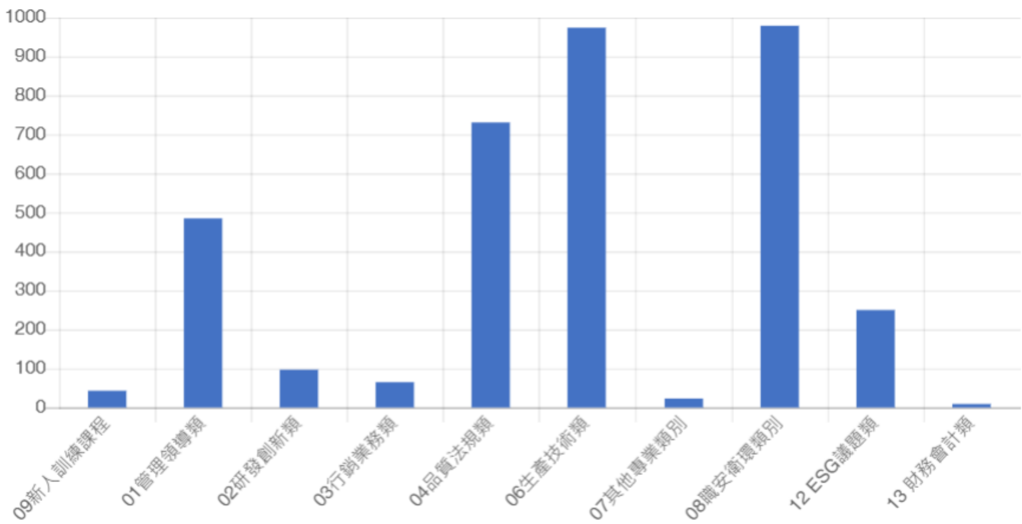
各類別開課時數 2023-01-01 ~ 2023-12-31

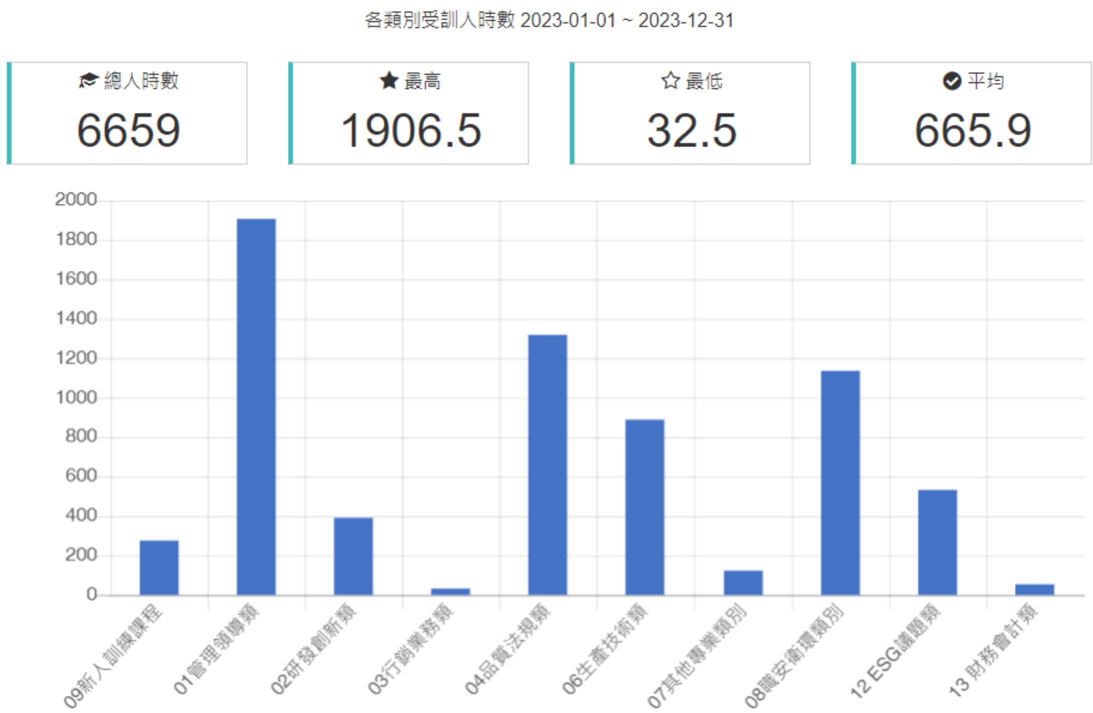
總時數	最高	最低	平均
1043.2	231	2.5	104.32



各類別受訓人數 2023-01-01 ~ 2023-12-31

總人數	最高	最低	平均
3656	979	9	365.6





(III) Plans relevant to employee safety, health events and their implementation

1. Employee safety
   (1) The organization is configured with labor safety and health management. Class 1 industrial safety personnel, Class 2 industrial safety personnel, and Class 1 toxic substance specialists, organic solvent operations supervisors, and special chemical operations supervisors are available to take charge of public and staff safety and environmental protection as well as waste and toxic substance control, among others, at the plant. There is also the Labor Safety and Health Management Committee that holds environmental safety and health management meetings on a quarterly basis in order to strengthen operations concerning safety and health at the plant.
   (2) Purchase fire insurance, typhoon insurance, earthquake insurance, and public accident liability insurance
   (3) As is required by Article 10 of the Enforcement Rules for Monitoring the Workplaces of the Occupational Safety and Health Act, workplaces are being monitored twice a year and improvements are made immediately upon any abnormality found in order to ensure that hazardous exposure of workers is reduced below the standard value.
   (4) Industrial safety personnel tour the premises on a daily basis and inspect the implementation of labor and environmental safety at respective units. In case of any hazardous event, depending on the circumstances, either improvement or suspension of work is demanded and the improvement efforts are being followed up till completion.
   (5) The fire prevention safety and self-defense configurations and emergency response operating procedures are in place. At least two fire prevention training and education sessions, rehearsals, and escape response drills are organized each year to help minimize the harm done because of accidents. Fire prevention facilities are inspected and fire prevention equipment is improved and updated each year and they are reported to the fire brigade to be inspected and qualified.
   (6) There is the toxic substance emergency response team that prepares a sufficient quantity of response facilities and devices as required by law. It helps with curbing accidents and disasters if they do occur, reduce losses borne by the plant in terms of property and

equipment in cases of accidents, and minimize personnel casualties. Gas leak detector and alarm equipment care and testing take place once a month. In addition, there are the secondary UPS equipment and systems to support normal operations in case of electricity shortage or interruption. Various preventive and rescue facilities are cared once a month and calibrated once a year, too. Periodic trainings, drills, and education and communication are scheduled each year for the plant in order to enrich the staff's knowledge about disaster prevention and response experience. Educational training covers training for new hires, on general knowledge about hazards, fire prevention, toxic disasters, first aid, evacuation, emergency response, and personal protective equipment. Actual qualification is required to evaluate the efficacy of educational training. Annual impromptu tests and drills, therefore, can help verify if respective preventive and rescue trainings have rendered expected results. Disaster education and communication are combined in preventive and rescue trainings and cover awareness of toxic chemicals and precautions during operation, how to use personal protective equipment, first aid, disaster prevention, reporting mechanism, and evacuation, among others. They take place once a year and the audience are all staff in the plant. Impromptu tests take place twice a year, including rehearsals and hands-on drills. They are conducted for members of the emergency response team. Hands-on drills occur once a year and external support units such as police, fire prevention, environmental protection, and medical care, will be included depending on the situational needs to emphasize the cooperation needed in response to accidents.

(7) All facilities are periodically inspected to ensure compliance with safety requirements and people are asked to wear protective equipment as needed for preventive purpose. Respective units prepare their own safety manuals and enforce educational training reflective of the operational safety requirements for each piece of equipment.

(8) Enforce safety education for contractors: Contractors must complete safety and health education before construction begins and respective safety tools and equipment are to be checked to ensure absence of safety concerns in advance. During construction, there are people to monitor and inspect tasks being carried out. If fire-related operations are needed, they need to be applied for in advance, too. Proper fire prevention facilities need to be in place before they may take place.

(9) The environment is disinfected once a quarter. Drinking fountains are checked for water quality periodically. The 6S movement is being promoted at respective departments to enforce spontaneous safety, tidiness, and cleanness checks.

(10) Labor safety and health education information is updated on the bulletin board periodically.

(11) There is strict access control: Security guards are in charge of safety control around the clock at the gate. To access respective premises, there are separate control measures, too; one must be granted permission to access them by swiping his/her card. Surveillance cameras are available at respective entrances/exits for monitoring purpose throughout the day.

(12) Smoking is prohibited indoors throughout the plant. There is a dedicated smoking area outdoors.

Item	Number of sessions	Number of participants
Occupational safety committee meeting	4	103

General safety and health education and training - prevention of occupational disasters and hazards	34	795
General safety and health education and training - traffic safety promotion	9	167
Occupational safety week	1	50
Self-defense fire fighting team disaster prevention meeting	4	30
Fire emergency response education and training and fire drill	8	231
Toxic chemical disaster response training and surprise drill	4	32

2. Health promotion

(1) There are dedicated labor health service nurses hired at the plant for the following tasks:

a. Workplace hazard identification and health risk management (including the health surveillance program for special tasks)

b. Labor physical (health) examination findings and analyses

c. Reinstatement program for optional workers and workers affected by occupational injuries and diseases

d. Labor health examination and health management in case of any abnormality found relevant to work

e. Health protection program for workers under the age of 18 or mid-to-old-aged workers

f. Maternal health protection plan

g. High-risk worker case evaluation and management

h. Occupational injuries and diseases prevention, case management, and retention of the records

i. Prevention against disease caused by abnormal workload

j. Prevention against illegitimate infringement in workplace

k. Prevention against ergonomic hazards

l. Emergency response plan

m. Health education, guidance, and promotion

n. Occupational hygiene or health study report

(2) There are contract occupational therapists to provide services on site once every two months; the site visits are meant to prevent occupational hazards and disasters and for providing consultations, including Assisting the employer and the occupational safety and health personnel in preventing against diseases and in improving the workplace that are relevant to their tasks, identifying and evaluating the workplace and operational hazards, providing advice on the improvement and planning of safety and health facilities in the workplace, investigating the correlation between the health of workers, evaluating health risks for workers at high risk in terms of their health, and adopting necessary preventive and health promotion measures.

(3) There are also the automated extracorporeal defibrillators (AEDs) throughout the plant to

be better equipped in cases of first aid needs.

(4) As is required by law, 9 first aid people are available. First aid people complete periodic trainings on a yearly basis. In 2020, three sessions of AED and CPR trainings took place, with a headcount of 114 people getting trained in factory and one sessions of AED and CPR trainings took place, with a headcount of 42 people getting trained in main office.

(5) The physical checkups for those working night shifts, and the health examination for those engaged in special operations were held in 2020.

(6) Devotion to promoting a healthy workplace with smoking comprehensively banned indoors and only one smoking area set up outdoors: In 2011, for the effort to promote prevention against tobacco hazards in workplace, the Company was awarded the Healthy Workplace Autonomous Certification - Tobacco Hazard Prevention Symbol by the Health Promotion Administration under the Department of Health Executive Yuan. In 2015, the Company was also awarded the Healthy Workplace Certification - Health Activation Symbol. Application for extensions in 2018. The Company applied for the Healthy Workplace Certification- Badge of Accredited Healthy Workplace at the end of 2020, and passed the certification after an official evaluation. The certificate is valid from 2023 to 2026.

	Item	Number of participants	Number of hours	Number of hours
1	Health checkups for employees in the Yilan Plant	283	5	1,415
2	Health checkup for employees in the Taipei office	32	3	96
3	Technology physical fitness testing	72	4	288
4	Muscle strengthening course for health promotion (4 classes)	33	4	132
5	Yoga course for health promotion (4 classes)	44	4	176
6	First-aid training (CPR+AED)	110	6	660
7	Foot health examination	51	3	153
8	Influenza and COVID-19 vaccination	47	1	47
	Total	672	30	2,967

(IV) Employee Code of Conduct and Ethical Norms

The Company's corporate culture features integrity, diligence, and frugality. It values personal character and ethical corporate management. All staff and high-ranking managers must follow the rules below:

1. Employees shall fulfill their duties at work in compliance with the Company’s rules that are reasonable and legitimate and follow reasonable commands from their supervisors without any carelessness, excuses, or defiance.
2. Employees shall work hard internally, cherish public properties, reduce losses, enhance quality, increase production, and keep business or duty secrets externally.
3. Employees shall follow the hierarchical system and may not skip any higher-ranking supervisor while reporting something relevant to their duties or public affairs unless it is an emergency or

a special situation.

4. Employees may not bring guns and ammunition, contrabands, weapons, inflammables or combustibles, cameras, or items irrelevant to public duties into the workplace.
5. The Company is devoted to creating a friendly workplace with gender equality and strictly prohibits sexual harassments and abnormal personal relationships and forbids any illegal behavior among its people that endangers colleagues and the corporation.
6. External social occasions engaged in by people at all levels shall be limited to practically necessary ones and such occasions do not include illegitimate venues. The Company also strictly prohibits dangerous behaviors such as drunk driving that is seriously against the discipline.
7. All employees shall abide by the Company’s work rules that have been approved by the competent authority and filed for reference and will be adequately updated reflective of changes to laws and regulations.
8. In order to create a culture of ethical corporate management, everyone shall abide by the Company’s Ethical Management Code of Conduct and Ethical Management Operating Procedure and Behavioral Guide and sign the Integrity Commitment upon reporting to job to indicate his/her commitment to strictly following all matters concerning integrity while dealing with all counterparts (such as customers and contractors) as defined by BIOTEQUE and will absolutely not ask for, agree upon, engage in any bribery with or payment of, or request any illegitimate interest (such as kickbacks) or, directly or indirectly, benefit oneself or someone related and/or the designee from the counterpart or the related party and/or designee.
9. The Company’s people have signed the Confidentiality Agreement upon reporting to job to undertake that they will properly store and keep confidential any product, related engineering and technical drawing, document, form, and data, among others, that is provided by BIOTEQUE and relevant to the R&D, manufacturing, production, distribution, and management of products or related business information about the operation, products, production techniques, sales, or others of BIOTEQUE that they become aware of due to their responsibilities at work.
10. The Company has information management rules in place to govern the use of information and operation of equipment by colleagues and to prohibit disclosure of such information.
11. Workplace Sexual Harassment Prevention Measures are prepared according to Article 13 of the Act of Gender Equality in Employment and the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace promulgated by the Ministry of Labor under the Executive Yuan to provide the employed and job seekers with a work and service environment free of sexual harassments and appropriate preventive, corrective, disciplinary, and handling approaches are adopted to protect the rights and privacy of the parties concerned.
12. The preventive program against illegitimate infringement due to fulfillment of duties at work was prepared taking reference of the Guide to Prevention against Illegitimate Infringement in Workplace revised on June 21, 2017 by the Occupational Safety and Health Administration under the Ministry of Labor to prevent and manage violence in workplaces.

(V) Overview of labor-management interactions

Solidarity and co-prosperity are one of the management beliefs of BIOTEQUE. The labor-management relations are managed on the principles of respect, communication, and harmony. There have not been losses caused by labor-management disputes. BIOTEQUE proactively keeps communications open with its people. Employees can provide their advice and opinions about management in a variety of ways.

1. Labor-management negotiations are held on a quarterly basis to ensure smooth communications between the parties.

2. Plenary meetings are held on a quarterly basis; they are presided over by the General Manager and high-ranking supervisors in person and are meant to update everyone in the Company on its operations. Colleagues may make suggestions and express and communicate opinions in these meetings.
3. High-ranking meetings, operational performance discussions, product development progress discussions, and quality meetings are held on a monthly basis to help keep track of the operations and make adequate modifications.
4. Weekly meetings take place each week at respective units and what are discussed and advised in these meetings are reported to higher-ranking supervisors for approval.
5. There are the General Manager's mailbox, rewards or punishments appealing channel, Sexual Harassment Committee mailbox and telephone, and workplace illegitimate infringement mailbox and telephone in place.
6. Colleagues get to know respective decisions and announcements through the bulletin board, email, and the KM platform.
7. Incentives for submitting improvement proposals are available to encourage colleagues to propose corrective actions to the Company. As soon as a proposal is submitted, the bonus is issued. If the proposal is determined to be able to bring about substantial benefits, a certain % is set aside to be the reward for staff involved in producing the proposal.

(II) List the losses as a result of labor-management disputes and disclose current values and estimates that are likely to occur in the future and countermeasures in the most recent year and up to the date the Annual Report was printed. If reasonable estimates are impossible, state the facts why they cannot be reasonably estimated:

Solidarity and co-prosperity are one of the management beliefs of BIOTEQUE. The labor-management relations are managed on the principles of respect, communication, and harmony. There have not been any major labor-management disputes. BIOTEQUE proactively keeps communications open with its people. Employees can provide their advice and opinions about management in a variety of ways. The labor-management meetings are called for on the quarterly basis, too, so that the communications are kept open between the employer and the employees.

VI. Cyber security:

(1) Organize

In order to strengthen the Company's information security management and ensure data, system and network security, a dedicated information security unit - the Information Security Office has been established. The organization includes a dedicated information security supervisor and an information security officer responsible for the planning and execution of cyber security affairs.

The dedicated information security supervisor shall report material issues or plans to the Board of Directors at least once a year.

(2) Information security policies:

1. Maintain the confidentiality of information assets, ensure that they can be accessed only with appropriate authorization, and safeguard the privacy of information businesses.
2. Ensure the integrity of internal business data, and avoid unauthorized access and modification.
3. Ensure sustainable business operations, and maintain the availability of information services.
4. Ensure that all information businesses comply with the relevant laws and regulations.

(3) Specific management plans

1. Information Security Management: to protect the Company from suffering any damages or threats, maintain the security of data, networks, systems, and equipment, reduce environmental risks, and provide a safe and reliable operational environment for the Company.
2. Information Security Organization: to supervise the operation of information security management, formulate a development direction, strategies, and steps for the Company's information security, and enhance the Company's operational safety.
3. Information Assets: to set up scrap procedures for information assets management, establish corresponding procedures for deleting or destroying stored data, prevent the Company's business data or personal data from being disclosed, to properly protect the Company's information assets.
4. Information Access Control: To develop access control standards and ensure that the authority of operation of and access to the Company’s information are appropriately granted and controlled to prevent improper access, ensure the confidentiality of the Company’s information businesses, and reduce the risk of unauthorized access to the systems.
5. Computer Information Control: to maintain effective operation of computer information systems, including computer hosts, application software, and information systems, and establish relevant control procedures for the Company’s employees.

6. Software Validation and Control: to regularly run the re-validation and verification programs for software systems, or after modifications or updates to the original factory system, run the re-validation and verification programs within a certain term.
7. Physical and Environmental Security: To conduct environmental management for the Company's office premises and information rooms, and develop corresponding control procedures, protect the security of information assets and surrounding environment, to reduce the harm caused by environmental security incidents and achieve the purpose of security control.
8. Information Security Incidents: When the Company's information system experiences an information security incident or information security accident, it shall promptly make a judgment and take the necessary contingency measures and subsequent preventive measures in response to the incident, and establish and improve operational procedures for reporting and handling.
9. Continuous Operation Management: To assess the operational risks that may arise from system interruptions for information system facilities, further develop backup or recovery plans, and regularly conduct drills.
10. Legal Compliance: The Company and its employees shall comply with all information security related laws, decrees, regulations, or contractual obligations, as well as the requirements of the Company's information standards.

(4) Resources invested in cyber security

The Information Security Office regularly reviews the planning and implementation progress of important information security tasks such as the upgrading of the operating system or important software of system hosts and disaster recovery drills, and promotes the importance of information security in weekly company meetings or via email. Through unscheduled engineering drills and information security health check services, the office determines whether users' information security awareness is sufficient and whether there are deficiencies in the investment of information equipment resources and vulnerabilities in system configuration. The information security budget is prepared and executed.

(5)Emergency notification procedure

In the event of an information security incident, the responsible unit shall report it to the Information Security Office, determine the type of the incident, identify the source of the problem for timely resolution, and document the incident.

(6)If the losses, possible impacts and response measures due to major information security incidents in the most recent year and up to the date of publication of the annual report cannot be reasonably estimated, the fact that they cannot be reasonably estimated should be stated:

2023 and 2024 as of the date of publication of the annual report As of this date, the Company has not suffered any losses due to major information security incidents, so it is not applicable.

VII. Important Contracts:

Contract type	Signatory	Contract Period	Key Summary	Restrictions
Land Leasing	Hsinchu Science Park Bureau, Ministry of Science and Technology	2020.08~2039.12	Yilan Science Park	None
Construction and Engineering	FENG YU UNITED ENGINEERING CO., LTD.	2021.01~2022.04 (The construction for each stage has been completed, with pending final acceptance)	Land leasing and factory construction	None
Hydropower Fire Engineering Contract	YUNG LONG enterprise co., ltd.	2021.01~2022.04 (The construction for each stage has been completed, with pending final acceptance)	Bioteque	None
Clean room construction	Marketech International Corp.	2022.01~2022.07 (The construction for each stage has been completed, with pending final acceptance)	Yilan Science Park New Plant	None

VI. Financial Overview

I. Most Recent 5-Year Concise Financial Information

(I) Concise Balance Sheet and Income Statement

(1) Concise Balance Sheet

1-1 Concise Balance Sheet (Consolidated)

Unit: NT$1,000

Item / Year		Financial Data of Most recent 5-Year				
		2019	2020	2021	2022	2023
Current assets		1,815,829	2,070,745	1,946,590	1,917,790	2,151,218
Property, plant and equipment		943,782	1,068,572	1,478,348	1,972,841	1,946,880
Intangible asset		0	0	0	0	0
Other assets		180,887	424,440	435,917	589,863	522,270
Total assets		2,940,498	3,563,757	3,860,855	4,480,494	4,620,368
Current liabilities	Before distribution	364,977	423,858	595,251	573,734	642,057
	After distribution	87,784	146,665	318,058	261,891	—
Non-current liabilities		87,394	475,691	462,427	874,774	788,184
Total liabilities	Before distribution	452,371	899,549	1,057,678	1,448,508	1,430,241
	After distribution	175,178	622,356	780,485	1,136,665	—
The equity that belongs to the client of the parent company		2,488,127	2,664,208	2,803,177	3,031,986	3,190,127
Capital stock		692,983	692,983	692,983	692,983	692,983
Capital reserve		315,168	315,168	315,168	315,168	316,950
Retained earnings	Before distribution	1,481,690	1,690,032	1,845,646	2,024,937	2,169,511
	After distribution	1,204,497	1,412,839	1,568,453	1,713,094	—
Other equities		(1,714)	(33,975)	(50,620)	(1,102)	10,683
Treasury stock		0	0	0	0	0
Uncontrolled equity		0	0	0	0	0
Total equity	Before distribution	2,488,127	2,664,208	2,803,177	3,031,986	3,190,127
	After distribution	2,210,934	2,387,015	2,525,984	2,720,143	—

Note: As of the date the Annual Report was printed, the distribution of earnings from 2023 has not been approved through the shareholders' meeting.

1-2 Concise Balance Sheet (Individual)

Unit: NT$1,000

Item \ Year		Financial Data of Most recent 5-Year				
		2019	2020	2021	2022	2023
Current assets		1,681,288	2,011,712	1,859,629	1,845,043	2,113,893
Property, plant and equipment		506,384	666,216	1,102,553	1,574,719	1,571,205
Intangible asset		0	0	0	0	0
Other assets		765,213	904,429	835,649	1,037,557	938,579
Total assets		2,952,885	3,582,357	3,797,831	4,457,319	4,623,677
Current liabilities	Before distribution	377,449	442,458	586,452	576,229	645,366
	After distribution	100,256	165,265	309,259	264,386	—
Non-current liabilities		87,309	475,691	408,202	849,104	788,184
Total liabilities	Before distribution	464,758	918,149	994,654	1,425,333	1,433,550
	After distribution	187,565	640,956	717,461	1,113,490	—
The equity that belongs to the client of the parent company		2,488,127	2,664,208	2,803,177	3,031,986	3,190,127
Share capital		692,983	692,983	692,983	692,983	692,983
Capital reserve		315,168	315,168	315,168	315,168	316,950
Retained earnings	Before distribution	1,481,690	1,690,032	1,845,646	2,024,937	2,169,511
	After distribution	1,204,497	1,412,839	1,568,453	1,713,094	—
Other equities		(1,714)	(33,975)	(50,620)	(1,102)	10,683
Treasury stock		0	0	0	0	0
Uncontrolled equity		0	0	0	0	0
Total equity	Before distribution	2,488,127	2,664,208	2,803,177	3,031,986	3,190,127
	After distribution	2,210,934	2,387,015	2,525,984	2,720,143	—

Note: As of the date the Annual Report was printed, the distribution of earnings from 2023 has not been approved through the shareholders' meeting.

(2) Concise Income Statement

2-1 Concise Income Statement (Consolidated)

Unit: NT$1,000

Item \ Year	Financial Data of Most recent 5-Year				
	2019	2020	2021	2022	2023
Operating revenue	1,858,900	1,947,661	1,825,491	2,010,272	1,944,701
Gross profit	816,956	851,754	802,869	844,542	818,937
Operating loss and profit	580,489	606,718	547,928	578,376	580,176
Non-operating income and expenditures	12,081	(4,925)	(9,731)	44,803	(10,661)
Net profit before tax	592,570	601,793	538,197	623,179	569,515
Current net profit of the continuing operating department	464,172	488,665	431,257	493,540	452,550
Losses from discontinued units	0	0	0	0	0
Net profit of the current term (loss)	464,172	488,665	431,257	493,540	452,550
Other combined profits and losses of current term (after-tax net value)	(12,879)	(35,391)	(15,095)	47,112	15,652
Sum of combined profits and losses of current term	451,293	453,274	416,162	540,652	468,202
The net profit belongs to the client of the parent company	464,172	488,665	431,257	493,540	452,550
The net profit belongs to uncontrolled equity	0	0	0	0	0
Total combined profits and losses belong to the client of the parent company	451,293	453,274	416,162	540,652	468,202
Total combined profits and losses belong to uncontrolled equity	0	0	0	0	0
Earnings per share (EPS)	6.70	7.05	6.22	7.12	6.53

2-2 Concise Income Statement (Individual)

Unit: NT$1,000

Item \ Year	Financial Data of Most recent 5-Year				
	2019	2020	2021	2022	2023
Operating revenue	1,692,919	1,831,167	1,707,885	1,873,160	1,845,642
Gross profit	713,203	744,629	720,516	776,533	766,590
Operating loss and profit	501,995	528,515	500,793	548,325	553,420
Non-operating income and expenditures	84,355	65,882	31,648	67,533	10,330
Net profit before tax	586,350	594,397	532,441	615,858	563,750
Current net profit of the continuing operating department	464,172	488,665	431,257	493,540	452,550
Losses from discontinued units	0	0	0	0	0
Net profit of current term (loss)	464,172	488,665	431,257	493,540	452,550
Other combined profits and losses of the current term (after-tax net value)	(12,879)	(35,391)	(15,095)	47,112	15,652
Sum of combined profits and losses of current term	451,293	453,274	416,162	540,652	468,202
The net profit belongs to the client of the parent company	464,172	488,665	431,257	493,540	452,550
The net profit belongs to uncontrolled equity	0	0	0	0	0
Total combined profits and losses belong to the client of the parent company	451,293	453,274	416,162	540,652	468,202
Total combined profits and losses belong to uncontrolled equity	0	0	0	0	0
Earnings per share($)	6.70	7.05	6.22	7.12	6.53

(II) Independent Auditor and Their Opinions for Most Recent 5-Years

Year	Name of Firm	Name of CPA	Auditor's Opinion
2019	KPMG	Ya-lin Chen, Yen-Da Su	No reservations
2020	KPMG	Ya-lin Chen, Yen-Da Su	No reservations
2021	KPMG	Ya-lin Chen, Yen-Da Su	No reservations
2022	KPMG	Ya-lin Chen, Yen-Da Su	No reservations
2023	KPMG	Ming-Hung Huang, Chia-Chien Tang	No reservations

II. Most Recent 5-Year Financial Analysis

(I) Financial Analysis (Consolidated)

Item	Year	Most Recent 5-Year Financial Information				
		2019	2020	2021	2022	2023
Financial structure (%)	Liability-to-asset ratio	15.38	25.24	27.39	32.33	30.96
	Long term capital to real estate, plants, and equipment Ratio	272.89	293.84	220.90	198.03	204.34
Solvency (%)	Current ratio	497.52	488.55	327.02	334.26	335.05
	Quick ratio	419.57	422.70	271.83	273.81	285.49
	Interest Protection Multiples	307.4	480.90	144.37	116.35	50.08
Management ability	Receivable turnover ratio (times)	6.52	6.71	6.29	6.95	7.07
	Average collection days	55.98	54.39	58.02	52.51	51.62
	Inventory turnover ratio (times)	3.79	4.11	3.53	3.61	3.59
	Payable turnover ratio (times)	9.43	8.71	6.75	7.92	8.26
	Average sales days	96.30	88.8	103.39	101.1	101.67
	Real estate, plants and equipment turnover ratio (times)	1.97	1.94	1.43	1.16	0.99
	Total asset turnover ratio (times)	0.65	0.60	0.49	0.48	0.43
Profitability	Return on assets (%)	16.31	15.06	11.66	11.92	10.15
	Return on equity (%)	19.33	18.97	15.78	16.92	14.55
	Net profit before tax to paid-in capital size ratio (%) (Note 7)	85.51	86.84	77.66	89.93	82.18
	Net profit ratio （%）	24.97	25.09	23.62	24.55	23.27
	Earnings per share (NT$)	6.70	7.05	6.22	7.12	6.53
Cash flow	Cash flow ratio (%)	170.81	149.70	78.83	112.35	105.81
	Cash flow adequacy ratio (%)	117.07	119.09	98.86	85.76	94.81
	Cash Re-investment ratio (%)	10.28	9.65	4.08	7.08	7.47
Leverage	Operating leverage	1.37	1.39	1.35	1.35	1.35
	Financial leverage	1.00	1.00	1.00	1.01	1.02
Explain the reasons for the changes in respective financial ratios over the most recent two years. (No analysis is required if the variation in increases/decreases falls short of 20%.)						
1. Interest protection multiples: because the interest expenses increased (including interest capitalization)						

Note 1: The above years have been audited by the CPA with records on file.

Note 2: At the end of this table of the Annual Report, the calculation formula as shown below shall be listed:

1. Financial structure

(1) Liability-to-asset ratio = total liabilities/ total assets

(2) Long term capital to real estate, plants and equipment ratio = (Total equities + Non-current liabilities)/Net value of real estate, plants and equipment

2. Solvency

(1) Current ratio = Current assets/ Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Advance payments)/Current liabilities.

(3) Interest protection multiples = Income tax and net profit before interest/Interest expenditure of current term

3. Management ability

(1) Receivable (including accounts receivable and receivable notes from operations) turnover ratio = Net sales value/ mean balance of receivables of each term (including accounts receivable and receivable notes from operations).

(2) Average collection days = 365/Receivable turnover ratio

(3) Inventory turnover ratio = Sales cost/mean inventory

(4) Payable (including accounts payable and payable notes from operations) turnover ratio = Net sales value/ mean balance of payables of each term

(including accounts payable and payable notes from operations).
(5) Average sales days = 365/Inventory turnover ratio
(6) Real estate, plants and equipment ratio = Net sales value/Mean net value of real estate, plants and equipment
(7) Total asset turnover ratio = Net sales value/Mean total assets
4. Profitability
(1) Return on assets = [after-tax gains and losses + interest × (1-tax ratio)]/gross assets on average
(2) Return on equity = after-tax gains and losses/mean total equity
(3) Net profit ratio = After-tax profits and losses/Net sales value
(4) Earnings per share = (Profits and losses that belong to clients of the parent company - Preferred stock dividend)/Weighted average number of shares (Note 4)
5. Cash flow
(1) Cash flow ratio = Net cash flow from business activities/Current liabilities
(2) Net cash flow adequacy ratio = Net cash flow of operating activities over the past five years/(capital expenditure + increase in inventory + cash dividend) over the past five years.
(3) Cash reinvestment ratio = (net cash flow from business activities - cash dividends)/(net value of real estate, manufacturing facilities, and equipment + long-term investment + other non-current assets + working capital) (Note 5)
6. Leverage:
(1) Operating leverage = (Net operating revenue - Change in operating costs and expenses)/Operating profit (Note 6).
(2) Financial leverage = Operating profit/(Operating profit - interest).
Note 3: For the calculation of earnings per share mentioned above, particular attention shall be paid to the following upon measurement:
1. The baseline shall be the weighted average number of common stock shares instead of the number of shares already in circulation at the end of the year.
2. For any transaction involving cash capital increase or treasury stock, the circulation period shall be considered while the weighted average number of shares is being calculated.
3. With any earnings transferred capital increase or capital reserve transferred capital increase, while the earnings per share for the previous year and the previous half six months are being calculated, adjustments shall be made retroactively according to the capital increase ratio. There is no need to consider the release period of the said capital increase.
4. If the preferred stock is non-convertible accumulated preferred stock, the annual dividend (released or not) shall be deducted from the after-tax profit or the after-tax net loss shall be increased. If the preferred stock is not accumulated in nature, with after-tax profit, the preferred stock dividend shall be deducted from after-tax profit; no adjustment is needed in case of deficit.
Note 4: For the analysis of cash flows, particular attention shall be paid t the following upon measurement:
1. Net cash flows of operating activities refer to the net cash in-flows of operating activities in the cash flow chart.
2. Capital expenditure refers to the cash out-flows of capital investments each year.
3. The increase in inventory is only calculated when the balance at the end of term is greater than the balance in the beginning of term. If the inventory is reduced at the end of the year, it is counted as zero.
4. Cash dividend includes that of common stock and preferred stock.
5. Gross value of real estate, plants and equipment refers to the total value of real estate, plants and equipment prior to deduction of accumulated depreciation.
Note 5: The issuer shall divide respective operating costs and expenses into fixed and variable according to their nature. If estimates or subjective judgment is involved, attention shall be paid to the legitimacy and maintenance of the consistency.
Note 6: When the Company's shares do not have a denomination or the denomination per share is not NT$10, the above-mentioned paid-in capital ratio shall be calculated with the equity ratio that belongs to clients of the parent company as shown in the Balance Sheet.

(II) Financial Analysis (Individual)

Item	Year	Most Recent 5-Year Financial Information				
		2019	2020	2021	2022	2023
Financial structure (%)	Liability-to-asset ratio	15.74	25.63	26.19	31.98	31.00
	Long term capital to real estate, plants, and equipment Ratio	508.59	471.30	291.27	246.46	260.96
Solvency (%)	Current ratio(%)	445.43	454.67	317.1	320.19	327.55
	Quick ratio(%)	391.33	402.73	273.31	275.46	284.97
	Interest Protection Multiples	1403.75	2752.84	260.08	204.91	69.62
Management ability	Receivable turnover ratio (times)	3.86	4.13	3.89	3.97	4.32
	Average collection days	73.89	88.38	93.83	91.94	84.49
	Inventory turnover ratio (times)	5.07	5.22	4.23	4.41	4.30
	Payable turnover ratio (times)	7.39	6.92	5.17	5.51	5.87
	Average sales days	71.99	69.92	86.29	82.77	84.88
	Real estate, plants and equipment turnover ratio (times)	3.25	3.12	1.93	1.4	1.17
	Total asset turnover ratio (times)	0.60	0.56	0.46	0.45	0.41
Profitability	Return on assets (%)	16.35	14.96	11.69	11.99	10.11
	Return on equity (%)	19.33	18.97	15.78	16.92	14.55
	Net profit before tax to paid-in capital size ratio (%) (Note 7)	84.61	85.77	76.83	88.87	81.35
	Net profit ratio (%)	27.42	26.69	25.25	26.35	24.52
	Earnings per share (NT$)	6.70	7.05	6.22	7.12	6.53
Cash flow	Cash flow ratio (%)	112.67	137.15	72.95	101.73	109.82
	Cash flow adequacy ratio (%)	124.30	126.32	106.94	87.8	88.69
	Cash Re-investment ratio (%)	4.56	8.46	2.88	5.74	7.96
Leverage	Operating leverage (times)	1.38	1.43	1.36	1.36	1.34
	Financial leverage (times)	1.00	1.00	1.00	1.00	1.02

Explain the reasons for the changes in respective financial ratios over the most recent two years. (No analysis is required if the variation in increases/decreases falls short of 20%.)

1.Interest protection multiples: because the interest expenses increased (including interest capitalization)

2.Cash re-investment ratio: mainly because the construction of the Yilan Science Park Plant increased the property, plant and equipment.

Note 1: The above years have been audited by the CPA with records on file.

Note 2: At the end of this table of the Annual Report, the calculation formula as shown below shall be listed:

1. Financial structure

(1) Liability-to-asset ratio = total liabilities/ total assets

(2) Long term capital to real estate, plants and equipment ratio = (Total equities + Non-current liabilities)/Net value of real estate, plants and equipment

2. Solvency

(1) Current ratio = Current assets/ Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Advance payments)/Current liabilities.

(3) Interest protection multiples = Income tax and net profit before interest/Interest expenditure of current term

3. Management ability

(1) Receivable (including accounts receivable and receivable notes from operations) turnover ratio = Net sales value/ mean balance of receivables of

each term (including accounts receivable and receivable notes from operations).
(2) Average collection days = 365/Receivable turnover ratio
(3) Inventory turnover ratio = Sales cost/mean inventory
(4) Payable (including accounts payable and payable notes from operations) turnover ratio = Net sales value/ mean balance of payables of each term (including accounts payable and payable notes from operations).
(5) Average sales days = 365/Inventory turnover ratio
(6) Real estate, plants and equipment ratio = Net sales value/Mean net value of real estate, plants and equipment
(7) Total asset turnover ratio = Net sales value/Mean total assets
4. Profitability
(1) Return on assets = [after-tax gains and losses + interest × (1-tax ratio)]/gross assets on average
(2) Return on equity = after-tax gains and losses/mean total equity
(3) Net profit ratio = After-tax profits and losses/Net sales value
(4) Earnings per share = (Profits and losses that belong to clients of the parent company - Preferred stock dividend)/Weighted average number of shares (Note 4)
5. Cash flow
(1) Cash flow ratio = Net cash flow from business activities/Current liabilities
(2) Net cash flow adequacy ratio = Net cash flow of operating activities over the past five years/(capital expenditure + increase in inventory + cash dividend) over the past five years.
(3) Cash reinvestment ratio = (net cash flow from business activities - cash dividends)/(net value of real estate, manufacturing facilities, and equipment + long-term investment + other non-current assets + working capital) (Note 5)
6. Leverage:
(1) Operating leverage = (Net operating revenue - Change in operating costs and expenses)/Operating profit (Note 6).
(2) Financial leverage = Operating profit/(Operating profit - interest).
Note 4: For the calculation of earnings per share mentioned above, particular attention shall be paid to the following upon measurement:
1. The baseline shall be the weighted average number of common stock shares instead of the number of shares already in circulation at the end of the year.
2. For any transaction involving cash capital increase or treasury stock, the circulation period shall be considered while the weighted average number of shares is being calculated.
3. With any earnings transferred capital increase or capital reserve transferred capital increase, while the earnings per share for the previous year and the previous half six months are being calculated, adjustments shall be made retroactively according to the capital increase ratio. There is no need to consider the release period of the said capital increase.
4. If the preferred stock is non-convertible accumulated preferred stock, the annual dividend (released or not) shall be deducted from the after-tax profit or the after-tax net loss shall be increased. If the preferred stock is not accumulated in nature, with after-tax profit, the preferred stock dividend shall be deducted from after-tax profit; no adjustment is needed in case of deficit.
Note 5: For the analysis of cash flows, particular attention shall be paid t the following upon measurement:
1. Net cash flows of operating activities refer to the net cash in-flows of operating activities in the cash flow chart.
2. Capital expenditure refers to the cash out-flows of capital investments each year.
3. The increase in inventory is only calculated when the balance at the end of term is greater than the balance in the beginning of term. If the inventory is reduced at the end of the year, it is counted as zero.
4. Cash dividend includes that of common stock and preferred stock.
5. Gross value of real estate, plants and equipment refers to the total value of real estate, plants and equipment prior to deduction of accumulated depreciation.
Note 6: The issuer shall divide respective operating costs and expenses into fixed and variable according to their nature. If estimates or subjective judgment is involved, attention shall be paid to the legitimacy and maintenance of the consistency.
Note 7: When the Company’s shares do not have a denomination or the denomination per share is not NT$10, the above-mentioned paid-in capital ratio shall be calculated with the equity ratio that belongs to clients of the parent company as shown in the Balance Sheet.

III. Review Reports of Supervisors or Audit Committee of the Financial Statement from the Most Recent Year:

BIOTEQUE CORPORATION

AUDIT COMMITTEE'S REVIEW REPORT

Among the 2023 Business Report, Financial Statement, and Proposal on Distribution of Earnings prepared by the Board of Directors, the Financial Statement, in particular, was completely audited by CPAs Ming-Hung Huang and Chia-Chien Tang of KPMG and the Audit Report was issued. The above-mentioned business report, financial statements, and profit distribution proposal has been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with provisions Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. The reports are as given above and submitted for verification.

To

BIOTEQUE CORPORATION

2024 General Shareholders' Meeting

Chairman of the Audit Committee: Teng-Yao Hsiao

March 06, 2024

IV. Financial Statement and CPA Audit Report from the Most Recent Year: Refer to Appendix A for details.

V. Individual Financial Statements of the Latest Year Audited and Certified by CPAs: Refer to Appendix B for details.

VI. Impacts of Latest Financial Difficulties Encountered by the Company and Its Associated Enterprises on Company's Financial Standing in the Most Recent Year and Up to the Date the Annual Report Was Printed: None.

VII. Financial Status and Performance Analysis, and Risks Evaluation

I. Financial Status

1. Main reasons for the variation in the assets, liabilities, and shareholders' equity for the most recent 2-Year and the impacts

Unit: NT$1,000

Year / Item	2023	2022	Difference	
			Value	%
Current assets	2,151,218	1,917,790	233,428	12.17%
Property, plant and equipment	1,946,880	1,972,841	-25,961	-1.32%
Other Assets	522,270	589,863	-67,593	-11.46%
Total assets	4,620,368	4,480,494	139,874	3.12%
Current liabilities	642,057	573,734	68,323	11.91%
Non-current liabilities	788,184	874,774	-86,590	-9.90%
Total liabilities	1,430,241	1,448,508	-18,267	-1.26%
Share capital	692,983	692,983	0	0.00%
Additional paid-in capital	316,950	315,168	1,782	0.57%
Retained earnings	2,169,511	2,024,937	144,574	7.14%
Other equities	10,683	-1,102	11,785	-1069.42%
Total shareholders' equity	3,190,127	3,031,986	158,141	5.22%

Descriptions of the primary analysis of the ratio of increase/decrease up to 20% over the past two years:

(1) Other equity increased, mainly due to the effect caused by the exchange differences in the financial statements of foreign operating institutions.

(II) Describe the future response plan if significant impacts are involved: None.

II. Financial Performance

(I) Main reason for the major changes in the operating revenue, operating net profit, and net profit before tax for the most recent 2-Year

Item \ Year	2023	2022	Increased (Decreased) Value	Change ratio (%)
Operating revenue	1,944,701	2,010,272	-65,571	-3.26%
Operating Cost	1,125,764	1,165,730	-39,966	-3.43%
Gross profit	818,937	844,542	-25,605	-3.03%
Operating Expense	238,761	266,166	-27,405	-10.30%
Net operating profit	580,176	578,376	1,800	0.31%
Non-operating income and expenditure	-10,661	44,803	-55,464	-123.80%
Net profit before tax of the continuing operating department	569,515	623,179	-53,664	-8.61%
Net profit of current term	452,550	493,540	-40,990	-8.31%
Earnings per share (EPS)	6.53	7.12	-0.59	-8.29%
Descriptions of the primary analysis of the ratio of increase/decrease up to 20% over the past two years: (1)Non-operating income and expenditure: mainly because foreign currency translation loss increased.				

(II) Possible impacts of expected sales quantities and their bases on the future financial operations of the Company and the response plan:

Unit: Ten thousand pieces

Item	QTY
Puncture needle	2,600
Surgical tube	120
Interventional cardiology catheter	45
Miscellaneous medical disposables	252
Hemodialysis tube	860
Infusion bag	8,200
Interventional radiology catheter	110

III. Cash Flows

(I) Information on the analysis of changes in cash flows in the most recent year

Unit: NT$1,000

Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments throughout the year	Net cash flows associated with capital raising throughout the year	Impacts of change in exchange rate	Remaining (Shortage in) cash	Remedies in case of cash shortage	
						Investment plan	Wealth management plan
1,017,296	679,375	(55,519)	(311,371)	24,034	1,353,815	None	None

(1) Cash inflows for operations are mainly from the profits of 2023.

(2) Cash out-flows for investments are mainly due to the purchase of machinery and equipment and the construction and equipment of the Yilan Science Park Plant.

(3) The cash inflow from financing activities is mainly due to distribution of cash dividends for 2023.

(II)Correction plan in case of insufficient liquidity: There is not insufficient liquidity.

(III) Analysis of cash liquidity in the coming year:

Unit: NT$1,000

Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments and capital raising throughout the year	Remaining (Shortage in) cash	Remedies in case of cash shortage	
				Investment plan	Wealth management plan
1,353,815	306,839	(673,496)	987,158	None	None

Analysis of cash flows in the coming year:

(1) Business activities: It is estimated that under normal operations, business activities may continue to generate cash inflows and the estimated cash inflows are worth NT$306,839.

(2) Investments and financing: It is estimated that the cash dividends, and final payment for the construction project and purchase costs of machinery and equipment for the Yike plant need to be paid and retruned medium and long-term loan , resulting in a cash outflow of NT$ 673,496.

IV. Impacts of Latest Major Capital Expenditure to Financial Operation: None

V. Main Reasons for Profits or Losses of the Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

(I) Reinvestment policy of the most recent year: The reinvestment policy of the Company of the most recent year is to protect the principal and make profits robustly in principle.

(II) In 2023, the Company's reinvestment profit was NT14,649,000, a increase of NT$3,236,000 compared with the previous year. This can be attributed to impacts brought forth by the COVID-19 pandemic on the overall economic environment. In the future, the Company will continue to adhere to the principles of protecting the principal and making profits robustly while constantly and carefully evaluating the reinvestment plan. The Company's Board of Directors resolved on November 9, 2023 to liquidate the Company's subsidiaries, SAMOA and Zhong-De Investment Co., Ltd. The liquidation of SAMOA was completed on February 12, 2024, while the liquidation of Zhong-De Investment Co., Ltd. is still in progress.

(III) The Company's Board of Directors approved on March 11, 2020 that a flagship factory will be constructed in Yilan Science Park in order to create robust growth in operations in the future and realize sustainable operations of the Company. It will help enhance the image of the Company and signify the value of the manufacturing sector in Taiwan. Land required for construction of the plant is leased from the Yilan Science Park. The ground-breaking ceremony was held on December 2, 2020, and the approval to start construction was officially obtained on January 18, 2021. The Company has successively obtained the factory use license and factory registration certificate since mid-August 2022, The Company obtained a QMS certificate at the end of February 2024, and expects to obtain an ISO 13485 certificate soon. Recently, we have completed our first-wave certification of products, and will proceed to our second-wave product certification soon.

VI. Analysis and evaluation of risk matters in the most recent year up to the date of the Annual Report, including the following:

(I) Impacts of changes in the interest rate and exchange rate and inflation on the Company's income and response measures in the future.

(1) Impacts of changes in the interest rate on the Company's income and response measures in the future: The Company plans its funds conservatively and robustly in principle. Safety management is prioritized in the allocation of funds. Meanwhile, the interest rate and financial intelligence on the market are periodically evaluated in order to take appropriate response measures in a timely manner. The Company selects the more favorable funds utilization method depending on the cost of funds and possible return and risk in order to reduce the impacts of interest rate on the Company's income. The Company's financial composition has been sound and for operating funds and capital expenditure that are needed in response to the expansion in the business size, the Company primarily seeks financing from financial institutions. The expenditure on interest in the most recent year has limited impacts on profitability for the time being.

(2) Impacts of changes in the exchange rate on the Company's income and response measures in the future: Due to the fact that exports account for a higher portion of the Company's sales and that income from exports is mainly in US Dollar, in response to fluctuating exchange rates, the Company seeks the most suitable contemporary exchange rate reflective of the actual demand for funds. At times where the exchange rate is expected to fluctuate drastically, the forward foreign exchange approach is adopted to avoid the exchange rate risk. In the most recent year, the changes in the exchange rate have not had

significant impacts on the Company's income.

(3) Impacts of inflation on the Company's income and response measures: In the most recent year, inflation have not had significant impacts on the Company's income.

(II) Policy on engaging in high-risk and high-leverage investments, lending of funds to others, endorsement and guarantee, and transactions of derivatives, main profit or loss factors, and countermeasures in the future.

(1) The Company did not engage in high-risk and high-leverage investments in the most recent year.

(2) The Company was engaged in endorsement and guarantee with subsidiaries it reinvested in to meet operational demand in the most recent year. Lending of funds to others and endorsement and guarantee are prohibited for subsidiaries that the Company reinvested in.

(3) The Company did not engage in transactions of derivatives in the most recent year.

(III) Future research and development plans and R&D expenses expected to be devoted.

Item	Name of Product	Project Description	Expected R&D Budget (NTD thousand)
1	Respiratory treatment series	Research and Development	32,290
2	Radiology related treatment series	Research and Development	
3	Urology related treatment series	Research and Development	
4	Cardiovascular related treatment series	Research and Development	

(IV) Impacts of important domestic and international policies and regulatory changes on the Company's financial performance and response measures: None.

(V) Effects of technological changes and industrial changes on the financial standing of the company and response measures:

(1) Technological changes are conducive to the Company improving its production lines towards automation, developing new products, and enhancing operating efficiency.
(2) In terms of industrial changes, due to the fact that the life cycle of products in the biochemical medical device industry is long with minimal variation, they do not impact much on the Company. Besides, with technological advancement, the demand for medical devices around the world will grow each year.
(3) In 2023, the Company did not experience any major cyber attacks that impacted its operations. The reporting and response to the Company's information security incidents were carried out in compliance with the Company's standards.

(VI) Impacts of changes in the corporate image on the management of corporate risks and response measures: None.

(VII) Expected benefits and possible risks of mergers and acquisitions and response measures: Not applicable.

(VIII) Expected benefits and possible risks of the expansion of plants and response measures: None.

(IX) Risks associated with focused purchases or sales and response measures:

The Company does not have the risk of over purchases or sales at present.

(X) Impacts and risks of transfer or exchange of stock options in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares on the Company and response measures: The Company tends to maintain frequent contacts with shareholders with more shareholding, to have them release their shares in a way with minimal harm to the share price and other shareholders.

(XI) Impacts and risks of the change in the management on the Company, risks, and response measures: None.

(XII) Lawsuits and non-lawsuit events. Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involve the Company, the Company's directors, supervisors, general managers, actual person in charge, and shareholders holding more than 10% of all shares, and the associated companies shall be listed. If the results are likely to have significant impacts on shareholders' equity or prices of securities, the facts, target value, and start date of the lawsuit, main clients involved, and handling status as of the date of the Annual Report was printed shall be disclosed: None.

(XIII) Other important risks and response measures: None

VII. Other important matters: None.

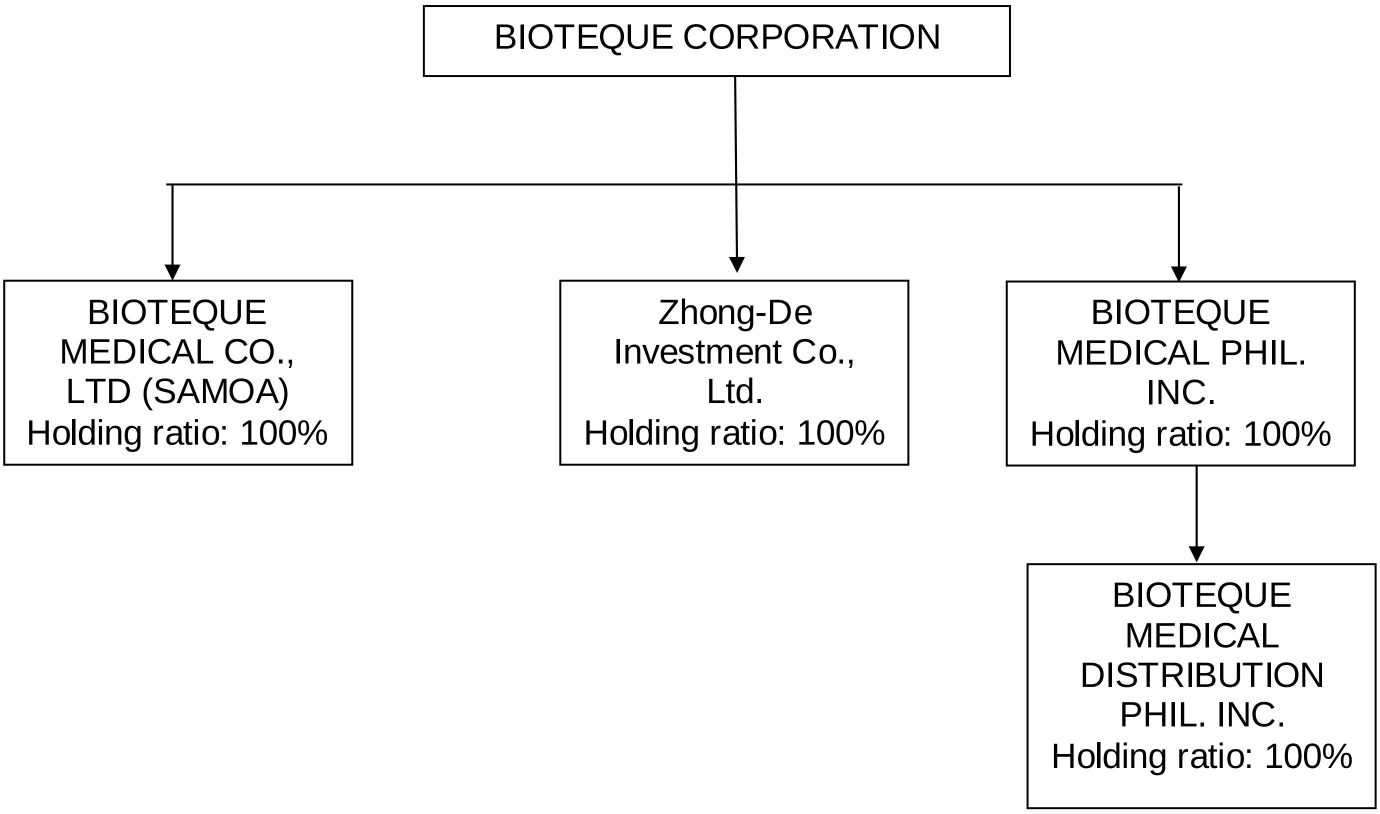
VIII. Special Notes:

I Information of Affiliated Enterprises

1. Consolidated Business Report of Affiliated Enterprises:

December 31, 2022

(1) Organizational Chart of Affiliated Enterprises



(2) Profile of respective affiliated enterprises

December 31, 2023

Name of enterprise	Establishment date	Address	Paid-in capital size	Primary operation or production	Exchange on the Report Date
BIOTEQUE CORPORATION	November 13, 1991	5F-6, No. 23, Section 1, Chang'an East Road, Taipei City	NT$692,983,000	Manufacturing and sale of medical consumables and imports and exports of medical equipment	1

Name of enterprise	Establishment date	Address	Paid-in capital size	Primary operation or production	Exchange on the Report Date
BIOTEQUE MEDICAL CO., LTD(SAMOA)	February 15, 2007	Portcullis TrustNet Chambers, P.O. Box 1225,Apia, Samoa.	USD500,000	Reinvestment Business	30.71
Zhong-De Investment Co., Ltd.	February 23, 2011	5F-6, No. 23, Section 1, Chang'an East Road, Taipei City	NT$28,800,000	General investment	1
BIOTEQUE MEDICAL PHIL. INC	February 26, 2013	Hermosa Ecozone. Industrial Park Lots2-4, Block 14,Phase1.I,Brgy, Palihan,Hermosa, Bataan.	USD10,000,000	Manufacturing and sale of medical consumables and imports and exports of medical equipment	30.71
BIOTEQUE MEDICAL DISTRIBUTION PHIL. INC.	2014.02	Second Floor,Rodriguez Bldg,Dolores,City of San Fernando Pampanga	Pesos26,000,000	Sale of medical devices	0.5502

Note 1: All affiliated enterprises, regardless of the scale and size, shall be disclosed.
Note 2: For affiliated enterprises with factories whose product sales exceed 10% of the business revenue of the controlling company, the name, establishment date, address of the factory and main products produced at the factory shall also be listed.
Note 3: If an affiliated enterprise is a foreign company, the name and address of the enterprise may be indicated in English. The establishment date may also be indicated in the western date format. The paid-in capital size may be indicated in foreign currency, too, but the exchange rate on the report date shall be noted.

3. Data of common shareholders inferred to have control or to be in a subordinate relationship: None.

4. Profile of directors, supervisors, and general managers of individual affiliated enterprises

Unit: Share; %; December 31, 2023

Name of enterprise	Title (Note 1)	Name or Representative	Shares held (Notes 2 and 3)	
			Quantity	Holding ratio
BIOTEQUE CORPORATION	Director	Ming Sheng Co., Ltd. Representative:Ming-Zhong Li	1,917,000	2.77
	Institutional representative of the director Chairman	Representative:Ming-Zhong Li	725,346	1.05
	Director	Zong Yu Investment Co., Ltd. Representative: Jing-Yi Tsai	1,611,752	2.33
	Institutional representative of the director	Jing-Yi Tsai	178,572	0.26
	Director	Yisheng Co., Ltd. Representative: Jing-Zhong Chen	2,591,000	3.74

Name of enterprise	Title (Note 1)	Name or Representative	Shares held (Notes 2 and 3)	
			Quantity	Holding ratio
	Institutional representative of the director	Jing-Zhong Chen	0	0.00
	Director	Yisheng Co., Ltd. Representative: Hung-Ying Lee	2,591,000	3.74
	Institutional representative of the director	Hung-Ying Lee	0	0.00
	Director	Yide Co., Ltd. Representative: Hsu-Yuan Li	2,252,000	3.25
	Institutional representative of the director	Hsu-Yuan Li	0	0
	Director	Ming Sheng Co., Ltd. Representative: Yi-Xun Li	1,917,000	2.77
	Institutional representative of the director	Yi-Xun Li	732,245	1.06
	Director	Zong Yu Investment Co., Ltd. Representative: Xing Wang	1,611,752	2.33
	Institutional representative of the director	Xing Wang	44,000	0.06
	Director	Ming Yeh Cheng	126,000	0.18
	Director	Yao-Ren Ho	111,000	0.16
	Independent director	Teng-Yao Hsiao	0	0.00
	Independent director	Bin-Xi Lin	0	0.00
	Independent director	Yiu-Cho Chin	0	0.00
BIOTEQUE MEDICAL CO., LTD	Director	BIOTEQUE CORPORATION Representative - Ming-Zhong Li	500,000	100
	Director	BIOTEQUE CORPORATION Representative - Jing-Yi Tsai		
Zhong-De Investment Co., Ltd.	Chairman	BIOTEQUE CORPORATION Representative - Ming-Zhong Li	2,880,000	100
	Director	BIOTEQUE CORPORATION Representative - Jing-Yi Tsai		
	Director	BIOTEQUE CORPORATION Representative - Yi-Xun Li		
	Supervisor	BIOTEQUE CORPORATION Representative - Jin-Long Lin		
BIOTEQUE MEDICAL PHIL. INC.	Chairman	BIOTEQUE CORPORATION Representative - Ming-Zhong Li	4,480,775	100
	Director	BIOTEQUE CORPORATION Representative - Jin-Long Lin		
	Director	BIOTEQUE CORPORATION Representative - Yi-Xun Li		

Name of enterprise	Title (Note 1)	Name or Representative	Shares held (Notes 2 and 3)	
			Quantity	Holding ratio
	Director	BIOTEQUE CORPORATION Representative - Yi-Zhong Huang		
	Director	BIOTEQUE CORPORATION Representative - Sen-Jun Zhou		
BIOTEQUE MEDICAL DISTRIBUTION PHIL. INC.	Director	BIOTEQUE MEDICAL PHIL. INC. Representative - Ming-Zhong Li	260,000	100
	Director	BIOTEQUE MEDICAL PHIL. INC. Representative - Jin-Long Lin		
	Director	BIOTEQUE MEDICAL PHIL. INC. Representative - Yi-Xun Li		
	Director	BIOTEQUE MEDICAL PHIL. INC. Representative - Yi-Zhong Huang		
	Director	BIOTEQUE MEDICAL PHIL. INC. Representative - Sen-Jun Zhou		

Note 1: If an affiliated enterprise is a foreign company, list someone of equivalent position.
Note 2: If the company invested in is a corporation, please provide the quantity of shares and the shareholding ratio. For the others, please provide the capital size invested in and the capital ratio and proper notes.
Note 3: If the director or the supervisor is a corporation, related information of its representative shall also be disclosed.

5. Overview of individual associated enterprises' operation

Unit: NT$1,000; December 31, 2023

Name of enterprise	Capital size	Total assets	Total liabilities	Net worth	Operating revenue	Business Interest	Gains and losses of the current term	Earnings per share ($)
BIOTEQUE CORPORATION	692,983	4,623,677	1,433,550	3,190,127	1,845,642	553,420	452,550	6.53
BIOTEQUE MEDICAL CO., LTD (Note 3)	0	0	0	0	0	(2,146)	(1,913)	0
Zhong-De Investment Co., Ltd. (Note 3)	28,800	30,208	0	30,208	0	(44)	1,422	0.49
BIOTEQUE MEDICAL PHIL. INC.	299,315	775,289	239,936	535,353	348,813	10,083	15,140	3.38
BIOTEQUE MEDICAL DISTRIBUTION PHIL. INC.	6,801	61,112	14,032	47,080	87,268	12,918	10,047	38.64

Note 1: All affiliated enterprises, regardless of the scale and size, shall be disclosed.
Note 2: If an affiliated enterprise is a foreign company, related numbers shall be converted to and indicated in NT$ at the exchange rate on the report date.
Note 3: The Company's Board of Directors resolved on November 9, 2023 to liquidate the Company's subsidiaries, SAMOA and Zhong-De Investment Co., Ltd. The liquidation of SAMOA was completed on February 12, 2024, while the liquidation of Zhong-De Investment Co., Ltd. is still in progress.

(II) Consolidated Financial Statement of Affiliated Enterprises:

Same as the Consolidated Financial Statement, companies that should be included in the compiled Consolidated Financial Statement of Affiliated Enterprises are identical to those that shall be included in the compiled Consolidated Financial Statement of Parent Company and Subsidiaries in accordance with the Republic of China Statement of Financial Accounting Standards No. 7 and related information that shall be disclosed in the Consolidated Financial Statements of Affiliated Enterprises has been disclosed in the foregoing Consolidated Statement of Parent Company and Subsidiaries. Therefore, the Consolidated Financial Statement of Affiliated Enterprises is not prepared separately.

(III) Affiliation Report:

It will not be prepared separately for the same reasons as stated above. For related information, you may refer to the notes in the Consolidated Financial Statement of Parent Company and Subsidiaries as indicated above.

II. Management of private placement securities in the most recent year and up to the date the Annual Report was printed: None.

III. Holding or disposal of the Company's shares by its subsidiaries in the

most recent year and up to the date the Annual Report was printed: None.

IV. Other matters requiring supplementary information: None

IX. Matters Affecting Shareholders' Equity or Stock Price: Matters according to the Article 36.3.2 of the Securities and Exchange Act of Taiwan in the most recent year and up to the date of printing of this Annual Report which have significant impact to Shareholders' Equity or stock price: None.

Appendix A

Independent Auditors’ Report And 2023 Consolidated Financial Statements

Representation Letter

The entities that are required to be included in the combined financial statements of Bioteque Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Bioteque Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Bioteque Corporation
Chairman: LI, MING-ZHONG
Date: March 6, 2024

Independent Auditors' Report

Opinion

We have audited the consolidated financial statements of Bioteque Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Please refer to Note 4(l) and Note 6(q) to the consolidated financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matter:

The Group is a listed Company in related to public interest, and the investors are highly expecting the financial performance, resulting in revenue recognition is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implemention of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Other Matter

Bioteque Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

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 with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 (including Audit committee) 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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness ofaccounting 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 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Ming-Hung and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets :				
1100	Cash and cash equivalents (note 6(a))	$ 1,353,815	29	1,017,296	23
1110	Current financial assets at fair value through profit or loss (note 6(b))	118,591	3	151,561	3
1136	Current financial assets at amortized cost (note 6(c))	92,130	2	98,100	2
1150	Notes receivable, net (notes 6(d) and (n))	67,479	2	78,417	2
1170	Accounts receivable, net (notes 6(d) and (n))	191,678	4	212,513	5
130X	Inventories (note 6(e))	294,641	6	331,713	7
1476	Other current financial assets (note 8)	601	-	601	-
1479	Other current assets	32,283	1	27,589	1
	Total current assets	2,151,218	47	1,917,790	43
	Non-current assets:				
1600	Property, plant and equipment (notes 6(f), 8 and 9)	1,946,880	42	1,972,841	44
1755	Right-of-use assets (note 6(g))	345,181	7	361,012	8
1840	Deferred tax asset (note 6(k))	6,520	-	2,774	-
1915	Prepayments for business facilities (note 9)	161,839	4	216,983	5
1980	Other non-current financial assets	3,739	-	3,447	-
1995	Other non-current assets	4,991	-	5,647	-
	Total non-current assets	2,469,150	53	2,562,704	57
	Total assets	$ 4,620,368	100	4,480,494	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (note 6(n))	$ 38,082	1	44,970	1
2150	Notes payable	211	-	177	-
2170	Accounts payable	136,801	3	135,309	3
2209	Other payables (notes 6(j) and (o))	136,019	3	134,889	3
2213	Payable on machinery and equipment	103,930	2	125,455	3
2230	Current tax liabilities	61,815	2	75,088	2
2280	Current lease liabilities (note 6(i))	12,612	-	14,397	-
2322	Long-term borrowings, current portion (note 6(h))	147,463	3	34,111	1
2399	Other current liabilities	5,124	-	9,338	-
	Total current liabilities	642,057	14	573,734	13
	Non-Current liabilities:				
2541	Long-term borrowings (note 6(h))	446,230	10	523,083	11
2570	Deferred tax liabilities (note 6(k))	45,445	1	37,940	1
2580	Non-current lease liabilities (note 6(i))	288,225	6	300,837	7
2640	Net defined benefit liability, non-current (note 6(j))	8,284	-	12,914	-
	Total non-current liabilities	788,184	17	874,774	19
	Total liabilities	1,430,241	31	1,448,508	32
	Equity attributable to owners of parent (notes 6(j)and (l)):				
3100	Ordinary shares	692,983	15	692,983	16
3200	Capital surplus	316,950	7	315,168	7
	Retained earnings:				
3310	Legal reserve	511,268	11	462,155	10
3320	Special reserve	1,102	-	50,620	1
3350	Unappropriated retained earnings	1,657,141	36	1,512,162	34
		2,169,511	47	2,024,937	45
	Other equity:				
3410	Exchange differences on translation of foreign financial statements	10,683	-	(1,102)	-
	Total equity	3,190,127	69	3,031,986	68
	Total liabilities and equity	$ 4,620,368	100	4,480,494	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023			2022	
			Amount	%	Amount	%
4000	**Operating revenue (note 6(n))**	$	1,944,701	100	2,010,272	100
5000	**Operating costs (notes 6(e), (f), (g), (j) and 12)**		1,125,764	58	1,165,730	58
	Gross profit from operations		818,937	42	844,542	42
6000	**Operating expenses (notes 6(f), (g), (i), (j), (o), 7 and 12):**					
6100	Selling expenses		77,095	4	106,798	5
6200	Administrative expenses		91,224	5	89,390	4
6300	Research and development expenses		70,442	4	69,978	4
	Total operating expenses		238,761	13	266,166	13
6900	**Net operating income**		580,176	29	578,376	29
7000	**Non-operating income and expenses (notes 6(i) and (p)):**					
7100	Interest income		10,968	1	2,137	-
7010	Other income		3,386	-	3,782	-
7020	Other gains and losses		(13,412)	(1)	43,203	2
7050	Finance costs		(11,603)	(1)	(4,319)	-
	Total non-operating income and expenses		(10,661)	(1)	44,803	2
7900	**Profit before tax**		569,515	28	623,179	31
7951	**Less: Tax expenses (note 6(k))**		116,965	6	129,639	6
	Profit		452,550	22	493,540	25
8300	**Other comprehensive income (loss) (notes 6(j) and (l)):**					
8310	**Components of other comprehensive income that will not be reclassified to profit or loss:**					
8311	Gains (losses) on remeasurements of defined benefit plans		3,867	-	(2,406)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss		3,867	-	(2,406)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**					
8361	Exchange differences on translation		11,785	1	49,518	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss		11,785	1	49,518	2
8300	**Other comprehensive income (loss), net**		15,652	1	47,112	2
	Comprehensive income	**$**	**468,202**	**23**	**540,652**	**27**
9750	**Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)**	**$**		**6.53**		**7.12**
9850	**Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)**	**$**		**6.50**		**7.09**

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BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent						
			Retained earnings			Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	$ 692,983	315,168	419,501	33,975	1,392,170	(50,620)	2,803,177
Net income for the year ended December 31, 2022	-	-	-	-	493,540	-	493,540
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(2,406)	49,518	47,112
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	491,134	49,518	540,652
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	42,654	-	(42,654)	-	-
Special reserve	-	-	-	16,645	(16,645)	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
Balance at December 31, 2022	692,983	315,168	462,155	50,620	1,512,162	(1,102)	3,031,986
Net income for the year ended December 31, 2023	-	-	-	-	452,550	-	452,550
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	3,867	11,785	15,652
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	456,417	11,785	468,202
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	49,113	-	(49,113)	-	-
Special reserve	-	-	-	(49,518)	49,518	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
Change in capital surplus	-	1,782	-	-	-	-	1,782
Balance at December 31, 2023	**$ 692,983**	**316,950**	**511,268**	**1,102**	**1,657,141**	**10,683**	**3,190,127**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows generated from (used in) operating activities:			
Profit before tax	$	569,515	623,179
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expenses		152,284	128,343
Amortization expenses		3,676	3,285
Net gains on financial assets at fair value through profit or loss		(2,736)	(2,983)
Interest expenses		11,603	4,319
Net gains on financial assets at amortized cost		(426)	(6,663)
Interest income		(10,968)	(2,137)
Gains on lease modifications		(18)	(2)
Prepayments for business facilities transferred to expenses		268	58
Losses from disposal of property, plant and equipment		56	-
Total adjustments to reconcile profit		153,739	124,220
Changes in operating assets:			
Notes receivable		10,938	(12,032)
Accounts receivable		20,835	8,519
Inventories		37,072	(16,799)
Other current assets		12,050	10,176
Total changes in operating assets		80,895	(10,136)
Changes in operating liabilities:			
Current contract liabilities		(6,888)	16,842
Notes payable		34	(2,098)
Accounts payable		1,492	(21,429)
Other payables		1,252	19,110
Other current liabilities		(4,214)	1,741
Net defined benefit liability		(762)	(326)
Total changes in operating liabilities		(9,086)	13,840
Total changes in operating assets and liabilities		71,809	3,704
Total adjustments		225,548	127,924
Cash inflow generated from operations		795,063	751,103
Interest received		10,791	1,632
Income taxes paid		(126,479)	(108,156)
Net cash flows generated from operating activities		679,375	644,579
Cash flows generated from (used in) investing activities:			
Acquisition of financial assets at amortized cost		(429,010)	(186,493)
Proceeds from disposal of financial assets at amortized cost		435,590	359,316
Acquisition of financial assets at fair value through profit or loss		-	(152,521)
Proceeds from disposal of financial assets at fair value through profit or loss		35,706	178,585
Acquisition of property, plant and equipment		(15,839)	(421,845)
Proceeds from disposal of property, plant and equipment		80	-
Acquisition of right-of-use assets		(290)	-
Increase in other financial assets		(292)	(71)
Increase in other non-current assets		(3,020)	(4,534)
Increase in prepayments for business facilities		(56,919)	(304,981)
Decrease in payables on machinery and equipment		(21,525)	(47,286)
Net cash used in investing activities		(55,519)	(579,830)
Cash flows generated from (used in) financing activities:			
Increase in short-term loans		70,510	-
Decrease in short-term loans		(72,290)	(28,560)
Proceeds from long-term borrowings		101,110	446,000
Repayments of long-term borrowings		(75,868)	(17,033)
Payment of lease liabilities		(13,047)	(14,479)
Cash dividend paid		(311,843)	(311,843)
Interest paid		(11,725)	(5,318)
Other financing activities		1,782	-
Net cash generated from (used in) financing activities		(311,371)	68,767
Effect of exchange rate changes on cash and cash equivalents		24,034	11,170
Net increase in cash and cash equivalents		336,519	144,686
Cash and cash equivalents at beginning of period		1,017,296	872,610
Cash and cash equivalents at end of period	$	1,353,815	1,017,296

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars Expect for Earnings Per Share Information and Unless Otherwise Specified)

(1) Company history

Bioteque Corporation (“the Company”) was incorporation in November, 1991 in accordance with the Company Act and the other related laws and regulations.

The Company's stock was listed on Taipei Exchange on March 4, 2002.

The business operation of the Company and its subsidiaries (together referred to as “the Group”) are as follows:

(a) Manufacturing, trading and selling of the medical cosumable.

(b) Reinvestment and monopoly investment in securities business.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation and the effect of the asset ceiling mentioned in Note 4(n) .

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group's controls' an entity when it its exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. 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.

(ii) List of subsidiaries in the consolidated financial statements:

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Note**
The Company	BIOTEQUE MEDICAL CO., LTD.	Investment activities	- %	100.00%	Note
The Company	CHUNGTEX INVESTMENT CO., LTD.	Investment activities	100.00%	100.00%	
The Company	BIOTEQUE MEDICAL PHIL. INC.	Manufacturing and Trading of Medical equipment	100.00%	100.00%	
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Trading of Medical equipment	100.00%	100.00%	

Note:BIOTEQUE MEDICAL CO., LTD made remittance of share capital on December 25, 2023. As of December 31, 2023, the company was still under the liquidation.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

An entity shall classify an asset as current when:

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits, which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’ s procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished 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 liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Building and structures	5~50 years
2)	Machinery and equipment	1~15 years
3)	Transportation equipment	3~10 years
4)	Office equipment	3~5 years
5)	Other equipment	1~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

－fixed payments, including in-substance fixed payments;

－variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

－amounts expected to be payable under a residual value guarantee; and

－payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

－there is a change in future lease payments arising from the change in an index or rate; or

－there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

－there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

－there is a change of its assessment on whether it will exercise a extension or termination option; or

－there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(k) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(l) Revenue

(i) Revenue from contracts with customers

1) Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

a) Sale of goods

The Group manufactures and sells medical equipment. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

b) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

－the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

－the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

－the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(m) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The Group is likely to be facing economic uncertainty, such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact on economic uncertainty:

The loss allowance of accounts receivable

The Group has estimated the loss allowance of accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(d).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 940	892
Cash in bank	1,352,875	1,016,404
Cash and cash equivalents in the consolidated statement of cash flows	$ 1,353,815	1,017,296

Please refer to note 6(q) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Current financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Money market funds and bond funds	$ 118,591	140,268
Stock listed on domestic markets	-	11,293
Total	$ 118,591	151,561

(i) For credit risk and market risk, please refer to note 6(q).

(ii) The financial assets of the Group were not collateralized.

(c) Current financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Time deposits	$ 92,130	98,100

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(i) For the years ended 2023 and 2022, the Group held domestic time deposits, with the weighted-average interest rates of 1.16%~5.75% and 1.44%~4.68%, respectively, which mature in February to April of 2024 and January to March of 2023, respectively.

(ii) For credit risk, please refer to note 6(q).

(iii) The financial assets of the Group were not collateralized.

(d) Notes and accounts receivables

	December 31, 2023	December 31, 2022
Notes receivable	$ 67,479	78,417
Accounts receivables	191,678	212,678
Less: loss allowance	-	(165)
	$ 259,157	290,930

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowances were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	$ 259,157	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	0.92%	-
More than 181 days past due	-	100%	-
	$ 259,157		-

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	$ 284,890	-	-
1 to 30 days past due	6,040	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	4.32%	-
151 to 180 days past due	-	12.04%	-
More than 181 days past due	165	100%	165
	$ 291,095		165

The movements in the allowance for notes, and accounts receivable were as follows:

		Accounts receivable
Balance at January 1, 2023	$	165
Amounts written off		(165)
Balance at December 31, 2023	$	-
Balance at January 1, 2022	$	165
Impairment loss recognized		-
Balance at December 31, 2022	$	165

The notes and accounts receivables of the Group were not collateralized.

For further credit risk information, please refer to note 6(q).

(e) Inventories

		December 31, 2023	December 31, 2022
Raw materials	$	132,346	177,820
Work in progress		64,786	71,402
Finished goods		73,799	63,986
Merchandise		12,161	9,589
Inventories in transit		11,549	8,916
	$	294,641	331,713

Except for cost of goods sold and inventories recognized as operating cost, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

		2023	2022
Gains on physical inventory	$	(1,461)	(1,982)
Unallocated production overheads		65,279	22,333
Losses on valuation of inventories		2,032	3,709
	$	65,850	24,060

The inventories of the Group were not collateralized.

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the years ended 2023 and 2022 were as follows:

	Land	Building and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2023	$ 91,834	1,811,920	906,318	11,215	21,095	226,063	59,781	3,128,226
Additions	-	2,769	9,061	170	480	3,359	-	15,839
Disposals	-	-	(317)	-	-	(686)	-	(1,003)
Reclassification (Note 1)	-	4,200	79,443	-	719	12,666	(1,800)	95,228
Effect on changes in foreign exchange rates	-	119	49	-	1	26	-	195
Balance at December 31, 2023	$ 91,834	1,819,008	994,554	11,385	22,295	241,428	57,981	3,238,485
Balance at January 1, 2022	$ 91,834	738,161	854,119	9,987	20,911	202,442	592,483	2,509,937
Additions	-	100,027	9,684	1,066	-	9,728	301,340	421,845
Disposals	-	-	(5,843)	-	-	(4,171)	-	(10,014)
Reclassification (Note 1) (Note 2)	-	938,236	33,344	-	-	11,086	(834,837)	147,829
Effect on changes in foreign exchange rates	-	35,496	15,014	162	184	6,978	795	58,629
Balance at December 31, 2022	$ 91,834	1,811,920	906,318	11,215	21,095	226,063	59,781	3,128,226
Accumulated depreciation and impairment loss:								
Balance at January 1, 2023	$ -	276,791	658,497	8,077	19,872	192,148	-	1,155,385
Depreciation	-	45,052	68,148	849	1,062	22,355	-	137,466
Disposals	-	-	(317)	-	-	(550)	-	(867)
Effect on changes in foreign exchange rates	-	(104)	(180)	(1)	-	(94)	-	(379)
Balance at December 31, 2023	$ -	321,739	726,148	8,925	20,934	213,859	-	1,291,605
Balance at January 1, 2022	$ -	243,014	597,591	7,286	18,634	165,064	-	1,031,589
Depreciation	-	29,213	60,265	644	1,061	26,021	-	117,204
Disposals	-	-	(5,843)	-	-	(4,171)	-	(10,014)
Effect on changes in foreign exchange rates	-	4,564	6,484	147	177	5,234	-	16,606
Balance at December 31, 2022	$ -	276,791	658,497	8,077	19,872	192,148	-	1,155,385
Carrying amounts:								
Balance at December 31, 2023	$ 91,834	1,497,269	268,406	2,460	1,361	27,569	57,981	1,946,880
Balance at January 1, 2022	$ 91,834	495,147	256,528	2,701	2,277	37,378	592,483	1,478,348
Balance at December 31, 2022	$ 91,834	1,535,129	247,821	3,138	1,223	33,915	59,781	1,972,841

(Note 1) Prepayments for business facilities were reclassified as property, plant and equipment.

(Note 2) The right-of-use assets and lease liabilities were reclassified as construction in progress.

As of December 31, 2023 and 2022, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to note 8.

(g) Right-of-use assets

The Group leases land and buildings. Information about leases for which the Group has been a lessee is presented below:

		Land	Buildings and structures	Total
Cost:				
Balance at January 1, 2023	$	369,843	38,201	408,044
Additions		290	-	290
Disposals		-	(6,413)	(6,413)
Effect on changes in foreign exchange rates		17	6	23
Balance at December 31, 2023	$	370,150	31,794	401,944
Balance at January 1, 2022	$	359,435	37,908	397,343
Additions		5,405	1,213	6,618
Disposals		-	(943)	(943)
Effect on changes in foreign exchange rates		5,003	23	5,026
Balance at December 31, 2022	$	369,843	38,201	408,044
Accumulated depreciation:				
Balance at January 1, 2023	$	22,407	24,625	47,032
Depreciation		9,124	5,694	14,818
Disposals		-	(5,077)	(5,077)
Effect on changes in foreign exchange rates		(10)	-	(10)
Balance at December 31, 2023	$	31,521	25,242	56,763
Balance at January 1, 2022	$	13,247	18,499	31,746
Depreciation		8,923	6,938	15,861
Disposals		-	(825)	(825)
Effect on changes in foreign exchange rates		237	13	250
Balance at December 31, 2022	$	22,407	24,625	47,032
Carrying amount:				
Balance at December 31, 2023	$	338,629	6,552	345,181
Balance at January 1, 2022	$	346,188	19,409	365,597
Balance at December 31, 2022	$	347,436	13,576	361,012

(h) Short-term and long-term borrowings

(i) Short-term borrowings

		December 31, 2023	December 31, 2022
Unsecured bank loans	$	-	-
Unused credit lines	$	813,043	812,578
Range of interest rate		2%~6.39%	-

Parts of the Group' s short-term borrowings will be settled in foreign currency. The details of foreign short-term liabilities were as follows:

	December 31, 2023	December 31, 2022
USD (thousand dollars)	$ 1,000	-
Convert to NTD	$ 30,710	-

(ii) Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 593,693	557,194
Less: Current portion	147,463	34,111
Unsecured long-term borrowings	$ 446,230	523,083
Unused credit lines	$ -	662,500
Range of interest rate	1.25%~6.1%	1.13%~5.2%

Parts of the Group's long-term borrowings (included current portion) will be settled in foreign currency. The details of foreign long-term borrowings were as follows:

	December 31, 2023	December 31, 2022
USD (thousand dollars)	$ 1,111	1,944
Convert to NTD	$ 34,122	59,694

As of December 31, 2023, the remaining balances of the long-term borrowings due were as follows:

Period	Amount
2024.01.01~2024.12.31	$ 147,463
2025.01.01~20254.12.31	149,800
2026.01.01~2026.12.31	143,138
2027.01.01~2027.12.31	134,250
2028.01.01~2028.12.31	19,042
	$ 593,693

For the collateral for borrowing, please refer to note 8.

(i) Lease liabilities

	December 31, 2023	December 31, 2022
Current	$ 12,612	14,397
Non-current	$ 288,225	300,837

For the maturity analysis, please refer to note 6(q).

The amounts recognized in profit or loss were as follows:

		2023	2022
Interest on lease liabilities	$	1,884	922
Expenses relating to leases of low-value assets	$	35	11

The amounts recognized in the statement of cash flows by the Group were as follows:

		2023	2022
Total cash outflow for leases	$	14,966	16,486

For the years ended December 31, 2023 and 2022, the Group leases land, buildings and structures for its factory, office space, warehouse and parking lot. The leases run for a period of 2 to 20 years. Some leases include an option to renew the lease for an additional period of 2 to 20 years after the end of the contract term.

Some leases of equipment contain extension options exercisable. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(j) Employee benefits

(i) Defined benefit plans

Only the Company use the defined benefit plans.

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	28,507	33,007
Fair value of plan assets		(20,223)	(20,093)
Net defined benefit liabilities	$	8,284	12,914

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to $20,223 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the Group were as follows:

		2023	2022
Defined benefit obligations as of January 1	$	33,007	29,863
Benefits paid		(2,449)	(1,860)
Current service costs and interest cost		1,739	1,169
Remeasurements losses (gains)		(3,790)	3,835
Defined benefit obligations as of December 31	$	28,507	33,007

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

		2023	2022
Fair value of plan assets as of January 1	$	20,093	19,029
Amounts contributed to plan		2,161	1,374
Benefits paid		(2,449)	(1,860)
Interest revenue		341	121
Remeasurements gains (losses)		77	1,429
Fair value of plan assets as of December 31	$	20,223	20,093

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

		2023	2022
Current service costs	$	1,180	993
Net interest of net liability for defined benefit obligations		218	55
	$	1,398	1,048

		2023	2022
Operating costs	$	(313)	311
Administration expenses		1,711	737
	$	1,398	1,048

5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

		2023	2022
Balance as of January1	$	(3,319)	(913)
Recognized in the current period		3,867	(2,406)
Balance as of December 31	**$**	**548**	**(3,319)**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

The defined benefit obligations:

	December 31, 2023	December 31, 2022
Discount rate	1.63%	1.75%
Future salary increase rate	2.00%	3.00%

Cost of the defined benefit plan assets:

	December 31, 2023	December 31, 2022
Discount rate	1.75%	0.63%
Future salary increase rate	3.00%	1.50%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $930 thousand. The weighted-average lifetime of the defined benefit plans is 11.76 years.

7) Sensitivity analysis

When calculating the present of the defined benefit plan assets, the related actuarial assumptions at the reporting date, including the discount rate, the demission rate and the change of the future salary rate, are required to be judged and estimated.

As of 2023 and 2022, the changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

	Influences on defined benefit obligations	
	Increase	**Decrease**
Balance as of December 31, 2023		
Discount rate decrease(increase) by 0.25%	$ 648	(672)
Future salary increases rate increase(decrease) by 0.25%	647	(627)
Balance as of December 31, 2022		
Discount rate decrease(increase) by 0.25%	822	(854)
Future salary increases rate increase(decrease) by 0.25%	819	(793)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocates 6% each employee’ s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $8,555 thousand and $8,198 thousand for the years ended December 31, 2023 and 2022, respectively.

(iii) The Group's subsidiaries incorporated in the Philippine have a defined contribution plan, Wherein a monthly contributions to an independent fund, administered by the government in accordance with the pension regulations in the Republic of the Philippine, are based on certain percentage of employees’ monthly salaries and wages. The Group recognized the pension cost were as follow:

	2023	**2022**
Operating costs	$ 175	164
Operating expenses	83	54
	$ 258	**218**

(iv) Short-term benefit obligations

	December 31, 2023	**December 31, 2022**
Paid leave	**$ 109**	**223**

(k) Income taxes

(i) Income tax expense

The components of income tax for 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Current period	$	127,503	131,191
Adjustment for prior periods		(14,297)	(2,987)
		113,206	128,204
Deferred tax expense			
Origination and reversal of temporary differences		3,759	1,435
Income tax expenses	$	116,965	129,639

There was no income tax expense of the Group directly recognized in equity or other comprehensive income for the years ended 2023 and 2022.

Reconciliations of income tax and profit before tax for 2023 and 2022 were as follows:

		2023	2022
Profit excluding income tax	$	569,515	623,179
Income tax using the Company's domestic tax rate	$	113,903	124,636
Effect of tax rates in foreign jurisdiction		(37)	1,620
The income tax effects on permanent differences		4,338	-
Adjustment for prior periods		(14,297)	(2,987)
Undistributed earnings additional tax		8,985	3,052
Other		4,073	3,318
Total	$	116,965	129,639

(ii) Deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

		Allowance for obsolete inventories	Unrealized exchange losses	Others	Total
Balance as of January 1, 2023	$	899	-	1,875	2,774
Recognized in profit or loss		400	3,239	107	3,746
Balance as of December 31, 2023	$	1,299	3,239	1,982	6,520
Balance as of January 1, 2022	$	697	89	2,553	3,339
Recognized in profit or loss		202	(89)	(678)	(565)
Balance as of December 31, 2022	$	899	-	1,875	2,774

Deferred tax liabilities:

		Unrealized investment income recognized under equity method	Unrealized exchange gains	Total
Balance as of January 1, 2023	$	37,386	554	37,940
Recognized in profit or loss		8,059	(554)	7,505
Balance as of December 31, 2023	**$**	**45,445**	**-**	**45,445**
Balance as of January 1, 2022	$	37,070	-	37,070
Recognized in profit or loss		316	554	870
Balance as of December 31, 2022	**$**	**37,386**	**554**	**37,940**

(iii) The Company's income tax returns for all years through 2021 were assessed by the tax authorities.

(l) Capital and other equity

As of December 31, 2023 and 2022, the total number of authorized ordinary shares were both 120,000 thousand shares, with a par value of NT$10 per share, of which 69,298 thousand shares was issued and outstanding. All issued shares were paid up upon issuance.

(i) Capital surplus

Balances of capital surplus at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Share capital	$	315,168	315,168
Donation from shareholders		1,782	-
	$	**316,950**	**315,168**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the annual income or earnings, after deducting any accumulated deficit, shall be set aside as a legal reserve. When the balance of such legal reserve reaches an amount equal to the paid-in capital, the appropriation to legal reserves is discontinued. If there are surplus profits remaining, at least 20% shall be allocated for distribution of shareholder dividends. The Board of Directors drafts a dividend distribution proposal and submits it to the shareholders meeting for resolution, in which cash dividends should make up at least 20% or more.

The Company should distribute dividends, bonuses, and capital reserves with cash. Distribution of dividends shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

Because the industry the Company is involved in is undergoing a steady period of growth, the conditions, amount, and type of dividends mentioned in the preceding articles can be adjusted in response to the shifting market conditions and industry changes. In the mean time, the Company should consider the sustainable development and capital needs.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 9, 2023, the board of directors' meeting resolved to distribute the 2022 earnings. On March 10, 2022, the board of directors' meeting resolved to distribute the 2021 earnings. These earnings were appropriated as follows:

	2022		2021	
	Amount per share (NTD)	**Amount**	**Amount per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 4.50	$ 311,843	4.50	311,843

On March 6, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (NTD)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 4.50	$ 311,843

(iii) Other equity

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2023	$ (1,102)
Exchange differences on foreign operations	11,785
Balance at December 31, 2023	$ 10,683
Balance at January 1, 2022	$ (50,620)
Exchange differences on foreign operations	49,518
Balance at December 31, 2022	$ (1,102)

(m) Earnings per share

The Company's earnings per share were calculated as follows:

(i) Basic earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ 452,550	493,540
Weighted-average number of ordinary shares (in thousand shares)	69,298	69,298
Basic earnings per share (express in New Taiwan Dollars)	$ 6.53	7.12

(ii) Diluted earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ 452,550	493,540
Weighted-average number of ordinary shares (basic)(in thousand shares)	69,298	69,298
Effect on employee remuneration (in thousand shares)	326	349
Weighted-average number of ordinary shares (diluted) (in thousand shares)	69,624	69,647
Diluted earnings per share (express in New Taiwan Dollars)	$ 6.50	7.09

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets:			
Asia	$	882,306	906,926
South America		167,674	254,167
North America		298,876	279,352
Others		595,845	569,827
Total	$	1,944,701	2,010,272
Major products service lines:			
Manufacturing, trading and selling of medical consumable	$	1,944,701	2,010,272

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable	$	259,157	291,095	287,582
Less: allowance for impairment		-	(165)	(165)
Total	$	259,157	290,930	287,417

		December 31, 2023	December 31, 2022	January 1, 2022
Current contract liabilities	$	38,082	44,970	28,128

For details on accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $40,718 thousand and $28,034 thousand, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(o) Remuneration to employees and directors

According to the Article of Association, once the Company has annual profit, it should appropriate no less than 5% of the profit to its employees and 1.6% or less to its directors.

The Company's estimated remuneration is as follows:

		2023	2022
Employees' remuneration	$	30,179	32,969
Directors' remuneration		9,657	10,550
	$	**39,836**	**43,519**

The amount of employees' remuneration, and directors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, and multiplied by the rule of Company's Article of Association. The above remuneration were included in the operating expenses of the years ended December 31, 2023 and 2022. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statement for the years of 2023 and 2022.

The related information mentioned above can be found on websites such as the Market Observation Post System.

(p) Non-operating income and expenses

(i) Interest income

		2023	2022
Interest income:			
Interest income from RP bills	$	66	169
Interest income from deposit		17	9
Interest income from bank deposit		10,885	1,959
	$	**10,968**	**2,137**

(ii) Other income

		2023	2022
Subsidy revenue	$	700	435
Compensation income		434	5
Others		2,252	3,342
	$	**3,386**	**3,782**

(iii) Other gains and losses

		2023	2022
Foreign exchange gains (losses)	$	(11,549)	33,770
Gains on financial assets at fair value through profit or loss		2,736	2,983
Gains on financial assets at amortized cost		426	6,663
Others		(5,025)	(213)
	$	(13,412)	43,203

(iv) Finance costs

		2023	2022
Interest expense on bank borrowings	$	9,719	3,397
Interest expense on lease liabilities		1,884	1,996
Capitalized interest expense		-	(1,074)
	$	11,603	4,319

(q) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

If the transactions of the financial instruments are significantly concentrated within certain counterparties, or if the counterparties with similar business activities and economic characteristics are not significantly concentrated within certain counterparties, the concentration of credit risk is highly probable. As of 2023 and 2022, the notes and accounts receivable were from two major customers as follows:

		Amount	Percentage of the group's receivables
December 31, 2023			
C Company	$	60,175	23
F Company		33,921	13
	$	94,096	36
December 31, 2022			
C Company	$	45,797	16
F Company		33,264	11
	$	79,061	27

3) Receivables securities

For credit risk exposure of note and trade receivables, please refer to note 6(d).

Other financial assets at amortized costs includes other receivables. The above financial assets are considered to have low risk, and the impairment provision recognized during the period was limited to 12 months expected losses. The movement in the allowance for note and accounts receivable, please refer to note 6(d).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Notes payable	$ 211	211	211	-	-	-
Accounts payable	136,801	136,801	136,801	-	-	-
Other payables	136,019	136,019	136,019	-	-	-
Payables on machinery and equipment	103,930	103,930	103,930	-	-	-
Long-term borrowings (including current portion)	593,692	600,729	150,408	151,895	298,426	-
Lease liabilities (current and non-current)	300,837	333,865	14,397	10,495	27,262	281,711
	$ 1,271,490	**1,311,555**	**541,766**	**162,390**	**325,688**	**281,711**
December 31, 2022						
Non-derivative financial liabilities						
Notes payable	$ 177	177	177	-	-	-
Accounts payable	135,309	135,309	135,309	-	-	-
Other payables	134,889	134,889	134,889	-	-	-
Payables on machinery and equipment	125,455	125,455	125,455	-	-	-
Long-term borrowings (including current portion)	557,194	565,172	36,221	123,340	386,556	19,055
Lease liabilities (current and non-current)	315,234	350,153	16,287	14,397	28,670	290,799
	$ 1,268,258	**1,311,155**	**448,338**	**137,737**	**415,226**	**309,854**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 14,453	30.71	443,842	14,809	30.70	454,647
EUR	509	33.92	17,256	889	32.74	29,106
JPY	24,898	0.2163	5,385	8,165	0.2326	1,899
PHP	152,229	0.5521	84,045	169,854	0.5502	93,449
CNY	17,981	4.415	79,387	13,514	4.409	59,582
Investments accounted for using equity method						
USD	15,292	30.71	469,626	15,411	30.70	473,114
PHP	85,118	0.5521	46,993	67,077	0.5502	36,904
Financial liabilities						
Monetary items						
USD	2,416	30.71	74,182	2,639	30.70	81,017
EUR	233	33.92	7,917	340	32.74	11,129
JPY	54,385	0.2163	11,763	45,302	0.2326	10,535
PHP	9,463	0.5521	5,225	14,200	0.5502	7,812

The Group's exposure to foreign currency risk arise from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account receivables, other receivables, accounts payable, other payables and payables on machinery and equipment that are denominated in foreign currency.

A depreciation (appreciation) of 1% of the NTD against the foreign currency for the years ended December 31, 2023 and 2022, would have increased (decreased), the net profit before tax by $5,308 thousand and $5,282 thousand, respectively. The analysis is performed on the same basis for 2022.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gains(losses) (including realized and unrealized portions) amounted to $(11,549) thousand and $33,770 thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basic points, the Group's net profit before tax would have decreased / increased by $5,937 thousand and $5,572 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at floating rates.

3) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyzes for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2023		2022	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Net profit before tax**	**Other comprehensive income before tax**	**Net profit before tax**
Increasing 1%	$ -	1,186	-	1,516
Decreasing 1%	$ -	(1,186)	-	(1,516)

(iv) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows, however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 118,591	118,591	-	-	118,591
Financial assets measured at amortized cost					
Cash and cash equivalents	1,353,815	-	-	-	-
Financial assets measured at amortized cost	92,130	-	-	-	-
Receivables	259,157	-	-	-	-
Other financial assets	4,340	-	-	-	-
Subtotal	1,709,442	-	-	-	-
Total	$ 1,828,033	118,591	-	-	118,591

	December 31, 2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Notes and accounts payables	$ 137,012	-	-	-	-
Other payables	136,019	-	-	-	-
Payables on machinery and equipment	103,930	-	-	-	-
Long-term borrowings (including current portion)	593,692	-	-	-	-
Lease liabilities (current and non-current)	300,837	-	-	-	-
Total	$ 1,271,490	-	-	-	-

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 151,561	151,561	-	-	151,561
Financial assets measured at amortized cost					
Cash and cash equivalents	1,017,296	-	-	-	-
Financial assets measured at amortized cost	98,100	-	-	-	-
Receivables	290,930	-	-	-	-
Other financial assets	4,048	-	-	-	-
Subtotal	1,410,374	-	-	-	-
Total	$ 1,561,935	151,561	-	-	151,561
Financial liabilities measured at amortized cost					
Notes and accounts payables	$ 135,486	-	-	-	-
Other payables	134,889	-	-	-	-
Payables on machinery and equipment	125,455	-	-	-	-
Long-term borrowings (including current portion)	557,194	-	-	-	-
Lease liabilities (current and non-current)	315,234	-	-	-	-
Total	$ 1,268,258	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

When the financial instruments of the Group are traded in an active market, its fair value is illustrated by the category and nature as follows:

The fair value of listed stocks and funds traded in an active market is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market date at the reporting date.

3) Categories and fair values of financial instruments

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For the years ended December 31, 2023 and 2022, there were no change on the fair value hierarchy of financial asset.

(r) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group’s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The chairman and general manager are responsible for developing and monitoring the Group's risk management policies. Also they report regularly to the Board of Directors on the activities performed by Group.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set and monitor appropriate risk limits and controls, to ensure they are adhered to accordingly. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors ensures that the supervision of the management is in compliance with the Group's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by an Internal Audit, wherein the Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, in which the results are to be reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Trade and other receivable

The Group's exposure to credit risk is mainly influenced by its individual customer's condition. The management also assess the statistical information based on the Group's customers, including the default risk of the customer's industry and nation, which have the factors to influence the Group's credit risk. For the years ended December 31, 2023 and 2022, the Group's accounts receivable were not concentrated in any geographical location, therefore, there were no concentration of credit risks.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed periodically.

The Group sets the allowance for its doubtful accounts to reflect the estimated loss of its trade and other receivables, as well as its investments. The major component of the allowance account contains individually significant exposure related to specific losses. Also, the component includes the losses on similar asset groups that have occurred but not yet identified.

The allowance for doubtful account is based on statistical information of historical payment of the similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2023, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2023 and 2022, the Group's unused credit line amounted to $813,043 thousand and $1,475,078 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. In order to manage and control the foreign exchange rates, the Group will maintain a certain limit of the net portion of the foreign currency.

The Group designates the stocks listed on domestic markets and bond funds which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income respectively; and therefore, the valuation of equity prices will fluctuate according to the changes in market prices. To manage the market risk, the Group transacts with securities trusts institutions with good credit ratings and estimates the equity price risk of its equity instruments through a professional manager.

The Group is exposed to interest risk on the fair value of its financial asset and financial liabilities due to deposit in bank and bank loans. The changes in interest risk on these financial instruments have no significant impact on the fair value.

(s) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors and market, and to sustain future development of the business. The Group use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity. The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2023 and 2022, is as follows:

		December 31, 2023	**December 31, 2022**
Total liabilities	$	1,430,241	1,448,508
Less: cash and cash equivalents		1,353,815	1,017,296
Net liabilities (assets)	**$**	**76,426**	**431,212**
Total equity	**$**	**3,190,127**	**3,031,986**
Debt-to-equity ratio		**2%**	**14%**

The increase in the amounts on investing activities in 2022 resulted in the Group's cash and cash equivalents to decrease.

(t) Investing and financing activities not affecting current cash flow

The Group's financial activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

(i) For right-of-use assets under leases, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financial activities was as follows:

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Foreign exchange movement**	**Other**	**December 31, 2023**
Short-term borrowings	$ -	(1,780)	1,780	-	-
Long-term borrowings (including current portion)	557,194	25,242	11,256	-	593,692
Lease liabilities (current and non-current)	315,234	(13,047)	4	(1,354)	300,837
Total liabilities from financial activities	**$ 872,428**	**10,415**	**13,040**	**(1,354)**	**894,529**

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Foreign exchange movement**	**Other**	**December 31, 2022**
Short-term borrowings	$ 27,670	(28,560)	890	-	-
Long-term borrowings (including current portion)	120,675	428,967	7,552	-	557,194
Lease liabilities (current and non-current)	323,206	(14,479)	9	6,498	315,234
Total liabilities from financial activities	**$ 471,551**	**385,928**	**8,451**	**6,498**	**872,428**

(7) Related-party transactions:

(a) Names and relationship with the Group

Name	Relationship with the Group
Ke Yue Co., Ltd.	The entity with significant influence over the Group
Yi de Co., Ltd.	Other related party
Yi sheng Co., Ltd.	Other related party

(b) Significant transactions with related parties:

For the years ended December 31, 2023 and 2022, dividends paid to significant corporate shareholders were $52,340 thousand and $46,044 thousand, respectively.

(c) Key management personnel compensation

Key management personnel compensation was comprised as below:

		2023	2022
Short-term employee benefits	$	28,729	28,497
Post-employment benefits		1,784	1,007
	$	30,513	29,504

(8) Assets Pledged as security:

Pledged assets	Pledged to secure		December 31, 2023	December 31, 2022
Other current financial assets:				
Restricted bank deposit	Purchase guarantee	$	601	601
Property, plant and equipment:				
Land	Credit of short-term borrowings		91,834	91,834
Buildings and structures	Credit of short-term borrowings		157,174	165,448
		$	249,609	257,883

(9) Commitments and contingencies:

(a) Contingencies

In prior years, the Group entered into the license agreement which has expired with a supplier. On July 5, 2018, the supplier filed a complaint which has not completed accusing the Group. The Group assess there is no significant impact on its financial statements.

(b) Notes issued as guarantee

	December 31, 2023	December 31, 2022
Bank borrowings and lease guarantee	$ 2,058,905	2,058,850

(c) The agreements for expansion of the factory and purchases of machinery and equipment

	December 31, 2023	December 31, 2022
Total contract price	$ 236,831	485,515
Paid amount	$ 210,804	274,957

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function	2023			2022		
By item	**Cost of sales**	**Operating expenses**	**Total**	**Cost of sales**	**Operating expenses**	**Total**
Employee benefits						
Salary	195,076	103,434	298,510	201,156	106,163	307,319
Labor and health insurance	16,816	7,570	24,386	15,001	7,382	22,383
Pension	5,373	4,838	10,211	5,785	3,679	9,464
Remuneration of directors	-	9,759	9,759	-	9,889	9,889
Others	9,719	3,679	13,398	9,294	3,429	12,723
Depreciation (Note)	141,196	11,088	152,284	119,088	9,255	128,343
Amortization	1,174	2,502	3,676	1,049	2,236	3,285

(Note) The capitalized depreciation expenses of right-of-use assets amounting to $4,722 thousand were recognized as construction in progress for the years ended December 31, 2022. There was no such transaction in 2023.

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on the Group's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the years ended December 31, 2023:

(i) Loans to other parties:

(In thousands of NTD and USD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period (Note 4)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	162,050 (USD 5,000)	153,550 (USD 5,000)	92,130 (USD 3,000)	3.00%	2	-	Working Capital	-	None	-	3,190,127 (Note 2)	3,190,127 (Note 2)

Note 1: Purposes of lending were as follows:

1. Business relationship
2. Short-term financing

Note 2: For entities in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the net worth of the borrower.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note 4: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In thousands of NTD and USD)

Number	Name of guarantor	Counterparty of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	2	207,894	178,255 (USD 5,500)	168,905 (USD 5,500)	25,592 (USD 833)	-	5.29%	339,561	Y	N	N

Note 1: The total amount for the guarantees and endorsements provided by the Company to external entities shall not exceed 49% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to external entities shall not exceed 49% of the Company's net worth.

Note 2: The total amount for the guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth.

Note 3: Relationship with the Company

1. Ordinary business relationship.
2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.
3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.
4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(In thousands of NTD and shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest	Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,629	-	10,629	-	
〃	Yuanta Wan Tai Money Market Fund	〃	〃	2,497	38,839	-	38,839	-	
〃	Franklin Templeton Sinoam Money Market Fund	〃	〃	2,992	31,798	-	31,798	-	
〃	Mega Diamond Money Market Fund	〃	〃	2,894	37,325	-	37,325	-	
	Total				118,591		118,591	-	

Note: If there are public markets prices, the fair value shall be evaluated by the last operating date of the accounting duration.

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company’s paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company’s paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counterparty	Relationship with the Company	If the Counterparty is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Factory construction and Engineering (Yilan Science Park)	2020/11/19	877,000	As of December 31, 2023, the price paid $795,306 thousand.	FENG YU UNITED ENGINEERING CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Hydropower Fire Engineering Contract (Yilan Science Park)	2020/11/27	176,650	As of December 31, 2023, the price paid $151,994 thousand.	YUNG LONG ELECTRIC EQUIPMENT ENTERPRISE CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Contract of clean room construction and procurement of clean room equipment (Yilan Science Park)	2021/10/7 2022/1/18	192,150	As of December 31, 2023,the price paid $172,528 thousand.	MARKETECH INTERNATION CORP.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company’s paid-in capital: None.

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company’s paid-in capital: None.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	113,588	0.60%	-	-	20,740	-

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ix) Information regarding trading in derivative financial instruments: None.

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the year ended December 31, 2023:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts receivable	108,067	OA 270	2.34%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	105,348	There is no significant difference from translation terms with non-related parties.	5.42%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	97,651	OA 270	0.12%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts payable	41,721	OA 60	0.90%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Operating revenue	20,109	There is no significant difference from translation terms with non-related parties.	1.03%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Accounts receivable	4,023	OA 180	0.09%
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	183	OA 180	-%
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Operating revenue	50,717	There is no significant difference from translation terms with non-related parties.	2.61%
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Accounts receivable	5,685	OA 120	0.12%

Note 1: Company numbering as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

Note 3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(b) Information on investees:

The following are the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits (losses) of investee	Remark
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying value				
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	-	16,349	-	- %	-	100.00%	(1,913)	(1,913)	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100%	30,208	100.00%	1,422	1,422	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,881	100%	469,626	100.00%	15,140	15,140	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100%	46,993	100.00%	10,047	10,047	Investment through subsidiary

Note : The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Ke Yue Co., Ltd.	6,788,000	9.79%

(14) Segment information:

(a) General information

(i) The Group's reportable segments were as follows:

1) Segment A: manufacturing medical disposables for hemodialysis use, and selling them to global dealers and retailers.

2) Segment B: manufacturing and selling catheters for healthcare and medical PVC IV bag to medical organizations.

3) Segment C: manufacturing and selling medical key components and inner catheters to medical organization.

4) Other Segment: BIOTEQUE MEDICAL CO., LTD., CHUNGTEX INVESTMENT CO., LTD., BIOTEQUE MEDICAL PHIL. INC., and BONTEQ MEDICAL DISTRIBUTION PHIL. INC sell their products and related parts to non-continuous customers who are engaged in investment and securities.

The reportable segments are the Group's divisions which provide different products and services, and are managed separately because they require different technology and marketing strategies.

(b) Information about reportable segments and their measurement and reconciliations

Taxation, as well as profit and loss, incurred from extraordinary activities can not be allocated to each reportable segments. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that of the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The profits or losses of the Group's operating segments are measured by the pre-tax operating profits or losses, which is regarded as the base on the performance. The Group treated intersegment sales and transfers as third-party transactions. They are measured by cost markups.

The Group's operating segment information and reconciliation were as follows:

	2023					
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	$ 626,040	390,252	900,122	28,287	-	1,944,701
Intersegment revenue	-	26,503	-	-	(26,503)	-
Interest received	-	-	-	10,968	-	10,968
Total revenue	$ 626,040	416,755	900,122	39,255	(26,503)	1,955,669
Interest expense	$ -	-	-	11,603	-	11,603
Depreciation and amortization	$ 21,174	37,942	11,828	89,473	(4,457)	155,960
Reporting segment profit or loss	$ 13,511	81,230	484,488	(9,714)	-	569,515

	2022					
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	$ 756,683	370,653	872,192	10,744	-	2,010,272
Intersegment revenue	-	26,798	-	-	(26,798)	-
Interest received	-	-	-	2,137	-	2,137
Total revenue	$ 756,683	397,451	872,192	12,881	(26,798)	2,012,409
Interest expense	$ -	-	-	4,319	-	4,319
Depreciation and amortization	$ 21,164	38,459	12,621	63,840	(4,456)	131,628
Reporting segment profit or loss	$ 56,873	51,695	470,752	43,859	-	623,179

The material reconciling items of the above reportable segment as below:

Total reportable segment revenue should eliminate intersegment revenue by $26,503 thousand and $26,798 thousand for the years ended December 31, 2023 and 2022, respectively.

(c) Enterprise Overall Information

(i) Product and service information

Revenue from the external customers of the Group was as follows:

Products and service	2023	2022
Bloodline Tube	$ 346,770	467,544
Catheters of TPU	543,596	488,056
IV Bag	363,120	336,963
AVF Needle	109,429	142,294
Surgical Tubing	210,646	188,443
Components	62,581	62,766
Catheters of Cardiovascular	157,427	134,897
Others	151,132	189,309
	$ 1,944,701	2,010,272

(ii) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographic location of customers and segment non-current assets are based on the geographical location of the assets.

Region	2023	2022
Asia	$ 882,306	906,925
South America	167,674	254,167
North America	298,876	279,353
Other courtiers	595,845	569,827
	$ 1,944,701	2,010,272

Non-current assets:

Region	2023	2022
Taiwan	$ 2,030,657	2,104,913
Philippines	428,234	451,570
	$ 2,458,891	**2,556,483**

Non-current assets included property, plant and equipment, right-of-use assets and other non-current assets, not including financial instruments, deferred tax assets, and rights arising from an insurance contract (non-current).

(d) Major customers

	2023	2022
The Group’s total revenue from segment A:		
C company	$ 190,426	179,961
F company	120,409	128,409
	$ 310,835	**308,370**

Appendix B

Independent Auditors' Report And 2023 Parent-Company-Only Financial Statements

Independent Auditors' Report

To the Board of Directors of Bioteque Corporation:

Opinion

We have audited the financial statements of Bioteque Corporation("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we 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 of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Please refer to Note 4(m) and Note 6(p) to the financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matter:

The Company is a listed company in related to public interest, wherein the investors are highly expecting its financial performance. Therefore, the Company's revenue recognition has been identified as one of the key matters while conducting our audit on the financial statements of the Company.

How the matter was addressed in our audit

Our principal audit procedures included understanding the main types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implementation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including Audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors’ report are Huang, Ming-Hung and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2024

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION

Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 1,135,489	25	839,088	19
1110	Current financial assets at fair value through profit or loss (note 6(b))	118,591	3	140,269	3
1136	Current financial assets at amortized cost (note 6(c))	92,130	2	92,100	2
1150	Notes receivable, net (notes 6(d) and (p))	65,275	1	70,099	2
1170	Accounts receivable, net (notes 6(d) and (p))	181,529	4	187,105	4
1180	Accounts receivable—related parties, net (notes 6(d) and (p))	112,091	2	238,507	5
1210	Other receivables—related parties (note 7)	97,651	2	9,868	-
130X	Inventories (note 6(e))	253,063	6	245,770	6
1460	Non-current assets classified as held for sale, net (note 6(f))	30,208	1	-	-
1476	Other current financial assets (note 8)	601	-	601	-
1479	Other current assets	27,265	-	21,636	-
	Total current assets	2,113,893	46	1,845,043	41
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(g))	469,626	10	501,900	11
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)	1,571,205	34	1,574,719	36
1755	Right-of-use assets (note 6(i))	298,034	7	312,827	7
1840	Deferred tax assets (note 6(m))	6,520	-	2,774	-
1915	Prepayments for business facilities (note 9)	157,492	3	212,634	5
1980	Other non-current financial assets	2,981	-	2,689	-
1995	Other non-current assets	3,926	-	4,733	-
	Total non-current assets	2,509,784	54	2,612,276	59
	Total assets	$ 4,623,677	100	4,457,319	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2130	Current contract liabilities (note 6(p))	$ 36,960	1	44,804	1
2150	Notes payable	205	-	133	-
2170	Accounts payable (note 7)	136,675	3	135,179	3
2180	Accounts payable—related parties	41,721	1	51,925	1
2209	Other payables (including related parties) (notes 6(l) and (q))	128,634	3	124,981	3
2213	Payable on machinery and equipment	103,930	2	125,455	3
2230	Current tax liabilities	60,049	1	73,555	2
2280	Current lease liabilities (note 6(k))	12,524	-	14,056	-
2322	Long-term borrowings, current portion (note 6(j))	121,871	3	-	-
2399	Other current liabilities	2,797	-	6,141	-
	Total current liabilities	645,366	14	576,229	13
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(j))	446,229	10	497,500	11
2570	Deferred tax liabilities (note 6(m))	45,445	1	37,940	1
2580	Non-current lease liabilities (note 6(k))	288,226	6	300,750	7
2640	Net defined benefit liability, non-current (note 6(l))	8,284	-	12,914	-
	Total non-current liabilities	788,184	17	849,104	19
	Total liabilities	1,433,550	31	1,425,333	32
	Equity (notes 6(l) and (n)):				
3100	Ordinary shares	692,983	15	692,983	16
3200	Capital surplus	316,950	7	315,168	7
	Retained earnings:				
3310	Legal reserve	511,268	11	462,155	10
3320	Special reserve	1,102	-	50,620	1
3350	Unappropriated retained earnings	1,657,141	36	1,512,162	34
		2,169,511	47	2,024,937	45
	Other equity:				
3410	Exchange differences on translation of foreign financial statements	10,683	-	(1,102)	-
	Total equity	3,190,127	69	3,031,986	68
	Total liabilities and equity	$ 4,623,677	100	4,457,319	100

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(p))**	$ 1,845,642	100	1,873,160	100
5000	**Operating costs (notes 6(e), (h), (i), (l), 7 and 12)**	1,073,030	58	1,084,035	58
5900	**Gross profit from operations**	772,612	42	789,125	42
5910	Less: Unrealized profit from sales	6,022	-	12,592	1
	Net gross profit	766,590	42	776,533	41
6000	**Operating expenses (notes 6(h), (i), (k), (l), (q), 7 and 12):**				
6100	Selling expenses	66,897	4	81,813	4
6200	Administrative expenses	75,831	4	76,417	4
6300	Research and development expenses	70,442	4	69,978	4
	Total operating expenses	213,170	12	228,208	12
6900	**Net operating income**	553,420	30	548,325	29
7000	**Non-operating income and expenses (notes 6(k), (r) and 7):**				
7100	Interest income	11,261	1	1,990	-
7010	Other income	2,775	-	3,092	-
7020	Other gains and losses	(10,140)	(1)	52,979	3
7050	Finance costs	(8,215)	-	(1,941)	-
7375	Share of profit of subsidiaries for using equity method	14,649	1	11,413	1
	Profit from continuing operations before tax	563,750	31	615,858	33
7950	**Less: Income tax expenses (note 6(m))**	111,200	6	122,318	7
	Profit	452,550	25	493,540	26
8300	**Other comprehensive income (loss) (notes 6(l) and (n)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	3,867	-	(2,406)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	3,867	-	(2,406)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8380	Share of other comprehensive income of subsidiaries accounted for using equity method	11,785	1	49,518	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	11,785	1	49,518	3
8300	**Other comprehensive income (after tax)**	15,652	1	47,112	3
8500	**Total comprehensive income**	$ 468,202	26	540,652	29
9750	**Basic earnings per share (note 6(o)) (Expressed in New Taiwan Dollars)**	$	6.53		7.12
9850	**Diluted earnings per share (note 6(o)) ((Expressed in New Taiwan Dollars)**	$	6.50		7.09

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

			Retained earnings			Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	$ 692,983	315,168	419,501	33,975	1,392,170	(50,620)	2,803,177
Net income for the year ended December 31, 2022	-	-	-	-	493,540	-	493,540
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(2,406)	49,518	47,112
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	491,134	49,518	540,652
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	42,654	-	(42,654)	-	-
Special reserve	-	-	-	16,645	(16,645)	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
Balance at December 31, 2022	692,983	315,168	462,155	50,620	1,512,162	(1,102)	3,031,986
Net income for the year ended December 31, 2023	-	-	-	-	452,550	-	452,550
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	3,867	11,785	15,652
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	456,417	11,785	468,202
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	49,113	-	(49,113)	-	-
Cash dividends of ordinary share	-	-	-	-	(311,843)	-	(311,843)
Reversal of special reserve	-	-	-	(49,518)	49,518	-	-
Changes in capital surplus	-	1,782	-	-	-	-	1,782
Balance at December 31, 2023	$ 692,983	316,950	511,268	1,102	1,657,141	10,683	3,190,127

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 563,750	615,858
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	125,719	101,064
Amortization expense	3,566	3,218
Unrealized profit from sales	6,022	12,592
Net loss on financial assets at fair value through profit or loss	(1,586)	(4,958)
Interest expense	8,215	1,941
Net loss on financial assets at amortized cost	(610)	(6,663)
Interest income	(11,261)	(1,990)
Share of profit of subsidiaries for using equity method	(14,649)	(11,413)
Gains on disposal of property, plant and equipment	(4,401)	(4,456)
Prepayments for business facilities transferred to expenses	399	58
Loss on disposal of investments accounted for using equity method	11,336	-
Gains on lease modifications	(18)	(2)
Total adjustments to reconcile profit	122,732	89,391
Changes in operating assets:		
Notes receivable	4,824	(6,795)
Accounts receivable	5,576	11,607
Accounts receivable—related parties	126,416	(51,443)
Other receivables—related parties	4,347	(1,971)
Inventories	(7,293)	(328)
Other current assets	15,314	12,975
Other financial assets—current	-	115
Total changes in operating assets	149,184	(35,840)
Changes in operating liabilities:		
Current contract liabilities	(7,844)	16,676
Notes payable	72	(286)
Accounts payable	1,496	(20,831)
Accounts payable—related parties	(10,204)	2,099
Other payables	3,554	17,852
Other current liabilities	(3,344)	721
Net defined benefit liability	(763)	(326)
Total changes in operating liabilities	(17,033)	15,905
Total changes in operating assets and liabilities	132,151	(19,935)
Total adjustments	254,883	69,456
Cash inflow generated from operations	818,633	685,314
Interest received	11,084	1,491
Income taxes paid	(120,947)	(100,591)
Net cash flows generated from operating activities	708,770	586,214
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(405,010)	(180,493)
Proceeds from disposal of financial assets at amortized cost	405,590	359,316
Acquisition of financial assets at fair value through profit or loss	-	(146,700)
Proceeds from disposal of financial assets at fair value through profit or loss	23,264	178,585
Proceeds from capital reduction of investments accounted for using equity method	15,599	-
Acquisition of property, plant and equipment	(13,367)	(415,585)
Proceeds from disposal of property, plant and equipment	80	290
Increase in other receivables—related parties	(92,130)	-
Acquisition of right-of-use assets	(290)	-
Increase in other non-current financial assets	(292)	-
Increase in other non-current assets	-	(4,439)
Increase in prepayments for business facilities	(61,250)	(305,340)
Decrease in payables on machinery and equipment	(21,525)	(47,246)
Dividends received	-	1,350
Increase in other assets	(2,759)	-
Net cash flows used in investing activities	(152,090)	(560,262)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	40,000	-
Decrease in short-term loans	(40,000)	-
Proceeds from long-term borrowings	70,600	446,000
Payment of lease liabilities	(12,702)	(14,162)
Cash dividends paid	(311,843)	(311,843)
Other financing activities	1,782	-
Interest paid	(8,116)	(2,899)
Net cash flows (used in) generated from financing activities	(260,279)	117,096
Net increase in cash and cash equivalents	296,401	143,048
Cash and cash equivalents at beginning of period	839,088	696,040
Cash and cash equivalents at end of period	$ 1,135,489	839,088

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

Bioteque Corporation (“the Company”) was incorporation in November, 1991 in accordance with The Company Act and the other related laws and regulations.

The business operations of the Company are manufacturing, trading and selling of the medical cosumable.

The Company's stock was listed on Taipei Exchange on March 4, 2002.

(2) Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issue by the board of directors on March 6, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

● Amendments to IAS 1 “Disclosure of Accounting Policies”

● Amendments to IAS 8 “Definition of Accounting Estimates”

● Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the following new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

● Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

● Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

● Amendments to IAS 1 “Non-current Liabilities with Covenants”

● Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

● Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" .

(b) Basis of preparation

(i) Basis of measurement

Expect for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liability is measured at fair value of the plan asset less the present value of the defined benefit obligation and the effect of the asset ceiling mentioned in Note 4(n).

(ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

An entity shall classify an assets as currency when:

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits., Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL except for the following which are measured as 12-month ECL:

・debt securities that are determined to have low credit risk at the reporting date; and

・other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due.

Lifetime ECLs is the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs is the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECLs is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs is discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished 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 liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Company's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, any equity-accounted investee is no longer equity accounted.

(i) Investment in associates

When preparing the parent-company-only financial statements, the investments in subsidiaries, which are controlled by the Company, are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent-company-only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its shares in the changes in its equity of subsidiaries.

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

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and structures	5～50 years
2)	Machinery and equipment	1～15 years
3)	Transportation equipment	3～10 years
4)	Office equipment	3～5 years
5)	Other equipment	1～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

－fixed payments, including in-substance fixed payments;

－variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

－amounts expected to be payable under a residual value guarantee; and

－payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

－there is a change in future lease payments arising from the change in an index or rate; or

－there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

－there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

－there is a change of its assessment on whether it will exercise a extension or termination option; or

－there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company manufactures and sells medical equipment. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

－the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

－the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

－the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(q) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent-company-only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The Company likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact on economic uncertainties:

The loss allowance of accounts receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(d).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 862	806
Demand deposits	1,129,054	825,254
Checking accounts	5,573	13,028
Cash and cash equivalents in the statement of cash flows	**$ 1,135,489**	**839,088**

Please refer to note 6(s) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Current financial assets at fair value through profit or loss

		December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Money market funds and bond funds	$	118,591	140,269

(i) For credit risk and market risk, please refer to note 6(s).

(ii) The financial assets of the Company were not collateralized.

(c) Current financial assets measured at amortized cost

		December 31, 2023	December 31, 2022
Time deposits	$	92,130	92,100

The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(i) During the years ended December 31, 2023 and 2022, the Company held domestic time deposits, with the weighted-average interest rates of 5.50%~5.75% and 4.60%~4.68%, respectively, which mature in February to March of 2024 and February to March of 2023, respectively.

(ii) For credit risk, please refer to note 6(s).

(iii) The financial assets of the Company were not collateralized.

(d) Notes and accounts receivables

		December 31, 2023	December 31, 2022
Notes receivable	$	65,275	70,099
Accounts receivables		181,529	187,105
Accounts receivables-related parties		112,091	238,507
	$	358,895	495,711

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowances were determined as follows:

	December 31, 2023		
	Gross carrying amount	**Weighted- average loss rate**	**Loss allowance**
Current	$ 358,895	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	-	-
More than 181 days past due	-	100%	-
	$ 358,895		**-**

	December 31, 2022		
	Gross carrying amount	**Weighted- average loss rate**	**Loss allowance**
Current	$ 493,252	-	-
1 to 30 days past due	2,459	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	-	-
More than 181 days past due	-	100%	-
	$ 495,711		**-**

The notes and accounts receivables of the Company were not collateralized.

For further credit risk information, please refer to note 6(s).

(e) Inventories

	December 31, 2023	**December 31, 2022**
Raw materials	$ 130,448	133,142
Work in progress	38,605	43,166
Finished goods	68,711	58,393
Merchandise	3,954	3,598
Raw materials in transit	11,345	7,471
	$ 253,063	**245,770**

Except for cost of goods sold and inventories recognized as operating cost, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

		2023	2022
Unallocated production overheads	$	65,279	22,333
Gains on physical inventory		(669)	(961)
Losses on valuation of inventories		2,000	1,000
	$	66,610	22,372

The inventories of the Company were not collateralized.

(f) Non-current assets held for sale

The Board of Directors resolved to dissolve CHUNGTEX INVESTMENT CO., LTD. on November 09, 2023, so the investment accounted for using equity method was reported as non-current assets held for sale.The amount of non-current assets held for sale was $30,208 thousand for the years ended December 31, 2023. There was no such transaction in 2022.

(g) Investment accounted for using equity method

The component of investments accounted for using the equity method at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	$	469,626	501,900

For the related information, please refer to consolidated financial statements for the year ended December 31, 2023.

(h) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022 were as follows:

		Land	Building and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:									
Balance at January 1, 2023	$	91,834	1,438,081	705,178	9,571	19,183	150,966	59,628	2,474,441
Additions		-	2,769	8,118	170	390	1,920	-	13,367
Disposals		-	-	(317)	-	-	(686)	-	(1,003)
Reclassification (Note 1)		-	4,200	79,443	-	719	12,665	(1,800)	95,227
Balance at December 31, 2023	$	91,834	1,445,050	792,422	9,741	20,292	164,865	57,828	2,582,032
Balance at January 1, 2022	$	91,834	410,756	667,993	8,505	19,183	140,900	582,187	1,921,358
Additions		-	100,027	9,684	1,066	-	3,468	301,340	415,585
Disposals		-	-	(5,843)	-	-	(4,488)	-	(10,331)
Reclassification (Note 1)		-	927,298	33,344	-	-	11,086	(823,899)	147,829
Balance at December 31, 2022	$	91,834	1,438,081	705,178	9,571	19,183	150,966	59,628	2,474,441

	Land	Building and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Accumulated depreciation and impairment loss:								
Balance at January 1, 2023	$ -	223,818	520,271	6,510	17,981	131,142	-	899,722
Depreciation	-	36,640	57,697	771	1,011	15,853	-	111,972
Disposals	-	-	(317)	-	-	(550)	-	(867)
Balance at December 31, 2023	$ -	260,458	577,651	7,281	18,992	146,445	-	1,010,827
Balance at January 1, 2022	$ -	202,393	476,773	5,976	16,990	116,673	-	818,805
Depreciation	-	21,425	49,341	534	991	18,667	-	90,958
Disposals	-	-	(5,843)	-	-	(4,198)	-	(10,041)
Balance at December 31, 2022	$ -	223,818	520,271	6,510	17,981	131,142	-	899,722
Carrying amounts:								
Balance at December 31, 2023	$ 91,834	1,184,592	214,771	2,460	1,300	18,420	57,828	1,571,205
Balance at January 1, 2022	$ 91,834	208,363	191,220	2,529	2,193	24,227	582,187	1,102,553
Balance at December 31, 2022	$ 91,834	1,214,263	184,907	3,061	1,202	19,824	59,628	1,574,719

(Note 1) Prepayments for business facilities were reclassified as property, plant and equipment.

(Note 2) The right-of-use assets and lease liabilities were reclassified as construction in progress.

As of December 31, 2023 and 2022, the property, plant and equipment of the Company had been pledged as collateral for borrowings; please refer to note 8.

(i) Right-of-use assets

The Company leases land and buildings. Information about leases for which the Company has been a lessee is presented below:

	Land	Buildings and structures	Total
Cost:			
Balance at January 1, 2023	$ 319,149	36,584	355,733
Additions	290	-	290
Disposals	-	(6,413)	(6,413)
Balance at December 31, 2023	$ 319,439	30,171	349,610
Balance at January 1, 2022	$ 313,744	36,314	350,058
Additions	5,405	1,213	6,618
Disposals	-	(943)	(943)
Balance at December 31, 2022	$ 319,149	36,584	355,733
Accumulated depreciation:			
Balance at January 1, 2023	$ 19,491	23,415	42,906
Depreciation	8,384	5,363	13,747
Disposals	-	(5,077)	(5,077)
Balance at December 31, 2023	$ 27,875	23,701	51,576
Balance at January 1, 2022	$ 11,276	17,627	28,903
Depreciation	8,215	6,613	14,828
Disposals	-	(825)	(825)
Balance at December 31, 2022	$ 19,491	23,415	42,906
Carrying amount:			
Balance at December 31, 2023	$ 291,564	6,470	298,034
Balance at January 1, 2022	$ 302,468	18,687	321,155
Balance at December 31, 2022	$ 299,658	13,169	312,827

(j) Short-term borrowings

(i) Short-term borrowings

		December 31, 2023	December 31, 2022
Unsecured bank loans	$	-	-
Unused credit lines	$	720,913	720,478
Range of interest rate		2%	-

(ii) Long-term borrowings

		December 31, 2023	December 31, 2022
Unsecured long-term bank loans	$	568,100	497,500
Less: Current portion		(121,871)	-
Total	$	446,229	497,500
Unused credit lines	$	-	662,500
Range of interest rate		1.25%~1.35%	1.13%~1.23%

As of December 31, 2023, the remaining balances of the borrowing due were as follows:

Period		December 31, 2023
2024.01.01～2024.12.31	$	121,871
2025.01.01～2025.12.31		149,800
2026.01.01～2026.12.31		143,137
2027.01.01～2027.12.31		134,250
2028.01.01～2028.12.31		19,042
	$	568,100

For the collateral for borrowing, please refer to note 8.

(k) Lease liabilities

		December 31, 2023	December 31, 2022
Current	$	12,524	14,056
Non-current	$	288,226	300,750

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 1,879	908
Expenses relating to leases of low-value assets	$ 35	11

The amounts recognized in the statement of cash flows by the Company were as follows:

	2023	2022
Total cash outflow for leases	$ 14,616	16,155

(i) Leases of land, buildings and structures

For the years ended December 31, 2023 and 2022, the Company leases land, buildings and structures for its factory, office space, warehouse and parking lot. The leases run for a period of 2 to 20 years. Some leases include an option to renew the lease for an additional period of 2 to 20 years after the end of the contract term.

Some leases of equipment contain extension options exercisable. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(l) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan assets at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 28,507	33,007
Fair value of plan assets	(20,223)	(20,093)
Net defined benefit liabilities	$ 8,284	12,914

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Company allocated pension funds in accordance with Regulations for Revenue, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $20,223 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations:

The movements in present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	$ 33,007	29,863
Benefit paid	(2,449)	(1,860)
Current service costs and interest cost	1,739	1,169
Remeasurements losses (gains)	(3,790)	3,835
Defined benefit obligations at December 31	**$ 28,507**	**33,007**

3) Movements of defined benefit plan assets

The movements in present value of the defined benefit plan assets for the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 20,093	19,029
Amounts contributed to plan	2,161	1,374
Benefits paid	(2,449)	(1,860)
Interest revenue	341	121
Remeasurements gains (losses)	77	1,429
Fair value of plan assets as of December 31	**$ 20,223**	**20,093**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	2023	2022
Current service costs	$ 1,180	993
Net interest of net liability for defined benefit obligations	218	55
	$ 1,398	**1,048**

	2023	2022
Operating costs	$ (313)	311
Operating expense	1,711	737
	$ 1,398	**1,048**

5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

		2023	2022
Balance as of January 1	$	(3,319)	(913)
Recognized in the current period		3,867	(2,406)
Balance as of December 31	$	548	(3,319)

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

The defined benefit obligations:

	December 31, 2023	December 31, 2022
Discount rate	1.63%	1.75%
Future salary increase rate	2.00%	3.00%

Cost of the defined benefit plan assets:

	December 31, 2023	December 31, 2022
Discount rate	1.75%	0.63%
Future salary increase rate	3.00%	1.50%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $930 thousand.

The weighted-average lifetime of the defined benefits plan is 11.76 years.

7) Sensitivity analysis

When calculating the present of the defined benefit plan assets, the related actuarial assumptions at the reporting date, including the discount rate, the demission rate and the change of the future salary rate, are required to be judged and estimated.

As of December 31, 2023 and 2022, the changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

		Influences on defined benefit obligations	
		Increased	Decreased
Balance as of December 31, 2023			
Discount rate decrease (increased) by 0.25%	$	648	(672)
Future salary increase rate increased (decrease) 0.25%		647	(627)
Balance as of December 31, 2022			
Discount rate decrease (increased) by 0.25%		822	(854)
Future salary increase rate increased (decrease) 0.25%		819	(793)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company's allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans. The Company allocates a fixe account to the Bureau of Labor Insurance with out additional legal on constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $8,555 thousand and $8,198 thousand for the years ended December 31, 2023 and 2022, respectively.

(iii) Short-term benefit obligation

	December 31, 2023	December 31, 2022
Paid leave	**$ 109**	**223**

(m) Income taxes

(i) Income tax expense

The components of income tax for 2023 and 2022 were as follows:

	2023	2022
Current tax expense		
Current period	$ 121,738	123,871
Adjustment for prior periods	(14,297)	(2,987)
	107,441	120,883
Deferred tax expense		
Origination and reversal of temporary differences	3,759	1,435
Income tax expense	**$ 111,200**	**122,318**

There was no income tax expense of the Company directly recognized in equity or other comprehensive income for the years ended December 31, 2023 and 2022.

Reconciliations of income tax and profit before tax for 2023 and 2022 were as follows:

		2023	2022
Profit excluding income tax	$	563,750	615,858
Income tax using the Company's domestic tax rate	$	112,750	123,172
The income tax effects on permanent differences		(602)	-
Adjustment for prior periods		(14,297)	(2,987)
Undistributed earnings additional tax		8,985	3,052
Others		4,364	(919)
Total	$	111,200	122,318

(ii) Deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

		Allowance for obsolete inventories	Unrealized exchange losses	Others	Total
Balance as of January 1, 2023	$	899	-	1,875	2,774
Recognized in profit or loss		400	3,239	107	3,746
Balance as of December 31, 2023	$	1,299	3,239	1,982	6,520
Balance as of January 1, 2022	$	697	89	2,553	3,339
Recognized in profit or loss		202	(89)	(678)	(565)
Balance as of December 31, 2022	$	899	-	1,875	2,774

Deferred tax liabilities:

		Unrealized investment income recognized under equity method	Unrealized exchange gains	Total
Balance as of January 1, 2023	$	37,386	554	37,940
Recognized in profit or loss		8,059	(554)	7,505
Balance as of December 31, 2023	$	45,445	-	45,445
Balance as of January 1, 2022	$	37,070	-	37,070
Recognized in profit or loss		316	554	870
Balance as of December 31, 2022	$	37,386	554	37,940

(iii) The Company's income tax returns for all years through 2021 were assessed by the tax authorities.

(n) Capital and other equity

As of December 31, 2023 and 2022, the total number of authorized ordinary shares were both 120,000 thousand shares, with a par value of $10 per share, of which 69,298 thousand shares was issued and outstanding. All issued shares were paid up upon issuance.

(i) Capital surplus

Balances of capital surplus at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Share capital	$ 315,168	315,168
Donation from shareholders	1,782	-
	$ 316,950	315,168

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the annual income or earnings, after deducting any accumulated deficit, shall be set aside as a legal reserve. When the balance of such legal reserve reaches an amount equal to the paid-in capital, the appropriation to legal reserves is discontinued. If there are surplus profits remaining, at least 20% shall be allocated for distribution of shareholder dividends. The Board of Directors drafts a dividend distribution proposal and submits it to the shareholders meeting for resolution, in which cash dividends should make up at least 20% or more.

The Company should distribute dividends, bonuses, and capital reserves with cash. Distribution of dividends shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

Because the industry the Company is involved in is undergoing a steady period of growth, the conditions, amount, and type of dividends mentioned in the preceding articles can be adjusted in response to the shifting market conditions and industry changes, In the mean time, the Company should consider the sustainable development and capital needs.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 9, 2023, the board of directors' meeting resolved to distribute the 2022 earnings. On March 10, 2022, the board of directors' meeting resolved to distribute the 2021 earnings.

These earnings were appropriated as follows:

	2022		2021	
	Amount per share (NTD)	**Amount**	**Amount per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 4.50	$ 311,843	4.50	311,843

On March 6, 2024, the Company's Board of Directors resided to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (NTD)	**Amounts**
Dividends distributed ordinary shareholders:		
Cash	$ 4.50	$ 311,843

(iii) Other equity

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2023	$ (1,102)
Exchange differences on foreign operations	11,785
Balance at December 31, 2023	$ 10,683

		Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$	(50,620)
Exchange differences on foreign operations		49,518
Balance at December 31, 2022	**$**	**(1,102)**

(o) Earnings per share

The Company's earnings per share were calculated as follows:

(i) Basic earnings per share

		2023	2022
Profit attributable to ordinary shareholders of the Company	**$**	**452,550**	**493,540**
Weighted-average number of ordinary shares (in thousand shares)		**69,298**	**69,298**
Basic earnings per share (express in New Taiwan Dollar)	**$**	**6.53**	**7.12**

(ii) Diluted earnings per share

		2023	2022
Profit attributable to ordinary shareholders of the Company	**$**	**452,550**	**493,540**
Weighted-average number of ordinary shares (basic) (in thousand shares)		69,298	69,298
Effect of employee remuneration (in thousand shares)		326	349
Weighted-average number of ordinary shares (diluted) (in thousand shares)		**69,624**	**69,647**
Diluted earnings per share (express in New Taiwan Dollar)	**$**	**6.50**	**7.09**

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets:			
Asia	$	783,247	769,814
South America		167,674	254,167
North America		298,876	279,352
Others		595,845	569,827
Total	**$**	**1,845,642**	**1,873,160**
Major products service lines:			
Manufacturing, trading and selling of medical consumable	**$**	**1,845,642**	**1,873,160**

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	$	358,895	495,711	449,080
Less: allowance for impairment		-	-	-
Total	$	358,895	495,711	449,080

		December 31, 2023	December 31, 2022	January 1, 2022
Current contract liabilities	$	36,960	44,804	28,128

For details on accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $40,549 thousand and $28,034 thousand, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(q) Remuneration to employees and directors

According to the Article of Association, once the Company has annual profit, it should appropriate no less than 5% of the profit to its employees and 1.6% or less to its directors.

		2023	2022
Employees' remuneration	$	30,179	32,969
Directors' remuneration		9,657	10,550
	$	39,836	43,519

The amount of employees' remuneration, and directors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, and multiplied by the rule of Company's Article of Association. The above remuneration were included in the operating expenses of the years ended December 31, 2023 and 2022. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statement for the years of 2023 and 2022.

The related information mentioned above can be found on websites such as the Market Observation Post System.

(r) Non-operating income and expenses

(i) Interest income

		2023	2022
Interest income from RP bills	$	-	161
Interest income from deposit		17	9
Interest income from bank deposit		10,592	1,820
Other		652	-
	$	**11,261**	**1,990**

(ii) Other income

		2023	2022
Guarantee service revenue	$	273	375
Subsidy revenue		700	435
Compensation income		40	5
Others		1,762	2,277
	$	**2,775**	**3,092**

(iii) Other gains and losses

		2023	2022
Foreign exchange gains (losses)	$	(11,745)	36,959
Gains on financial assets at fair value through profit or loss		1,586	4,958
Gains on disposal of property plant and equipment		4,401	4,456
Gains on financial assets at amortized cost		610	6,663
Others		(4,992)	(57)
	$	**(10,140)**	**52,979**

(iv) Finance costs

		2023	2022
Interest expense on bank borrowings	$	6,336	1,033
Interest expense on lease liabilities		1,879	1,982
Capitalized interest expense		-	(1,074)
	$	**8,215**	**1,941**

(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

If the transactions of the financial instruments are significantly concentrated within certain counterparties, or if the counterparties with similar business activities and economic characteristics are not significantly concentrated within certain counterparties, the concentration of credit risk is highly probable. As of December 31, 2023 and 2022, the notes and accounts receivable were from two major customers as follows:

		Amount	**Percentage of the company's receivables**
December 31, 2023			
Subsidiary	$	112,091	31
C_2 Compamy		60,175	17
	$	**172,266**	**48**
December 31, 2022			
Subsidiary	$	238,507	48
C_2 Company		45,797	9
	$	**284,304**	**57**

3) Receivables securities

For credit risk exposure of note and trade receivables, please refer to note 6(d).

Other financial assets at amortized costs includes other receivables. The above financial assets are considered to have low risk, and the impairment provision recognized during the period was limited to 12 months expected losses.(Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f)).

For the years ended December 31, 2023 and 2022, the impairment loss are not recognized and reserved.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Notes payable	$ 205	205	205	-	-	-	-
Accounts payable	136,675	136,675	136,675	-	-	-	-
Accounts payable-related parties	41,721	41,721	41,721	-	-	-	-
Other payables (including related parties)	128,634	128,634	128,634	-	-	-	-
Payables on machinery and equipment	103,930	103,930	103,930	-	-	-	-
Lease liabilities (current and non-current)	300,750	333,777	7,154	7,154	10,496	27,262	281,711
Long-term borrowings	568,100	574,615	47,994	76,300	151,895	298,426	-
	$ 1,280,015	1,319,557	466,313	83,454	162,391	325,688	281,711
December 31, 2022							
Non-derivative financial liabilities							
Notes payable	$ 133	133	133	-	-	-	-
Accounts payable	135,179	135,179	135,179	-	-	-	-
Accounts payable-related parties	51,925	51,925	51,925	-	-	-	-
Other payables (including related parties)	124,981	124,981	124,981	-	-	-	-
Payables on machinery and equipment	125,455	125,455	125,455	-	-	-	-
Lease liabilities (current and non-current)	314,806	349,718	7,970	7,970	14,309	28,671	290,798
Long-term borrowings	497,500	502,923	-	-	97,312	386,556	19,055
	$ 1,249,979	1,290,314	445,643	7,970	111,621	415,227	309,853

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 5,987	30.71	183,866	4,005	30.70	122,956
EUR	494	34.03	16,819	431	32.74	14,125
JPY	24,898	0.22	5,411	8,165	0.23	1,899
CNY	4,172	4.33	18,060	3,091	4.41	13,628
Investments accounted for using equity method						
USD	15,292	30.71	469,626	15,411	30.70	473,114
Financial liabilities						
Monetary items						
USD	2,416	30.71	74,182	2,639	30.70	81,017
EUR	233	34.03	7,943	340	32.74	11,129
JPY	54,385	0.22	11,821	45,302	0.23	10,535

2) Sensitivity analysis

The Company's exposure to foreign currency risk arise from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables (including related parties), other receivables (including related parties), accounts payables (including related parties), other payables (including related parties) and payables on machinery and equipment that are denominated in foreign currency.

A depreciation (appreciation) of 1% of the NTD against the foreign currency for the years ended December 31, 2023 and 2022 would have increased (decreased), the net profit after tax by $1,302 thousand and $499 thousand, respectively. The analysis is performed on the same basis for 2022.

3) Foreign exchange gain and loss on monetary items

For the years ended December 31, 2023 and 2022, foreign exchange profit (loss) (including realized and unrealized portions) were as follows;

	2023		2022	
	Exchange (loss) profit	**Average rate**	**Exchange (loss) profit**	**Average rate**
NTD	$ (11,745)	-	36,959	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basic points the Company's net income would have decreased / increased by $5,681 thousand and $4,975 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remain constant. This is mainly due to the Company's borrowing at floating rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

	December 31, 2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 118,591	118,591	-	-	118,591
Financial assets measured at amortized cost					
Cash and cash equivalents	1,135,489	-	-	-	-
Financial assets measured at amortized cost	92,130	-	-	-	-
Receivables (including related parties)	456,546	-	-	-	-
Other financial assets	3,582	-	-	-	-
Subtotal	1,687,747	-	-	-	-
Total	$ 1,806,338	118,591	-	-	118,591
Financial liabilities measured at amortized cost					
Notes and accounts payables (including related parties)	$ 178,601	-	-	-	-
Other payables (including related parties)	128,634	-	-	-	-
Payables on machinery and equipment	103,930	-	-	-	-
Lease liabilities (current and non-current)	300,750	-	-	-	-
Long-term borrowings	568,100	-	-	-	-
Total	$ 1,280,015	-	-	-	-

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 140,269	140,269	-	-	140,269
Financial assets measured at amortized cost					
Cash and cash equivalents	839,088	-	-	-	-
Financial assets measured at amortized cost	92,100	-	-	-	-
Receivables (including related parties)	505,579	-	-	-	-
Other financial assets	3,290	-	-	-	-
Subtotal	1,440,057	-	-	-	-
Total	$ 1,580,326	140,269	-	-	140,269
Financial liabilities measured at amortized cost					
Notes and accounts payables (including related parties)	$ 187,237	-	-	-	-
Other payables (including related parties)	124,981	-	-	-	-
Payables on machinery and equipment	125,455	-	-	-	-
Lease liabilities (current and non-current)	314,806	-	-	-	-
Long-term borrowings	497,500	-	-	-	-
Total	$ 1,249,979	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place ‘regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

When the financial instruments of the Company are traded in an active market, its fair value is illustrated by the category and nature as follows:

The fair value of listed stocks and funds traded in an active market is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market date at the reporting date.

3) Categories and fair values of financial instruments

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For the years ended December 31, 2023 and 2022, there were no change on the fair value hierarchy of financial asset.

(t) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-Company-Only financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The chairman and general manager are responsible for developing and monitoring the Company's risk management policies. Also they report regularly to the Board of Directors on the activities performed by Company.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, to ensure they are adhered to accordingly. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors ensures that the supervision of the management is in compliance with the Company's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by an Internal Audit, wherein the Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, in which the results are to be reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

1) Trade and other receivable

The Company's exposure to credit risk is mainly influenced by its individual customer's condition. The management also assess the statistical information based on the Company's customers, including the default risk of the customer's industry and nation, which have the factors to influence the Company's credit risk. For the years ended December 31, 2023 and 2022, the Company's accounts receivable were not concentrated in any geographical location, therefore, there were no concentration of credit risks.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed periodically.

The Company sets the allowance for its doubtful accounts to reflect the estimated loss of its trade and other receivables, as well as its investments. The major component of the allowance account contains individually significant exposure related to specific losses. Also, the component includes the losses on similar asset groups that have occurred but not yet identified.

The allowance for doubtful account is based on statistical information of historical payment of the similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, the residual amounts of guarantees to the subsidiaries are $168,905 thousand and $168,850 thousand, respectively.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2023 and 2022, the Company's unused credit line amounted to $720,913 thousand and $1,382,978 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. In order to manage and control the foreign exchange rates, the Company will maintain a certain limit of the net portion of the foreign currency.

The Company designates the stocks listed on domestic markets and bond funds which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income respectively; and therefore, the valuation of equity prices will fluctuate according to the changes in market prices. To manage the market risk, the Company transacts with securities trusts institutions with good credit ratings and estimates the equity price risk of its equity instruments through a professional manager.

The Company is exposed to interest risk on the fair value of its financial asset and financial liabilities due to deposit in bank and bank loans. The changes in interest risk on these financial instruments have no significant impact on the fair value.

(u) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors and market, and to sustain future development of the business. The Company use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity. The Company's debt-to-equity ratio at the end of the reporting period as of 31 December, 2023 and 2022, is as follows:

		December 31, 2023	**December 31, 2022**
Total liabilities	$	1,433,550	1,425,333
Less: cash and cash equivalents		1,135,489	839,088
Net liabilities (assets)	**$**	**298,061**	**586,245**
Total equity	**$**	**3,190,127**	**3,031,986**
Debt-to-equity ratio		**9%**	**19%**

The increase in the amounts on investing activities in 2022 resulted in the Company's cash and cash equivalents to decrease.

(v) Investing and financing activities not affecting current cash flow

The Company's financial activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

(i) For right-of-use assets under leases, please refer to note 6(i).

(ii) Reconciliation of liabilities arising from financial activities was as follows:

	January 1, 2023	Cash flows	Non-cash changes Other	December 31, 2023
Lease liabilities (current and non- current)	$ 314,806	(12,702)	(1,354)	300,750

	January 1, 2022	Cash flows	Non-cash changes Other	December 31, 2022
Lease liabilities (current and non- current)	$ 322,470	(14,162)	6,498	314,806

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Company and its subsidiaries.

(b) Names and relationship with the Company

The followings are entities that have had transactions with related party and subsidiary during the periods covered in the parent-company-only financial statements.

Name of related party	Relationship with the Company
BIOTEQUE MEDICAL CO., LTD.	The subsidiary
CHUNGTEX INVESTMENT CO. LTD	The subsidiary
BIOTEQUE MEDICAL PHIL.INC.	The subsidiary
BONTEQ MEDICAL DISTRIBUTION PHIL.INC.	The subsidiary

Note：BIOTEQUE MEDICAL CO., LTD made remittance of share capital on December 25, 2023. As of December 31, 2023, the company was still under the liquidation.

(c) Significant transactions with related parties:

(i) The transaction of entrusting subsidiary to process and repurchase the finished product

The Company sells raw materials to subsidiaries, which they are processed, and then purchases back some of the finished products and sells them to customers. The accounting method is not purchase and sale, however, accounts receivable and payables are still settled in the total amount and are therefore still shown in the total amount.

The amounts sold in 2023 and 2022 were $160,780 thousand and $300,982 thousand, respectively, and the amounts of finished products purchased after processing in 2023 and 2022 were $266,128 thousand and $356,690 thousand, respectively, with the difference included in the processing cost of $105,348 thousand and $55,708 thousand, respectively.

(ii) Disposal of property, plant and equipment

Relationship with the Company	2022 Amount of disposal	2022 Gain from disposal
BIOTEQUE MEDICAL PHIL.INC.	$ 290	-

There was no such transaction in 2023.

(iii) Guarantee

The Company provides endorsement guarantee for subsidiaries, and the details of its were as follows:

	December 31, 2023	December 31, 2022
BIOTEQUE MEDICAL PHIL.INC.	$ 168,905	168,850

The Company in accordance with the above-mentioned endorsement guarantee, charges 0.5% of the endorsement guarantee fee to the subsidiary. The Company's endorsement guarantee income in 2023 and 2022 were $273 thousand and $375 thousand, respectively, while the guarantee fees receivable for the years ended December 31, 2023 and 2022 were $210 thousand and $254 thousand, respectively, including other receivables-related parties.

(iv) Receivables from related parties

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable-related parties	BIOTEQUE MEDICAL PHIL.INC.	$ 108,068	232,776
Accounts receivable-related parties	BONTEQ MEDICAL DISTRIBUTION PHIL.INC.	4,023	5,731
Other receivable-related parties	BIOTEQUE MEDICAL PHIL.INC.	97,651	9,868
		$ 209,742	248,375

(v) Payables to related parties

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable-related parties	BIOTEQUE MEDICAL PHIL.INC.	$ 41,721	51,925

(vi) Loans to related parties

	December 31, 2023	December 31, 2022
BIOTEQUE MEDICAL PHIL INC.	$ 92,130	-

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured. There are no expected credit loss required after the management's assessment.

(d) Key management personnel compensation

Key management personnel compensation was comprised as below:

		2023	2022
Short-term employee benefits	$	26,736	26,741
Post-employment benefits		1,784	1,007
	$	28,520	27,748

(8) Assets Pledged as security:

Pledged assets	Pledged to secure		December 31, 2023	December 31, 2022
Other current financial assets:				
Restricted bank deposit	Purchase guarantee	$	601	601
Property, plant and equipment				
Land	Credit of short-term borrowings		91,834	91,834
Buildings and structures	Credit of short-term borrowings		157,174	165,448
		$	249,609	257,883

(9) Commitments and contingencies:

(a) Contingencies

In prior years, the Company entered into the license agreement which has expired with a supplier. On July 5, 2018, the supplier filed a complaint which has not completed accusing the Company. The Company assess there is no significant impact on its financial statements.

(b) Notes issued as guarantee

		December 31, 2023	December 31, 2022
Long-and short-term borrowings	$	1,890,000	1,890,000

(c) The agreements for expansion of the factory and purchases of machinery and equipment

		December 31, 2023	December 31, 2022
Total contract price	$	236,831	465,904
Paid amount	$	210,804	257,350

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	156,066	95,134	251,200	153,795	98,230	252,025
Labor and health insurance	16,816	7,570	24,386	15,001	7,382	22,383
Pension	5,198	4,755	9,953	5,621	3,625	9,246
Remuneration of directors	-	9,759	9,759	-	9,889	9,889
Others	9,719	3,504	13,223	9,294	3,278	12,572
Depreciation (Note)	115,323	10,396	125,719	92,708	8,356	101,064
Amortization	1,068	2,498	3,566	982	2,236	3,218

(Note) The capitalized depreciation expenses of right-of-use assets amounting to $4,722 thousand was recognized as construction in progress for the years ended December 31, 2022. There was no transaction in 2023.

For the years ended December 31, 2023 and 2022, the number of employees and employee benefits were as follows:

	2023	2022
Number of employees	400	383
Number of non-employee directors	8	6
Average labor cost	$ 762	786
Average salaries and bonus	$ 641	669
Average salaries and bonus adjustment	(4.19)%	13.58%
Compensation to the supervisors	$ -	1,309

Information of company policy regarding to salary and remuneration:

The purpose that the Company formulates its salary and remuneration policy is to achieve its strategy goal, both short-term and long-term. Such goal is to sustain its business operation, and is achieved via recruiting efficient talents, inspiring work morale of all employees, sustaining outstanding human resources, keeping labor-management in harmony, sharing profit and involving both labor-management parties to the business operation. Internally, the policy should be based on the principal of fairness and consistency, yet reflect the Company's culture of performance oriented. It also needs to comply with the current and future organization's overall salary standard. Externally, by setting up the grade of overall salary and the reward system, the Company can ensure its competitiveness within the industry.

In accordance with article 20 of the Company Act, besides the routine salary and depending on the performance of the operation, if profitable, the Company should appropriate at least 5% of its annual profit as employee reward. Besides, to further motivate employees at all level and encourage them to explore their potentials, the Company also contributes certain percentage of its annual profit as performance and year-end bonus.

Board members:

In accordance with article 20 of the Company Act, if the Company incurs profit during the year, it should allocate no more than 1.6% of its profit as remuneration to the board members. Furthermore, the Company should execute the allocation only when the Company has retained earnings. The board members' remuneration policy is based on the directors' performance evaluation guidelines, the Company's overall operating performance and future operation needs. Reasonable remuneration is given by considering the individual's output to the Company's operation. The proposal is proposed by Remuneration Committee, to be approved by the Board for a resolution, then reported during the shareholders' meeting.

Management team:

The Company's policy for remuneration to the management team in accordance with the Company's regulation which is approved in the board meeting. According to the performance evaluation guidelines, the remuneration is based on the actual performance of an individual and its output to Company's operation, taking into consideration the remuneration distribution standards set by competitors and Human Resource department, as well as the standard decided by the Remuneration Committee, to be proposed to the Board for a resolution, then approved during the shareholders' meeting.

Employees:

Employees' salary rate is set based on the market rate, as well as the operation and organization structure of the Company. The rate is adjusted according to the changes in market salary rate, overall economic circumstance, industrial climate and modification of government regulations.

Each reward is regulated by the Company's reward distribution policy. If the Company incurs profit for the year, the profit shall first be used to pay tax, then offset against any deficit; thereafter, reserved for dividends. Subsequently, certain percentage of the remainder will be distributed as reward bonus to employees based on the evaluation of their performance.

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the years ended December 31, 2023:

(i) Loans to other parties:

(In thousands of dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period (Note 4)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
1	The Company	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	162,050 (USD 5,500)	153,550 (USD 5,500)	92,130 (USD 3,000)	3.00%	2	-	Working Capital	-	None	-	3,190,127 (Note 2)	3,190,127 (Note 2)

Note 1: Purposes of lending were as follows:

1. Business relationship
2. Short-term financing

Note 2: For entities in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the net worth of the borrower.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

(ii) Guarantees and endorsements for other parties:

(In thousands of dollars)

Number	Name of guarantor	Counterparty of guarantee and endorsement: Name	Counterparty of guarantee and endorsement: Relationship with the Company (Note 3)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
1	The Company	BIOTEQUE MEDICAL PHIL. INC.	2	207,894	178,255 (USD 5,500)	168,905 (USD 5,500)	25,592 (USD 833)	-	5.29%	339,561	Y	N	N

Note 1: The total amount for the guarantees and endorsements provided by the Company to external entities shall not exceed 49% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to external entities shall not exceed 49% of the Company's net worth.

Note 2: The total amount for the guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth.

Note 3: Relationship with the Company

1. Ordinary business relationship.
2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.
3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.
4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(In thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (in thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Remark
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,629	- %	10,629	
〃	Yuanta Wan Tai Money Market Fund	〃	〃	2,497	38,839	- %	38,839	
〃	Franklin Templeton Sinoam Money Market Fund	〃	〃	2,992	31,798	- %	31,798	
〃	Mega Diamond Money Market Fund	〃	〃	2,894	37,325	- %	37,325	
	Total			-	118,591	- %	118,591	

Note: If there are public markets prices, the fair value shall be evaluated by the last operating date of the accounting duration.

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the Counterparty is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
The Company	Factory construction and Engineering (Yilan Science Park)	2020/11/19	877,000	As of December 31, 2023, the price paid $795,306 thousand.	FENG YU UNITED ENGINEERING CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Hydropower Fire Engineering Contract (Yilan Science Park)	2020/11/27	176,650	As of December 31, 2023, the price paid $151,994 thousand.	YUNG LONG ELECTRIC EQUIPMENT ENTERPRISE CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Contract of clean room construction and procurement of clean room equipment (Yilan Science Park)	2021.10.7 2022.1.18	192,150	As of December 31, 2023, the price paid $172,528 thousand.	MARKETECH INTERNATION CORP.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None.

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital: None.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Overdue: Action taken	Amounts received in subsequent period	Allowance for bad debts
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	205,719	0.36%	-	-	20,740	-

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ix) Information regarding trading in derivative financial instruments: None.

(b) Information on investees:

The following are the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2023	Original investment amount December 31, 2022	Balance as of December 31, 2023 Shares (in thousands)	Balance as of December 31, 2023 Percentage of ownership	Balance as of December 31, 2023 Carrying value	Net income (losses) of investee	Share of profits (losses) of investee	Remark
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	-	16,349	-	- %	-	(1,913)	(1,913)	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100.00%	30,208	1,422	1,422	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,881	100.00%	469,626	15,140	15,140	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100.00%	46,993	10,047	10,047	Investment through subsidiary

Note: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Ke Yue Co., Ltd	6,788,000	9.79%

(14) Segment information:

Please see the consolidated financial statements for the year ended December 31, 2023.

BIOTEQUE CORPORATION

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description			Amounts
Cash on hand				$ 862
Cash in banks:				
Demand deposits				1,022,983
Checking accounts				5,573
Foreign currency deposits	USD	2,366,577.85 ，@	30.71	72,678
	JPY	24,871,001.72 ，@	0.21735	5,406
	EUR	291,727.11 ，@	34.03	9,927
	CNY	4,171,934.60 ，@	4.329	18,060
				1,134,627
				$ 1,135,489

BIOTEQUE CORPORATION

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units (in thousand)	Par value	Total amount	Interest rate	Acquisition cost	Fair value Unit price (in dollars)	Fair value Total amount	Fair value changes is attributable to the changes in credit risk	Note
Capital Money Market Fund		641	$ -	-	- %	10,042	16.5869	10,629	-	
Yuanta Wan Tai Money Market Fund		2,497	-	-	- %	35,935	15.5532	38,839	-	
Frankline Templeton Sinoam Money Market Fund		2,992	-	-	- %	30,000	10.6260	31,798	-	
Mega Diamond Money Market Fund		2,894	-	-	- %	35,055	12.8995	37,325	-	
						111,032		118,591	-	

BIOTEQUE CORPORATION

Statement of notes receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Client name	Amount
A Company	$ 21,100
B Company	9,710
C Company	7,217
D Company	12,820
E Company	11,702
Other (Each amount is less than 5% of the balance)	2,726
	$ 65,275

Statement of accounts receivables (including related parties)

Item	Amount
Subsidiary	$ 112,091
A Company	60,175
B Company	18,595
Other (Each amount is less than 5% of the balance)	102,759
	$ 293,620

BIOTEQUE CORPORATION

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Raw material	$ 133,270	133,270	Note
Work in progress	38,931	38,931	Note
Finish goods	71,786	71,647	
Merchandise	4,225	4,045	
Raw materials in transit	11,345	11,345	Note
Total	259,557	**259,238**	
Less: provision of valuation of inventories losses	(6,494)		
	$ 253,063		

(Note): This inventory is for subsequent manufacturing use, it is not intended to be sold directly, according to the market value of the manufactured goods to calculate its cost, due to its market price is higher than the cost, therefore its cost is listed as the market price.

Statement of other current assets

Item	Amount
Prepaid expense	$ 10,856
Prepayment to suppliers	5,649
Prepaid insurance premiums	4,653
Tax refund receivable	4,436
Other (Each amount is less than 5% of the balance)	1,671
	$ 27,265

BIOTEQUE CORPORATION

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Increase		Decrease		Ending balance			Market value or net assets value		Collateral	Note
	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Percentage of ownership	Amount	Unit price (dollars)	Total amount		
BIOTEQUE MEDICAL CO., LTD.	500	$ 17,273	-	239 (Note 1)	500	17,512 (Note 2)	-	- %	-	-	-	No	
CHUNGTEX INVESTMENT CO., LTD.	2,880	28,786	-	1,422 (Noet 3)	2,880	30,208 (Note 4)	-	- %	-	-	-	No	
BIOTEQUE MEDICAL PHIL. INC.	4,481	455,841	-	20,012 (Note 5)	-	6,227 (Note 6)	4,481	100.00%	469,626	104.80	469,626	No	
		$ 501,900		21,673		53,947			469,626		469,626		

(Note 1) Comprised of exchange differences on translation for foreign financial statements $239 thousand.
(Note 2) Comprised of losses on investment $1,913 thousand and liquidation of BIOTEQUE MEDICAL CO., LTD. with the book value $15,599 thousand.
(Note 3) Comprised of gains on investment $1,422 thousand.
(Note 4) Comprised of the amount of non-current assets classified as held for sale $30,208 thousand due to CHUNGTEX INVESTMENT CO., LTD. liquidated by resolution of the Board of Directors.
(Note 5) Comprised of gains $15,140 thousand, deferred credits $4,662 and exchange differences on translation for foreign financial statements $210 thousand.
(Note 6) Comprised of unrealized gain $6,022 thousand and deferred debit 205 thousand.

BIOTEQUE CORPORATION

Statement of prepayments

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Prepayments for business facilities	$ 157,492

Statement of other non-current assets

Item	Description	Amount
Other non-current assets	IT software expense	$ 3,926

Statement of other financial assets

(current and non-current)

Item	Description	Amount
Other current financial assets	Restricted deposits	$ 601
Other non-current financial assets	Guarantee deposits paid	$ 2,981

BIOTEQUE CORPORATION

Statement of notes payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
A Company	**$ 205**

Statement of accounts payables (including related parties)

Item	Amount
Subsidiary	$ 41,721
A Company	19,353
B Company	15,303
C Company	10,111
Other (Each amount is less than 5% of the balance)	91,908
	$ 178,396

BIOTEQUE CORPORATION

Statements of payable on machinery and equipment

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amounts
Payables on machinery and equipment	**$ 103,930**

Statement of other payables

Item	Amount
Employee compensation and directors remuneration payables	$ 41,337
Accrued bonus	20,987
Wages and salaries payable	15,776
Other (Each amount is less than 5% of the balance)	50,534
	$ 128,634

BIOTEQUE CORPORATION

Statement of lease liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Lease term	Discount rate	Ending balance	Note
Building and structures	Parking lot	2028.7.1~2025.6.30	1.175%	$ 612	
Building and structures	Office	2010.4.1~2025.3.31	0.91%	5,976	
land	Factory	2020.8.1~2059.12.31	0.60%	294,162	
Subtotal				300,750	
Current portion				(12,524)	
Total				$ 288,226	

Statement of other current liabilities

Item	Amount
Receipts under custody	$ 2,797

BIOTEQUE CORPORATION

Statement of long-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Interest rate	Loan term	Amount
Unsecured long-term bank loans	Export-Import Bank of the Republic of China	1.32%	2022/12/29~2027/12/29	$ 40,000
"	ChinaTrust Commercial Bank	1.35%	2021/12/16~2026/12/16	71,100
"	Mega International Commercial Bank Co., Ltd.	1.25%	2021/12/28~2028/12/28	457,000
	Subtotal			568,100
	Less: Current portion			(121,871)
	Total			**$ 446,229**

Statement of operating revenue

For the year ended December 31, 2023

Item	Amount
Catheter of TPU	$ 525,806
Bloodline Tube	259,203
IV Bag	363,120
AVF Needle	209,222
Surgical Tubing	99,591
Components	62,485
Catheters of Cardiovascular	155,544
Others	170,671
	$ 1,845,642

BIOTEQUE CORPORATION

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Cost of outsourced goods		
	Beginning balance (Amount before deducting allowance to reduce inventory to market)	$ 3,698
	Add: Purchase	35,109
	Less: Ending balance (Amount before deducting allowance to reduce inventory to market)	4,225
	Transferred to expenses	116
	Subtotal	34,466
Cost of self-produced goods:		
	Beginning balance of raw materials	143,098
	Add: Purchase (including inventory transit)	386,390
	Gains on physical inventories	652
	Less: Ending balance of raw materials (including inventory in transit)	144,615
	Transferred to expenses	18,938
	Raw materials consumed	366,587
Direct labor		157,942
Manufacturing overhead		266,294
Manufacturing costs		790,823
	Add: Beginning balance of work in process	44,144
	Purchase	7,270
	Gains of physical inventories	17
	Less: Ending balance of work in process	38,931
	Transferred to expenses	7,198
	Cost of finished goods	796,125
	Add: Beginning balance of finished goods	59,325
	Purchase	259,604
	Others	560
	Less: Ending balance of finished goods (amount before deducting allowance to reduce inventory to market)	71,786
	Transferred to expenses	6,595
Cost of sales of finished goods		1,037,233
Gains on physical inventories		(669)
Losses on valuating of inventories		2,000
Operating costs		**$ 1,073,030**

BIOTEQUE CORPORATION

Statement of selling expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Freight	$ 19,924
Payroll	16,215
Export expense	7,258
Advertisements	3,359
Other (Each amount is less than 5% of the balance)	20,141
	$ 66,897

Statement of administrative expenses

Item	Amount
Payroll	$ 45,536
Remuneration of directors and supervisors	9,657
Professional services fee	5,707
Other (Each amount is less than 5% of the balance)	14,931
	$ 75,831

BIOTEQUE CORPORATION

Statement of research and development expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Payroll	$ 33,384
Testing	12,234
Labor and Health insurance	3,724
Depreciation	4,777
Other (Each amount is less than 5% of the balance)	16,323
	$ 70,442

Statement of financial assets at amortized cost, please refer to note 6(c).

Statement of other receivable-related parties, please refer to note 7(c).

Statement of changes in cost and accumulated depreciation of the property, plant and equipment, please refer to note 6(h).

Statement of changes in cost and accumulated depreciation of the right-of-use assets, please refer to note 6(i).

Statement of defined benefit liability, please refer to note 6(l).

Statement of deferred tax assets and liabilities, please refer to note 6(m).

Statement of current contract liabilities, please refer to note 6(p).

Statement of interest income, please refer to note 6(r).

Statement of other income, please refer to note 6(r).

Statement of other gains and losses, please refer to note 6(r).

Statement of finance costs, please refer to note 6(r).

Statement of functional aggregation of employee benefits, depreciations, depletion and amortization, please refer to note 12.

This Annual Report may be translated into English language but in the event of any conflict or discrepancy arising the Chinese version shall prevail.

BIOTEQUE CORPORATION

Chairman: Ming-Zhong Li