Stock Code：4737

Taiwan Stock Exchange Market Observation Post System: http://mops.twse.com.tw

Company website: http://www.bionime.com.tw

BIONIME

Bionime Corporation

2023 Annual Report

Published on May 20, 2024

1. Company Spokesman:

Spokeman
Name: Huang,Chun-Mu
Title: Chairman
Tel: (04) 2369-2388
Email: investor@bionime.com

Acting Spokeman
Name: Huang,Chien-Yu
Title: Senior Assistant Manager
Tel: (04) 2369-2388
Email: investor@bionime.com

2. Address and telephone number of the Company:

Address: No. 100, Section 2, Daqing Street, Southern District, Taichung
Tel: (04)2369-2388
Fax: (04)2261-7586

3. Name, address and telephone number of the stock transfer agency:

Agency: Transfer Agency Department, CTBC Bank Co., Ltd.
Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Tel: +886-2-6636-5566
Website: https://www.ctbcbank.com

4. CPAs certifying the latest financial statements

Names of CPAs: Chen Yen- Hui, Kuo Shyh-Huar
Name of CPA firm: KPMG Taiwan
Address: 68th Floor, No. 7, Section 5, Xingyi Road, Xingyi District, Taipei
Website: www.kpmg.com.tw
Tel: (02) 8101-6666

5. Venue for trading the Company's listed overseas securtities and inquiry method for such overseas securities: None.

6. Company website: http://www.bionime.com.tw

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I.Letter to Shareholders

1. 2023 Annual operating report

(1). 2023 Business result: (Unit: NT$ thousand）

Annual	2023	2022	Increase/Decrease	Percentage
Net Operating Revenue	1,755,567	2,210,589	(455,022)	-20.58%
Gross Profit	715,650	1,004,126	(288,476)	-28.73%
Operating Expenses	728,989	872,709	(143,720)	-16.47%
Operating Income	(13,339)	131,417	(144,756)	-110.15%
Income after Tax	6,531	91,820	(85,289)	-92.89%

Note: Operating income in 2023 decreased by 20.58% compared to 2022; operating expenses decreased by 16.47% compared to 2022; overall, income after tax decreased by 92.89% compared to 2022.

(2). The analysis of 2023 and 2022 financial structure and profitability:

Items	Annual	2023	2022
Financial Structure	Debts ratio(%)	62.39	58.24
	Long Term Funds to Fixed Assets(%)	148.86	144.20
Profitability	Return on Assets(%)	0.87	2.43
	Return On Equity(%)	0.32	4.41
	Profit Margin(%)	0.37	4.15
	Earnings Per Share	0.10	1.50

Note: (a)Earnings per share decreased from 1.5 NTD in 2023 to 0.10 NTD in 2022, and profitability in 2023 was decreased compared to 2022.

(b)The increase in the debt ratio is mainly due to the capital expenditure on establishing CGM automated production equipment.

(3). Budget implementation: The execution of budget is not disclosed, as the 2023 financial forecast was not publicly released.

(4). Status of research and development:

(a). The ratio of research and development fee in net amount of revenue and the result of research and development in last 3 years

Annual / Items	2023	2022	2021
R&D Expenses	242,338	201,977	187,860
R&D Expenses to Net Operating Revenue ratio	13.80%	9.14%	10.16%

(b). Machine types expected to be developed in 2023:

A. The development of the wireless network-enabled touchscreen blood glucose meter (BGM), GM777, is integrated with the well-established IoT Cloud System Platform of our company. It has completed clinical trials in the United States and a FDA certification will be applied afterward. Once approved, it can attract more business cooperation opportunities with third-party companies in the remote medical platform.

B. In 2022, the Company's new product, the continuous glucose monitors (CGM), completed clinical trials in seven major teaching hospitals in Taiwan, and an application for a CGM Permit was submitted to the Taiwan Food and Drug Administration (TFDA). In November 2023, the Company received the approval letter for registration and market approval in Taiwan.

C. Bionime's third-generation miniaturized CGM, which is smaller in size, started molding in 2023. It also has undergone Verification & Validation, including external tests such as EMC/EMI, to confirm that the product meets regulatory requirements. At the end of 2023, third-generation miniaturized CGM was directly used in international clinical trial applications. It is expected to significantly improve the performance and business competitiveness of Bionime CGM products.

D. Following improvements in the manufacturing process and enhancements to CGM specifications, the warm-up time has been reduced from 2 hours to 1 hour, and the duration of use has been extended from 10 days to 15 days. In 2023, a plan for improved specifications has been proposed in Taiwan and the international clinical trials. It is expected to obtain the clinical trial report to verify the new specifications.

E. After obtaining the approval letter for registration and market approval for CGM, the Company submitted the change request for CGM App in the same month. If it is approved, users will be able to use commercially available smartphones as displays to receive CGM data. Not only do they need not purchase another specific receiver, but they can use it much more easily.

F. In addition to the completed iOS & Android versions of the CGM App, Bionime has developed the CGM Partner App. This App can simultaneously receive CGM data shared by families and friends to achieve the purpose of caring between them and synchronous care. In addition, a blood sugar management system for medical care management is also established simultaneously, allowing medical staff to effectively manage patients' blood sugar trends and provide a foundation for suitable medication adjustments.

G. Since 2019, the company has successively invested in the self-development and pilot production of automated machines and intelligent management and control systems necessary for CGM. In 2023, the performance of the first set of automation equipment was confirmed.

- ➢ The team has created great benefits by enhancing production technology and automated equipment. Under the same site and equipment, the yield increased by 50%, and labor and manufacturing costs were reduced by 40%.
- ➢ Self-build AOI (optical photomicrography & AI automatic identification instrument) machines with various functions are used to improve product quality and yield.
- ➢ The CIM (Computer Integrated Manufacturing) and MES (Manufacturing Execution System) software systems are established. On-Line connections are integrated into automated machines, enabling real-time product inspection data collection/real-time data analysis/real-time decision-making and response on AOI's production lines. As a result, we can realize the excellent production system of Industry 4.0.

H. CGM's self-full-process technology has been continuously developing. By the end of 2023, regarding CGM, we had applied for 403 Taiwanese and international patents in total, comprising 76 different patent technology families. More than 200 patent applications have passed Taiwanese and international reviews and obtained patent certificates.

(c). Product technology development in 2024

A. Based on the existing CGM, the company will develop a single-use CGM in 2024. The single-use CGM will be equipped with a low-cost transmitter and can be provided to hospital patients or individuals with single-use needs, reducing the cost of use and increasing user willingness. This will also help avoid concerns about cross-infection resulting from repeated use.

B. At the end of 2023, we submitted a medical device license application for both the iOS & Android versions of the CGM App. It is expected to submit a medical device license application for the CGM Partner App and the Diabetes Management System (DMS) in 2024, so that our families and friends can work with the medical professionals to assist diabetic patients in controlling blood sugar, achieving the optimization of benefits in blood sugar management.

C. It is an international trend to use continuous glucose monitors (CGM) with insulin pumps to achieve the AID (Automated Insulin Delivery) system. The Company will also develop the CGM software and hardware framework matched with the insulin pump. In the future, it will be able to cooperate with relevant companies to expand the CGM market.

D. The Company's Board of Directors has approved a capital investment of 660 million

NTD to continue building its own automated CGM production equipment. By the end of 2024, the company will complete the establishment of production machinery and equipment with an annual production capacity of 5 million CGMs. Production capacity will be gradually expanded in response to business needs.

2. 2023 Business Plan

(1) **Operating Strategies**

(a). Create high-quality and affordable Continuous Glucose Monitors (CGM) devices to make CGM accessible to those in need of them.

(b). Establish an automated production line with an intelligent manufacturing execution system and the 6σ spirits of corporate culture, striving for the highest quality to ensure users can use it at ease and live freely and comfortably

(c). Within the existing operational resources, besides maintaining the growth dynamics of current customers, we still actively explore new niche markets. By identifying potential distributors and agents, we devise strategic planning and expand the market share.

(d). Bionime utilizes the CDMO business cooperation model to collaborate with multiple international manufacturers through resource sharing. This approach reduces construction costs for both our partners and us while increasing the chances of successful business cooperation. It enables both parties to quickly secure a large number of orders and benefit from the economies of scale.

(e). Actively establish "local production" customers, expanding the company's product market share in specific regions and deepening cooperative relationships with customers.

(f). Strengthen the company's own private brand in various countries through market positioning in e-commerce, thus increasing brand exposure and company recognition.

(g). Continuously develop network-enabled blood glucose meters and their application in iOS and Android operating systems, including mobile Apps and telemedicine cloud service systems.

(h). Enhance supply chain management to improve product quality and reduce costs effectively.

(i). Continuously create and apply for different international patents to increase product value and enhance international competitiveness.

(j). ESG social corporate responsibility is one of the important criteria for product design. The CGM transmitter manufactured by Bionime is rechargeable and can be used repeatedly. Compared with the one-time use design by international manufacturers, each user can reduce wastes of up to 180 transmitter electronic parts in 5 years, and jointly protect the earth.

(2) **Sales volume and estimations**

The Company’s sales volume is estimated according to conditions as follows: sales results of 2023, references to the industrial environment, market demands, and considerations of the Company's production capacity and future requirements of customers.As for CGM, we must wait for the product to be launched before it can contribute to the revenue.

(3) **Production and sales policy**

(a) Through the customer relationship management (CRM) system, we continue to develop new customers and grasp the order status of existing customers. In addition to the order system and production and sales meetings, the production capacity mechanism can be adjusted and expanded at any time to meet the capacity and delivery time requirements of customers.

(b) Effective supplier management planning and the establishment of a systematic price inquiry mechanism can strengthen inventory management and price negotiation, and keep stable delivery. This can ensure a stable and efficient supply chain to meet customer needs and gain a competitive advantage in the market.

(c) In response to the price trend of international raw materials and the yearly rising cost of domestic labor, the selling price will be moderately adjusted to stabilize the gross profit margin of sales.

(d) Inventory management is optimized by analyzing the inventory status of raw materials, semi-finished products, and finished products, as well as adjusting purchase and production quantities for high-value items to achieve optimal inventory levels.

(4) **The Expected Development Strategy**

(a). Continuously research and enhance Continuous Glucose Monitors (CGM) and execute international clinical trials in different countries.

(b). Expand business with international major manufacturers with the CDMO (Contract Development and Manufacturing Organization) model of business collaborations.

(c). The Company invests in establishing automated machines and an intelligent management and control system, replicating the performance of the first automated equipment to expand the production line. This ensures that the production capacity can meet international business requirements.

(d). Strengthen research and development capabilities to enhance product performance and quality, ensuring users can use our products at ease and live freely and comfortably.

(e). In response to international ESG trends, Bionime will be ahead of the current domestic regulatory timeline and will gradually complete ISO 14064-1, ISO 50001, and ISO 14067 certifications from 2024 to 2026.

3. External competition environment, Legislation and the influence of Overall Management

(1). External competition environment

In recent years, continuous glucose monitors (CGM) have gradually replaced blood glucose meters (BGM) in Europe and America, leading to the shrinking of the BGM market year by year. Professional investment institutions predict that the production value of CGM factories will surpass the historical record value of BGM in 2025, marking a paradigm shift in the industry. This trend is also irreversible. Currently, the three international giant manufacturers Abbott, Dexcom, and Medtronic have dominated the global CGM market, with a combined market share of over 99%.

Bionime is aiming to cut costs by establishing a highly automated production line, and protecting its intellectual property rights by creating sufficient patent families. It plans to collaborate with established international BGM manufacturers and adopts a low-price strategy to jointly occupy the international CGM market. The goal is to make affordable CGM devices accessible to those in need of CGM.

(2). Legislation

The medical equipment industry is strictly regulated and controlled by laws. In each country, medical devices must be registered with the respective national food and drug administration before they can be sold in the market and used. The registration process for medical devices involves submitting relevant product information, including the name of the product, classification, specifications, usages, structure, performance, and testing reports. Bionime is committed to upholding the quality of its products and quality systems, and conducts regular verifications on various laws and regulations, as well as quality systems, so that it can be ensured that the products and quality management systems meet all regulatory requirements.

(3). The influence of Overall Management

The current overall global business environment is full of uncertainty and volatility. Companies need to continuously focus on the changes in the global economy, politics, and society, as well as developments in emerging technologies and awareness of environmental protection. Flexible measures should be taken to enhance the competitiveness of the company and mitigate risks that come from these changes.

The competitive environment of the medical equipment industry presents both challenges and opportunities. To win market shares and ensure sustainable growth, Bionime needs to enhance its competitiveness through innovation, cost control, brand promotion, market segmentation, and compliance with laws and regulations.

While pursuing corporate growth, the Company not only strives to maximize the benefits of shareholders, but also highly emphasizes on ESG (Environmental, social and governance) corporate responsibilities. We will actively follow the various indicators provided by the competent authority and will publish an ESG sustainability report in 2025 to meet the expectations of all stakeholders.

We would like to thank our colleagues, for your persistent efforts in upholding the strategic goal of the company, and to the shareholders, for your supports and encouragements. Looking ahead, through augmented hard-work and competitiveness, we relish the sustainable prospect of our business playing the international leading role in the industry of medical measurement devices. We shall not fail your expectation and concern.

Best Regards.
Chairman and General Manager: Huang, Chun-Mu
Accounting Supervisor: Chen, Ya-Wen

II. Company Profile

1.Company Profile

(1) Date of Establishment: April 14, 2003

(2) Address and telephone number of the head office branch office and factory

No. 100, Sec. 2 Daqing Street, South District, Taichung.

Head office telephone number: (04)2369-2388

Da-Wei factory address: No. 34, Da-Wei Road, Dali District, Taichung

Da-Wei factory telephone number: (04) 2406-5558

(3) Company History

2003	April	"BIONIME" was founded
2004	November	The Subsidiary BVI was set up - BIONIME INCORPORATED
2005	April	The Subsidiary BIONIME GmbH Switzerland was set up
	June	Passed Taiwan GMP Certification
2006	February	The Subsidiary BIONIME (ShenZhen) was set up
	June	Obtained the structure of disposable electrochemical test piece from the United States and Taiwan and the patent for its production
2007	July	Passed TNO Certification: BIONIME blood glucose detection system Rightest passed the European TNO Certification, Report Number CERTI 06.20578
2008	February	American subsidiary - BIONIME USA Corporation was set up.
2009	January	Cash increased by NT$13,281 thousand, and the paid-in capital increased to NT$278,844 thousand
	September	Capital surplus transferred to capital was NT$27,884 thousand, dividend and employee dividends were converted into common stock of NT$43,757 thousand, employee stock option certificates were converted into common stock of NT$1,871 thousand, and the paid-in capital increased to NT$352,356 thousand
2010	February	Employee stock option certificates converted to common stock of NT$10,000 thousand, paid-in capital increased to NT$362,356

thousand.

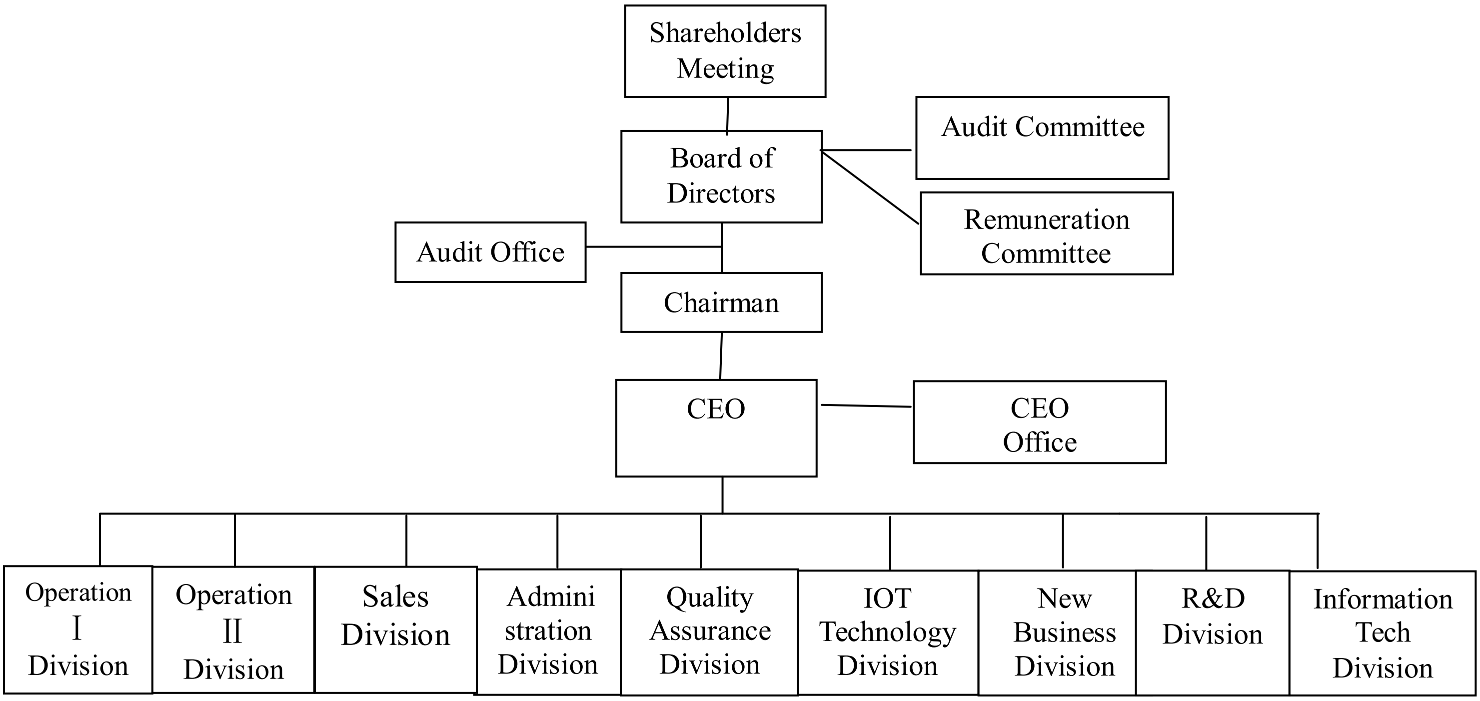
2010	February	Australian subsidiary - Bionime Australia Pty Ltd. was set up
	August	Approved to apply a high-tech list company by Industrial Development Bureau, Ministry of Economic Affairs.
	September	Won the highest award of Taipei Biotech competition – Technical Commoditization Gold Award
	December	Cash increased and was officially listed
2011	March	Strategic global cooperation with GE during term of Licensing Agreement in diabetes technology
	July	Purchase of land property for extending operation
	July	Passed Taiwan AEO Certification –for import and export industry and manufacturing industry
	September	Passed certification of OHSAS 18001 (Occupational Health and Safety Assessment Series)
	December	Won the Innovation Award from Taiwan Ministry Economic Affair
2012	January	The first domestic unsecured convertible corporate bond issuance completed
	January	The new plant broke ground
	January	Officially launched the blood glucose meter GE100 in North America
	February	The first domestic private placement of unsecured convertible corporate bonds
	December	New product “Mylife Unio” shipped to European Market
2013	March	New building & factory completion
	March	Mylife Unio won Reddot Design Award
	September	The new plant Daqing factory passed Taiwan GMP certification

	September	The blood collection pen GD500 won the Silver Award of National Invention Award
	October	The new blood glucose meter GM720 won the praise of the Ministry of Economics for industrial innovation achievements
2014	January	GM720 won the Taiwan Excellence Award
	June	Members of the Diplomatic and Economic Representatives based in Taiwan visited Bionime for exchange of international business.
	November	Won the silver medal of 2014 Invention Creation Award
2015	December	Private placement of securities of NT$1.14billion
2016	August	Certified by Brazil's National Health Surveillance Agency and received ANVISA Certificate
2017	February	GM700 Pro GM700 won the Taiwan Excellence Award
2018	March	Established Malaysian subsidiary – Bionime (Malaysia) SDN BHD Rightest smart blood glucose management won the 27th Taiwan Excellence Award in 2019
2019	November	"Rightest Precison Healthcare Ecosystem" won the 28th Taiwan Excellence Award in 2020
2020	January	Obtained the Medical Device Single Audit Program(MDSAP)
	March	Rightest CARE App passed CE certification
2021	May	Launched GM700 Pro 2
	July	Launched the Rightest CARE Partner App
2022	November	New product CGM "Continuous Monitoring Glucose Meter" obtained clinical trial report from Taiwan Hospital Application for CGM product inspection and registration with TFDA, Taiwan Food and Drug Administration, Ministry of Health and Welfare
2023	October	TFDA Approval for our company's "iFree Continuous Glucose Monitoring System"

III. Corporate Governance Report

1. Organization System

(1). Organization Structure (2024/1/1)



(2). Division Functions

Division	Functions
Audit Committee	To assist the Board in performing its role of overseeing the quality and integrity of the Company's execution of accounting, auditing, financial reporting processes and financial controls.
Remuneration Committee	Assist the board of directors to implement and evaluate the company's overall remuneration and welfare policies, and the remuneration of directors, supervisors, and managers.
Audit Office	Report to the Board and Administration Division to take in the extent to which the operational effectiveness and efficiency objectives have been achieved as well as the reliability of the financial statements and relevant laws and regulations to comply with the relevant internal controls. Point out internal control deficiencies and any suggestions as well as abnormal matters tracking improvement.
CEO Office	Abide by the resolutions of the shareholders' meeting and the board of directors, and orders from the board of directors, concerning all matters with the Company.
Operation I	In charge of the Company's production and outsourcing processing,

Division	and achieve the Company’s annual production plans and goals.
Operation Ⅱ Division	In charge of the Company’s New production and outsourcing processing, and achieve the Company’s annual production plans and goals.
Sales Division	In charge of the Company’s product business sales and customer service.
Administration Division	Responsible for the Company’s administrative affairs, human resources management, information management, financial management and accounting.
Quality Assurance Division	Independently responsible for company quality management matters.
IOT Technology Division	Apply innovate software technology to build a diabetes health care Cloud system.
New Business Division	Research evaluation and development design of new products.
R&D Division	Responsible for blood glucose meter, test strip software and hardware design for new product development
Information Tech Division	Planning and management of computer software and hardware maintenance and expansion, information security management, computer system analysis and program design maintenance and improvement, information system/network system database planning and maintenance.

2. Information of Directors, Supervisors, General Managers, Deputy General Managers, Assistant General Managers and other Departments and Branch Managers

(1) Information of Directors

April 30,2024; Unit: share

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Elected Date	Term	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding		Current Shareholding in the name of others		Experience (Education) (Note4)	Current Positions at the Company and other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note5)
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relations	
Chairman	R.O.C	Huang,Chun-Mu	Male 61~70 years	June 22 2022	3	April 14 2003	2,474,492	4.08%	2,474,492	4.11%	1,120,380	1.84%	0	0%	General Manager of MS Tech. National Taipei University of Technology	Note 6	-	-	-	Note 6
Director	China	Tonghua Dongbao Pharmaceutical co.,Ltd.	-	June 22 2022	3	Feb. 5 2016	12,000,000	19.80%	12,000,000	19.74%	0	0.00%	0	0%	-	-	-	-	-	-
		Representative: Leng, Chun-Sheng	Male 41~50 years	June 22 2022	3	June 22 20222	0	0.00%	0	0.00%	0	0.00%	0	0%	General Manager & Deputy General Manager of Tonghua Dongbao Pharmaceutical CO. Ph.D. in Cell Biology from Liaoning Normal University	Vice Chairman and General Manager of Tonghua Dongbao Pharmaceutical CO. Chairman of Beijing Dongbao Bio-Tech Co.Ltd Executive Director of Tonghua Dongbao Pharmaceutical CO.	-	-	-	-

		Representative：Zhang,Wen Hai	Male 41~50 years	June 22 2022	3	June 20 2019	0	0.00%	0	0.00%	0	0.00%	0	0%	Deputy General Manager of Tonghua Dongbao Pharmaceutical CO. Chinese medicine program, Harbin University of Commerce	Director at Tonghua Dongbao Pharmaceutical CO. Vice President of Tonghua Dongbao Pharmaceutical CO. Chairman of Shanghai Juyi Network Technology Co., Ltd.	-	-	-	-
Director	R.O.C	Hua Eng wire&cable co.,ltd.	-	June 22 2022	3	March 25 2010	7,807,900	12.88%	7,004,900	11.48%	0	0.00%	0	0%	-	-	-	-	-	-
		Representative：Liou,Xiu-Mei	Female 61~70 years	June 22 2022	3	Feb. 1 20222	0	0.00%	0	0.00%	0	0.00%	0	0%	Vice President at Hua Eng Wire&Cable Co., Ltd Master of Accounting, Long Island University, New York, USA	Note 7	-	-	-	-
Director	R.O.C	Yanben Investment Co., Ltd.	-	June 22 2022	3	June 22 20222	1,500,000	2.47%	1,500,000	2.46%	0	0.00%	0	0%	-	Corporate Director at Advantech Co., Ltd. Corporate Director at Chuanyan IOT Investment Co., Ltd.	-	-	-	-
		Representative：Liou,Ke-Chen	Male 61~70 years	June 22 2022	3	June 22 20222	0	0.00%	0	0.00%	0	0.00%	0	0%	Founder and chairman of Advantedch Co.,Ltd Telecommunications Engineering,National Chiao Tung University	Note 8	-	-	-	-
Independent Director	R.O.C	Zeng,Hui-Jin	Female 61~70 years	June 22 2022	3	June 22 20222	0	0.00%	0	0.00%	0	0.00%	0	0%	Partner, Deputy Director, Chief Operating Officer, Chief Strategy Officer of PricewaterhouseCoopers Taiwan NTU-Fudan EMBA Program Master of Accounting, National Chengchi University	Note 9	-	-	-	-

Independent Director	R.O.C	Liu,Mei-An	Female 61~70 years	June 22 20222	3	June 22 20222	96,171	0.16%	96,171	0.16%	0	0.00%	0	0%	Executive Vice President of Fubon Financial Holding Venture Capital Co., Ltd. General Manager of Fubon Health Management Consulting Co., Ltd. General Manager of Fuyimed Health Management Consulting Co., Ltd. Vice President of Technology at Uni-President Life Sciences Co., Ltd. Executive Vice President of TSC BioSystems Co., Ltd. Ph.D. in Cell Biology from Harvard University, USA M.S. in Entomology from the University of Massachusetts, USA B.S. in Plant Pathology and Entomology from National Taiwan University	None	-	-	-	-
Independent Director	R.O.C	Chen,Rui-Xin	Male 61~70 years	June 22 2022	3	June 22 2022	20,000	0.03%	20,000	0.03%	9,000	0.01%	0	0%	Senior Examination Financial Personnel Legal Group Passed Former Deputy Director at the Trademark Division, Bureau of Standards, Metrology and Inspection, MOEA	None	-	-	-	-
Independent Director	R.O.C	Lai,Chun-Ling	Male 71~80 years	June 30 2023	3	June 30 2023	272,000	0.45%	272,000	0.45%	0	0.00%	0	0%	Chairman of Thuncloud Inc. Founder and chairman of Thunder Tiger Corporation Chairman of TTBio Corporation. Graduated from the Department of Law, National Chung Hsing University	None	-	-	-	-

Note1：The corporate shareholders shall list the names of the corporate shareholder and the name of the representative of the corporate shareholder (if a representative, the names of the corporate shareholder shall be listed) separately and shall be stated in the following Table 1.

Note2：Please list the actual age and express it in a range, such as 41~50 years old or 51~60 years old.

Note3：If there is an interruption during the first elected term of the directors or supervisors, it shall be stated.

Note 4：The experience related to the current position, has held a position at the accounting firm or its affiliates before disclosure, the titles and responsibilities shall be stated.

Note 5：If the general manager or the equivalent (top management) are the chairman are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding the seats of independent directors, and requiring more than half of the directors not serving as employees or managers concurrently).。

Note 6：Huang,Chun-Mu , the Current Positions at the Company and other Companies： Chairman and General Manager of Bionime Corporation 、Corporate chairman of Bionime Inc、Corporate chairman of Bionime (Shenzhen)、Corporate chairman of Bionime (Pingtan) Corporate chairman of Bionime GmbH、Corporate chairman of Bionime USA Corp.、Director at Bionime(Malaysia) SDN BHD 、Director at Bionime Australia Pty Ltd、Corporate director representative at Bonraybio Co., Ltd.

(1).The Chairman also concurrently serves as the general manager of the Company. It aims to improve the operation efficiency and the decision execution, and make the Board know the operation condition of the Company better. However, to enhance the independence of the Company, the Company already plans to recruit excellent talents externally and also train competent candidates internally.

(2). At present, the company has taken the following specific measures: (a) The knowledge, skills, literacy and overall competency of the current three independent directors shall be professional to perform the business and effectively play their supervisory functions. (b) More than half of the directors don't serve as employees or managers concurrently.

Note 7：Liou,Xiu-Mei,The Current Positions at the Company and other Companies：Vice President at Hua Eng Wire&Cable Co., Ltd.、Director at China Ecotek Corporation、Director at Wafer Works Corp.Director at Co-Tech Development Corporation、Director at Savior Lifetec Corporation、Supervisor at Hua Ho Engineering Co., Ltd. 、

Note 8：Liou,Ke-Chen, Simultaneously act as the chairman of the following companies:

Advantedch Co.,Ltd、Advantech Foundation、Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)、Advantech Investment Fund-A Co.,Ltd.Representative、Advanixs Corporation.Representative.、Advantech Technology (China) Company Ltd. (AKMC) Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)、Xian Advantech Software Ltd. (AXA) - Advantech Intelligent City Services Co., Ltd. Representative、K&M Imvestment Co.,Ltd.、ADVANTECH SERVICE-IOT (SHANGHAI) CO., LTD. (SIoT(China))、Advantech Japan Co., Ltd. (AJP).

Liou,Ke-Chen, Simultaneously act as the director of the following companies:

AIDC Investment Corp.、Advantech Europe B.V. (AEU)、Advantech Technology Co., Ltd. (ATC)、HK Advantech Technology Co., Ltd (ATC (HK))、Advantech Automation Corp. (BVI)(AAC(BVI))、Advantech Automation Corp.(HK) Limited. (AAC (HK))、Advantech Corp. (ANA)、Advantech Europe Holding B.V. (AEUH)、Advantech KR Co.,Ltd (AKR).

Note 9：Zeng,Hui-Jin ,the Current Positions at the Company and other Companies：Advisory Member at Executive Yuan Bio Taiwan Committee、Independent Director at Delta electronics,Inc.、Independent Director at ASUS TeK Computer Inc.、Independent Director at Coretronic Corporation、Director of Taiwan Digital Health Industry Development Association、Independent Director at Onward Therapeutics SA (Switzerland)、Director at T-E Pharma Holding（Cayman)、Director at HanchorBio Inc.(Cayman)、Director at BRIM BIOTECHNOLOGY, INC.、Corporate director representative at Bonraybio Co., Ltd.、Corporate Director Representative of AP BIOSCIENCES INC.、Director at H2U Corporation、Supervisor of Taiwan Bio Industry Organization、Supervisor at Medical and Pharmaceutical Industry Technology and Development Center、Supervisor at Food Industry Research and Development Institute、Director at the New Taipei City Contemporary Legend Culture and Art Foundation、Director at Chi Po-lin Foundation、Vice President of Taiwan Bio Industry Organization、Vice President of Precision Medicine Industry Association of Taiwan、Vice President of Taiwan Digital Health Industry Development Association、Advisor of Biomedical Translation Research Center, Academia Sinica.

Table 1: Major Shareholders of Institutional Shareholders

April 15, 2024

Name of Institutional Shareholder (Note 1)	Major Shareholders(Note 2)
Hua Eng Wire & Cable Co., Ltd.	First Copper Technology Co., Ltd.(32.96%), Huahong Investment Co., Ltd.(7.39%), Wang Yang Bi-E(5.24%), Wang Feng-Shu(2.55%), Wang Wen-Ling(2.20%), Wang Hong-Ren(2.12%),Wang Hong-Ming(1.46%), Chen Kun-Rong(0.80%)、Citibank in custody for UBS Europe SE Investment Account (0.78%)
Tonghua Dongbao Pharmaceutical Co., Ltd.	Dongbao Industrial Group Co., Ltd. (29.68 %), Tianjin Zhenyi Enterprise Management Consulting LP (9.18%)、HKEX(2.26%)、Abu Dhabi Investment Authority (1.65%)、Biomedical Index Graded Securities Investment Fund (1.18%)、Bank of Shanghai Co., Ltd. - Yinhua CSI Traditional Chinese Medicine Open Index ETF Securities Investment Fund (0.63%)、LI,YI-KUEI (0.57%)、Wu,Chien-Hsin (0.55%)、Shang,Chi-Wei (0.48%)、China Construction Bank Co., Ltd.- ICBC Credit Suisse QY Medical Equity Securities Investment Fund (0.46%)
Yanben Investment Co., Ltd.	Liou,Ke-Chen (18.77%)、Advantech Foundation (10.08%)、Chang,Mei-ling(5.08%)、Liou,Wei-Chih(1%)

Note 1: If the Director or Supervisor is the representative of a corporate shareholder, please fill in the name of the corporate shareholder.

Note 2: Please fill in the name of the major shareholder of the corporate shareholder (top 10 in shareholding) and the shareholding ratio. If the major shareholder is a corporate shareholder, please also fill in Table 2.

Table 2: Major shareholders of the major shareholders in Table 1 who are Institutional shareholders

April 15, 2024

Name of Institutional Shareholder	Major Shareholder
First Copper Technology Co., Ltd.	Hua Eng Wire&Cable Co.,Ltd (39.44%)、Wang Yang Bi-E (2.52%)、Wang Wen-Ling (1.82%)、Fu,Di-Chen (1.31%)、Wang Feng-Yuan (0.67%)、International Ship Recycling Corporation (0.50%)、JP Morgan Chase Bank in custody for JP Morgan Securities Co., Ltd. Account (0.48%)、Wang Feng-Juan (0.43%)、Wang Hong-Ming (0.41%)、Citibank in custody for UBS Europe SE Investment Account (0.36%)
Huahong Investment Co., Ltd.	Hong Kong Gongsheng Industrial Company(79.79%)、Wang Wen-Ling (3.19%)、Wang Feng-Juan(3.19%)、Wang Feng-Shu(3.19%)、Wang Hong-Ren(3.19%)、Wang Hong-Ming(2.87%)、Wang Yu-Ting (2.13%)、Wang Yu-Fa (1.07%)、Wang Yang Bi-E (1.60%)、Wang Feng-Qin(0.85%)
Dongbao Industrial Group Co., Ltd.	Tonghua Shenghui Enterprise Management Center (Limited partnership) (35.91%)、Sao,Fu-Po (7.98%)、Cheng Jian-Chiu (7.00%)、Hsing,Cheng (7%)、Sun,Shiao-Ling (6.69%)、Cheng Jian-Hua(6.40%)、Hsu,Ning (6.35%)、Leng,Chun-Sheng (6.23%)、Wang,Jun-Ye(5.93%)、LI,YI-KUEI (4.47%)、Li Chia-Wei(3.20%)、Li Chia- Hong (2.84%)

Note 1: If the major shareholder in Table 1 is a corporate shareholder, please fill in its name.

Note 2: Please fill in the name of the corporate shareholder’s major shareholder (top 10 in shareholding) and the shareholding ratio.

Note 3: For the institutional shareholder that is not a company, the names of shareholders and shareholding ratios shall be . disclosed above, namely, names of investors or donors and their capital contribution or donation ratios.

(a) Professional Qualifications and Independence Analysis of Directors :

Criteria / Name	Meet one of the Following Professional Qualification Requirements, together with at Least Five Years Work Experience (Note1)	Independence Attribute (Note 2)	Number of holding concurrent independent director position in other public companies
Director Huang,Chun-Mu	Mr. Huang is the founder of Bionime and has served in the Company since its establishment in 2003. Mr. Huang is the chairman and general manager of Bionime Corporation. He does not constitute the circumstances defined in Article 30 of the Company Act.	An employees of the Bionime Corp.	None
Director Yanben Investment Co., Ltd. Representative：Liou,Ke-Chen	Yanben Investment Co., Ltd. Representative：Liou,Ke-Chen，Mr.Liou is the founder of Advantech Co.,Ltd. He does not constitute the circumstances defined in Article 30 of the Company Act.	Not an employees of the Bionime Corp.or a subsidiaries	None
Director Hua Eng wire&cable co.,ltd. Representative：Liou,Xiu-Mei	Hua Eng wire&cable co.,ltd. Representative：Liou,Xiu-Mei,She is the Vice President of Management Department at Hua Eng Wire & Cable Co., Ltd. She does not constitute the circumstances defined in Article 30 of the Company Act.	Not an employees of the Bionime Corp.or a subsidiaries	None
Director Tonghua Dongbao Pharmaceutical co., ltd. Representative：Leng, Chun-Sheng	Tonghua Dongbao Pharmaceutical co., ltd. Representative：Leng, Chun-Sheng He is the Vice chairman and General manager of Tonghua Dongbao Pharmaceutical Co., Ltd. He does not constitute the circumstances defined in Article 30 of the Company Act.	Not an employees of the Bionime Corp.or a subsidiaries	None
Director Tonghua Dongbao Pharmaceutical co., ltd. Representative：Zhang,Wen Hai	Mr. Zhang serves as the deputy general manager of Sales in Tonghua Dongbao Pharmaceutical co., ltd. He has been designated as the representative of Tonghua Dongbao which is one of the directors of the Company since June 22, 2019. He does not constitute the circumstances defined in Article 30 of the Company Act.	Not an employees of the Bionime Corp.or a subsidiaries	None
Independent Director Zeng,Hui-Jin	She was a partner and Vice President of PricewaterhouseCoopers Taiwan, Chief Operating Officer of the Audit Department, Chief Strategy Officer, and the convener of the company's audit committee, with expertise in accounting and taxation. Currently an advisory member of the Bio Taiwan Committee of the Executive Yuan. She does not constitute the circumstances defined in Article 30 of the Company Act.	In the two years before the election and during the term of office,they have met the independence assessment conditions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	3
Independent Director Liu,Mei-An	Ph.D. in Cell Biology, Harvard University. He was the Executive Vice President of Fubon Financial Holding Venture Capital Co. and Head of Direct Investment Function of Fubon Financial Holding Investment Management Headquarter. As the company's audit committee, with financial expertise. She does not constitute the circumstances defined in Article 30 of the Company Act.	In the two years before the election and during the term of office,they have met the independence assessment conditions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None

Independent Director Chen,Rui-Xin	He is a law graduate of Chung Hsing University, former Deputy Chief of Trademark Office of Central Bureau of Standards, MOEA, and former Director of Intellectual Property Office, MOEA. As the company's audit committee, with legal expertise. He does not constitute the circumstances defined in Article 30 of the Company Act.	In the two years before the election and during the term of office,they have met the independence assessment conditions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None
Independent Director Lai,Chun-Ling	He is Chairman of Thuncloud Inc. He was Founder and chairman of Thunder Tiger Corporation. As the company's audit committee，He does not constitute the circumstances defined in Article 30 of the Company Act.	In the two years before the election and during the term of office,they have met the independence assessment conditions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None

(b). Diversity and independence of the board of directors:

i. Member Composition Diversity Policy: In nominating and qualifying directors (including independent directors), the Board of Directors considers the professional background of the directors (including independent directors) and the knowledge, skills and qualities necessary to perform their duties. The Company has implemented a policy of diversifying the Board of Directors with reference to the "Code of Corporate Governance Practices". The Board of Directors should have the following competencies: operational judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability.

ii. Diversity objectives of the Board and implementation status

The Company currently has 9 board members (including 4 independent directors), of which 3 are female, 2 are Chinese, and 7 are Taiwanese, of which 1 is an employee (11% of the total number of directors); The four independent directors are all new for this term.

The Company is also mindful of the gender equality of its board of directors, and currently there are three female directors among the nine directors (33% of the total number of directors). The Board of Directors is comprised of members with expertise in industrial management, technology research and development, marketing management, finance, accounting and taxation, and law, and are industry operators. With their diverse backgrounds in industry, academia and knowledge, the board members are able to provide professional advice from different perspectives, which is of great benefit to the Company's operational performance and management.

Diversity management objectives	Achievement Status
It is advisable that the number of the director who	Done

concurrently serve as the managers of the Company should not exceed one-third of the bard seats	
At least on female director	Done
The number of independent directors exceeds on third of the bord seats	Done
The independent directors shall not hold office for more than 3 terms.	Done

Diversification Item / Director Name	gender	Nationality	Also an employee of the company	Years served as an independent director	Professional knowledge and skills					
					Industrial Manage ment	Technology Research And Developme nt	Marketing Manageme nt	Finance	Accounti ng And Taxation	Law
Huang,Chun-Mu	Male	R.O.C	V		V	V	V			
Director Yanben Investment Co., Ltd. Representative：Liou,Ke-Chen	Male	China			V	V	V			
Director Hua Eng wire&cable co.,ltd. Representative：Liou,Xiu-Mei	Female	China			V		V			
Director Tonghua Dongbao Pharmaceutical co., ltd. Representative：Leng, Chun-Sheng	Male	R.O.C						V	V	
Director Tonghua Dongbao Pharmaceutical co., ltd. Representative：Zhang,Wen Hai	Male	R.O.C			V	V	V			
Zeng,Hui-Jin	Female	R.O.C		New appointment on June 22, 2022					V	
Liu,Mei-An	Female	R.O.C		New appointment on June 22, 2022				V		
Chen,Rui-Xin	Male	R.O.C		New appointment on June 22, 2022						V
Lai,Chun-Ling	Male	R.O.C		New appointment on June 30, 2023	V	V	V			

(2). Information of General Managers, Deputy General Managers, Assistant General Managers and other Department and Branch Managers:

April 30, 2024; Unit: Share

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Children Shareholding		Current Shareholding in the Name of others		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Share	Ratio	Share	Ratio	Share	Ratio			Title	Name	Relations
Chairman and General Manager	R.O.C.	Huang, Chun-Mu	Male	July 9, 2010	2,474,492	4.07%	1,120,380	1.84%	0	0%	National Taipei University of Technology MS Tech General Manager	Note1	-	-	-
Deputy General Managers of New Business Division	R.O.C.	Chen, Chieh-Shing	Male	May14, 2016	146,250	0.24%	17,489	0.03%	0	0%	Master of Bio-Industry Mechanical and Electrical Engineering Institute from National Chung Hsing University	-	-	-	-
Deputy General Managers of R&D Division	R.O.C.	Chen, Bi-Hsuan	Female	Feb.1, 2016	105,582	0.17%	0	0.00%	0	0%	Master of Biotechnology from National Cheng Kung University	-	-	-	-

Deputy General Managers of IOT Technology Division	R.O.C.	Yeh, Zhi-Long	Male	Nov.7, 2018	53,000	0.09%	0	0.00%	0	0%	Department of Information Management at Chaoyang University of Technology	-	-	-	-
Assistant General Manage of Information Tech Division	R.O.C.	Li, Chia-Ming	Male	Aug.10, 2022	0	0.00%	0	0.00%	0	0%	Master Degree in Institute of Control Engineering, National Chiao Tung University Senior Chief of NEXPOWER TECHNOLOGY CORPORATION.	-	-	-	-
Assistant General Manage of Quality Assurance Division	R.O.C.	Li, Ming-Tsan	Male	Aug.10, 2022	0	0.00%	0	0.00%	0	0%	Master of Microelectronics, National Tsinghua University Chief of Chicony Power Technology Co., Ltd. Quality Assurance Department. Chief of Topcell Solar International Co., Ltd. Quality Assurance Department.	-	-	-	-
Administration Division Officer & Corporate Governance Officer	R.O.C.	Tang, Wei	Female	Feb.8, 2024	0	0.00%	0	0.00	0	0%	Special Assistant of Bionime Corp. Master of Business Administration in Management at National Cheng Kung University	Note2	-	-	-

Financial Officer	R.O.C.	Huang, Chien Yu	Female	Feb.8, 2024	21,000	0.03%	0	0.00	0	0%	Sr. Assistant Manager of Bionime Corp. Master of Business Administration in Enterprise Management at National Chung Hsing University				
Accounting Officer	R.O.C.	Chen, Ya-Wen	Female	Feb.1, 2021	7,000	0.01%	0	0.00	0	0%	Accounting Manager of Bionime Corp. Department of Accounting Information, National Taichung Institute of Technology	-	-	-	-

Note 1： Huang, Chun-Mu the Current Positions at the Company and other Companies：Chairman and General Manager of Bionime Corporation、Corporate chairman of Bionime Inc、Corporate chairman of Bionime (Shenzhen)、Corporate chairman of Bionime (Pingtan) Corporate chairman of Bionime GmbH、Corporate chairman of Bionime USA Corp. 、Director at Bionime(Malaysia) SDN BHD 、Director at Bionime Australia Pty Ltd 、Corporate director representative at Bonraybio Co., Ltd.

Note 2：Tang,Wei the Current Positions at the Company and other Companies：Corporate director representative at Bionime(Malaysia) SDN BHD 、Corporate director representative at Bionime Australia Pty Ltd.

(3).Remuneration for Directors (including Independent Directors), Supervisors, General Managers, Deputy General Managers

(a) Most Recent (2023) Traveling Expenses and Remuneration of the Directors

Unit: NT$ thousand

Title	Name	Directors Compensation								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%)(Note 10)		Compensation paid from an invested company other than the company's subsidiary(Note11)
		Base Compensation（A）(Note2)		Severance Payment（B）		Directors Compensation（C）(Note 3)		Business Execution Expenses（D）(Note 4)				Salary, Bonuses and Allowances（E）(Note 5)		Severance Payment（F）		Employee Compensation（G）(Note 6)						
		The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company		All companies in the consolidated financial statement (Note 7)		The Company	All companies in the consolidated financial statement (Note 7)	
																Cash	Stock	Cash	Stock			
Chairman	Huang,Chun-Mu	0	0	0	0	0	0	300	300	300 4.83%	300 0.68%	2,943	2,943	0	0	0	0	0	0	3,243 52.24%	3,243 52.24%	None
Director	Hua Eng Wire & Cable Co., Lt	0	0	0	0	0	0	240	240	240 3.87%	240 0.60%	0	0	0	0	0	0	0	0	240 3.87%	240 3.87%	None
	Hua Eng Wire & Cable Co., Lt Representative: Liou,Xiu-Mei	0	0	0	0	0	0	50	50	50 0.81%	50 0.81%	0	0	0	0	0	0	0	0	50 0.81%	50 0.81%	None
Director	Tonghua Dongbao Pharmaceutical Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Tonghua Dongbao Pharmaceutical Co., Ltd Representative: Leng, Chun-Sheng (Newly-elected on 2022.6.22)	0	0	0	0	0	0	290	290	290 4.67%	290 4.67%	0	0	0	0	0	0	0	0	290 4.67%	290 4.67%	None

	Tonghua Dongbao Pharmaceutical Co., Ltd. Representative :Zhang,Wen-Hai	0	0	0	0	0	0	290	290	290 4.67%	290 4.67%	0	0	0	0	0	0	0	0	290 4.67%	290 4.67%	None
Director	Yanben Investment Co., Ltd.	0	0	0	0	0	0	290	290	290 4.67%	290 4.67%		0	0	0	0	0	0	0	290 4.67%	290 4.67%	None
	Yanben Investment Co., Ltd. Representative：Liou,Ke-Chen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Baijue Investment Co., Ltd. (Dismissed on 2023.4.30)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Baijue Investment Co., Ltd. Representative: Tai,Tsung-Kai (Dismissed on 2023.4.30)	0	0	0	0	0	0	100	100	100 1.61%	100 1.61%	0	0	0	0	0	0	0	0	100 1.61%	100 1.61%	None
Independent director	Zeng, Hui-Jin	0	0	0	0	0	0	380	380	380 6.12%	380 6.12%	0	0	0	0	0	0	0	0	380 6.12%	380 6.12%	None
Independent director	Liu,Mei-An	0	0	0	0	0	0	380	380	380 6.12%	380 6.12%	0	0	0	0	0	0	0	0	380 6.12%	380 6.12%	None
Independent director	Chen,Rui-Xin	0	0	0	0	0	0	380	380	380 6.12%	380 6.12%	0	0	0	0	0	0	0	0	380 6.12%	380 6.12%	None
Independent director	Lai,Chun-Ling	0	0	0	0	0	0	160	160	160 2.58%	160 2.58%	0	0	0	0	0	0	0	0	160 2.58%	160 2.58%	None

1. Please explain the policy, system, criteria and structure of remuneration paid to independent directors, and describe the correlation with the amount of remuneration based on the factors such as responsibilities, risks, and time spent.

Explanation：Remuneration to the Company’s directors is paid in accordance with the Company's Articles of Incorporation and the Company's “Regulations Governing Payment of Remuneration of Directors, Functional Committees ". 。

1). Directors' remuneration: According to Article 28 of the Company's Articles of Association, directors' remuneration is distributed based on the current year's profits, with no more than 3% of the annual profits.

(1) Directors (including independent directors): The Company will provide a fixed monthly allowance of 20,000 NTD.

(2) Attending the Board of Directors Meetings. Each director will be paid 10,000 NTD each time (including video attendance and proxy attendance).

(3) Attending the Shareholders' Meetings: Each director will be paid 10,000 NTD each time.

(4) Attending the Functional Committee Meeting: Members of the Functional Committee do not receive additional remuneration. Only traveling allowances will be provided, which are the same as those provided for attending the Board of Directors Meetings. Each director will be paid 10,000 NTD each time (including video attendance and proxy attendance)

2. The remuneration to all the directors served for all the companies within the consolidated financial statement (such as a consultant not an employee) in the most recent fiscal year: None.

* It shall separately disclose the related information about the directors (general directors rather than the independent directors) and the independent directors.

Range of Remuneration

Range of Remuneration	Names of Directors			
	Total of (A+B+C+D)		Total of ((A+B+C+D+E+F+G)	
	The Company (Note 9)	All Companies in the Consolidated Financial Statement (Note 10) I	The Company (Note 9)	All Companies in the Consolidated Financial Statement (Note 10) J
Under NT$1,000,000	Huang,Chun-Mu, Hua Eng Wire & Cable Co., Ltd, Liou,Xiu-Mei、 Tonghua Dongbao Pharmaceutical Co., Ltd., Leng, Chun-Sheng、 Zhang,Wen-Hai、 Yanben Investment Co., Ltd. Baijue Investment Co., Ltd., Liou,Ke-Chen、Tai,Tsung-Kai Zeng,Hui- Jin、Liu,Mei-An, Chen,Rui-Xin、Lai,Chun-Ling.	Huang,Chun-Mu, Hua Eng Wire & Cable Co., Ltd, Liou,Xiu-Mei、 Tonghua Dongbao Pharmaceutical Co., Ltd., Leng, Chun-Sheng、 Zhang,Wen-Hai、 Yanben Investment Co., Ltd. Baijue Investment Co., Ltd., Liou,Ke-Chen、Tai,Tsung-Kai Zeng,Hui- Jin、Liu,Mei-An, Chen,Rui-Xin、Lai,Chun-Ling.	Hua Eng Wire & Cable Co., Ltd, Liou,Xiu-Mei、 Tonghua Dongbao Pharmaceutical Co., Ltd., Leng, Chun-Sheng、 Zhang,Wen-Hai、 Yanben Investment Co., Ltd. Baijue Investment Co., Ltd., Liou,Ke-Chen、Tai,Tsung-Kai Zeng,Hui- Jin、Liu,Mei-An, Chen,Rui-Xin、Lai,Chun-Ling.	Hua Eng Wire & Cable Co., Ltd, Liou,Xiu-Mei、 Tonghua Dongbao Pharmaceutical Co., Ltd., Leng, Chun-Sheng、 Zhang,Wen-Hai、 Yanben Investment Co., Ltd. Baijue Investment Co., Ltd., Liou,Ke-Chen、Tai,Tsung-Kai Zeng,Hui- Jin、Liu,Mei-An, Chen,Rui-Xin、Lai,Chun-Ling.
NT$1,000,000 (included）～NT$2,000,000(excluded)				
NT$2,000,000 (included）～NT$3,500,000 (excluded)			Huang,Chun-Mu	Huang,Chun-Mu
NT$3,500,000 (included）～NT$5,000,000 (excluded)				
NT$5,000,000 (included）～NT$10,000,000 (excluded)				
NT$10,000,000(included）～NT$15,000,000 (excluded)				
NT$15,000,000 (included）～NT$30,000,000(excluded)				
NT$30,000,000 (included）～NT$50,000,000(excluded)				

NT$50,000,000 (included）～ NT$100,000,000(excluded)				
Over NT$100,000,000				
Total	14 persons	14 persons	14 persons	14 persons

Note1: The Directors' names should be listed separately (if a corporate shareholder, the corporate name and the representative's name should be listed separately), and the payments should be consolidated for disclosure. The amount of cash payment is disclosed in a summary. If the director is also the general manager or deputy general manager, this table and the following table (3-1) or (2-2) shall be filled in.

Note2: The Director's remuneration for the most recent year (including salary, job allowances, Retirement Pension, various bonuses and incentives).

Note3: The latest amount of Director's remuneration as passed by the board of directors.

Note4: The latest annual business execution expenses of the Director (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration.

Note5: The latest salary, job allowances, Retirement Pension, various bonuses, incentives, car expenses, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions for the Director's other jobs (including the positions of General Manager, Deputy General Manager, Manager and other positions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.

Note6: If a Director receives employee remuneration (including stock and cash) on his/her other job(s) (including the positions of General Manager, Deputy Manager, Manager and other positions) in the latest year, please disclose the amount of employee remuneration as passed by the board of directors in the latest year. If the amount cannot be estimated, it should be calculated based on the percentage of the actual amount distributed last year, and Appendix 1-3 should be filled out.

Note7: The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's Director.

Note8: The total remuneration paid by the Company to each Director; the Director’s name should be disclosed in the respective tier.

Note9: The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's Directors should be disclosed, and the Director's name s should be disclosed in the respective tier.

Note10: Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note11:a. In this field the amount of remuneration paid to the Director by the Company's re-invested businesses other than the subsidiaries should be clearly indicated.

b. If the Director receives remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration should be incorporated into column I of the Remuneration Tiers Table, and the name of the field should be changed to "All re-invested businesses".

c. Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's Director for acting as a director, supervisor or manager of the Company's re-invested businesses other than the subsidiaries.

* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

(b).Most Recent (2023) Remunerations of the General Manager and Deputy General Manager (Including Independent Director):

Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Severance Payment (B)		Bonus and Special Fees (C) (Note 3)		Employee Remuneration (D) (Note 4)				The Sum of A, B, C and D as a percentage of After-tax Net Profit (%) (Note 6)		Remuneration from Reinvested Business other than Subsidiaries (Note 7)
		The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company		Companies in the Consolidated Financial Statements (Note 5)		The Company	Companies in the Consolidated Financial Statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Huang, Chun-Mu	2,943	2,943	0	0	0	0	0	0	0	0	2,943 47.41%	2,943 47.41%	None
Deputy General Manager	Chen, Chieh-Shing	2,383	2,383	0	0	0	0	0	0	0	0	2,383 38.39%	2,383 38.39%	None
	Chen, Bi-Hsuan	2,199	2,199	0	0	0	0	0	0	0	0	2,199 35.42%	2,199 35.42%	None
	Yeh, Zhi-Long	2,127	2,127	0	0	0	0	0	0	0	0	2,127 34.26%	2,127 34.26%	None

Range of Remuneration

Range of Remuneration (NT$)	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	Companies in the Consolidated Financial Statements (Note 7)E
Under NT$1,000,000		
NT$1,000,000 (included）～NT$2,000,000(excluded)		
NT$2,000,000 (included）～NT$3,500,000 (excluded)	Huang,Chun-Mu Chen,Chieh-Shing Chen,Bi-Hsuan Yeh,Zhi-Long	Huang,Chun-Mu Chen,Chieh-Shing Chen,Bi-Hsuan Yeh,Zhi-Long
NT$3,500,000 (included）～NT$5,000,000 (excluded)		
NT$5,000,000 (included）～NT$10,000,000 (excluded)		
NT$10,000,000(included）～NT$15,000,000 (excluded)		
NT$15,000,000 (included）～NT$30,000,000(excluded)		
NT$30,000,000 (included）～NT$50,000,000(excluded)		
NT$50,000,000 (included）～NT$100,000,000(excluded)		
Over NT$100,000,000		
Total	4 persons	4 persons

Note1: The General Managers and Deputy General Managers’ names should be listed separately, and the payments should be consolidated for disclosure. If the Directors are also General Managers or Deputy General Managers, this table and the table above (1-1) or (1-2) shall be filled in.

Note2: The latest amount of the General Manager’s and the Deputy General Managers’ remunerations (including salary, job allowances and severance payment).

Note3: The latest annual business execution expenses of the General Manager and the Deputy General Managers (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall also include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.

Note4: The employee remuneration (including stock and cash) distributed to the General Manager or Deputy General Manager as passed by the board of directors in the latest year. If the amount cannot be estimated, it should be calculated based on the percentage of the actual amount distributed last year, and Appendix 1-3 should be filled out. Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note5: The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's General Manager and Deputy General Managers.

Note6: The total remuneration paid by the Company to each General Manager and Deputy General Manager; the General Manager’s and the Deputy General Managers' names are to be disclosed in the respective tiers

Note7: The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's General Manager and Deputy General Managers should be disclosed, and the General Manager’s and the Deputy General Managers’ names should be disclosed in the respective tier.

Note8: Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note9: a. In this field the amount of remuneration paid to the General Manager or the Deputy General Managers by the Company's re-invested businesses other than the subsidiaries should be clearly indicated.

b. If the General Manager and Deputy General Managers receive remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration should be incorporated into column D of the Remuneration Tiers Table, and the name of the field should be changed to "All re-invested businesses".

c. Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's General Manager or Deputy General Manager for acting as a director, supervisor or manager of the Company's re-invested businesses other than the subsidiaries.

* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

(c).Managers with Employee Remuneration Distribution

Unit: NT$ thousand; Date: April 30, 2024

Title	Name	Stock Bonus	Cash Bonus	Total	Ratio of Total Amount to Net Income (%)
Chairman as well as General Manager	Huang, Chun-Mu	0	0	0	0%
Deputy General Manager	Chen,Chieh-Shing				
	Chen,Bi-Hsuan				
	Yeh,Zhi-Long				
Assistant General Manager	Li, Chia-Ming				
	Li ,Ming-Tsan				
Corporate Governance Officer	Tang,Wei				
Financial Officer	Huang,Chien-Yu				
Accounting Officer	Chen,Ya-Wen				

Note1:The names and titles should be listed separately, and the remuneration distribution may be consolidated for disclosure.

Note2:The latest amount of the manager’s employee remuneration as passed by the board of directors (including shares and cash) in the latest year. If the amount cannot be estimated, it should be calculated based on the percentage of the actual amount distributed last year. Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note3:The definition of manager, as governed by the letter of the SFC on March 27, 2003 with a reference no. of Tai-Tsai-Cheng III 0920001301, is as follows:

(1) General Manager and equivalent.
(2) Deputy General manager and equivalent.
(3) Associate and equivalent.
(4) Head of financial department.
(5) Head of accounting department
(6) Other people who have the right to manage the company's affairs and are the company's authorized signatories.

Note4:If the Directors, General Managers and Deputy General Managers have received employee compensation (including stocks and cash), they shall fill in Table 1 (2) and this table.

(4).Analysis of the Proportion of the Total Remuneration, Directors, Supervisors, General Managers And Deputy General Managers of the Company Paid the Company and all Companies in the Consolidated Financial Statement to Net Profit After Tax in Individual Financial Statements of the Recent Two Years. Explanation of Remuneration Policies, Standards and Packages, the Procedure for Determining Remuneration, and its Linkage to Operating Performance and Future Risk Exposure:

(a)Analysis of the proportion of the total remuneration of directors, supervisors, general managers and deputy general managers of the Company paid the Company and all companies in the consolidated financial statements to net profit after tax in individual financial statements of the recent two years:

Proportion of the Total Remuneration of Directors, Supervisors, General Managers and Deputy General Managers	2022		2023	
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
	19.67%	19.67%	201.55%	201.55%

(b) Explanation of remuneration policies, standards and packages, the procedure for determining remunerations, and its linkage to operating performance:

i. Directors

Directors' remuneration: According to Article 28 of the Company's Articles of Association, directors' remuneration is distributed based on the current year's profits, with no more than 3% of the annual profits. The performance of the Company's Board of Directors as a whole, functional committee, and individual directors are evaluated once a year based on the "Regulation on the Performance Evaluation of the Board of Directors and the Functional Committee". The remuneration distribution proposal of each director is determined by taking into account their tenure, performance evaluation results, and operating performance of the Company. Before distributing the remuneration, the proposal shall be submitted to the Remuneration Committee and the Board for resolution, and shall also be submitted to the Shareholders' Meeting for reporting.

Since there was a pre-tax loss in 2023, the Board of Directors passed a resolution on March 14 2024 that employee remunerations and directors' remuneration will not be distributed.

The company has not issued other alterations in remuneration, except for the payment of the directors' attendance fees and the distribution of directors' remuneration which is based on the results of directors' performance evaluation.

ii. General Managers and Deputy General Managers

Remuneration to general managers and deputy general managers includes wages, various bonuses, and employees' compensation, and the negotiated remuneration is considered the salary standard of same business; bonuses are highly related to the company's operating results and performance. Based on the company's OKR indicators each year (indicators include revenue, net profit, new products, management, etc.) and the manager's personal performance to determine remuneration proposal, the proposal is submitted to the board of directors for resolution after deliberation by the remuneration committee. The distribution standard for employee remuneration follows the company's articles of association and is issued after the resolution and approval of the board of directors.

(c) Linkage to Future Risk: The performance of the Company's important decisions refers the Company's profitability, so there is a positive correlation between the remuneration to directors, supervisors and managers.

4. Implementation of Corporate Governance

(1) Operation of the board meeting

(a) A total of 5 board meetings were held in 2023, and the attendance of Directors (including independent Directors) is as follows:

Title	Name (Note 1)	Actual no. of Meetings Attended (B)	No. of Meetings with Entrusted Attendance	Actual Attendance Rate (%) 【B/A】 (Note 2)	Remarks
Chairman	Huang,Chun-Mu	5	0	100%	
Director	Hua Eng Wire & Cable Co., Ltd. Representative: Liou,Xiu-Mei	5	0	100%	
Director	Tonghua Dongbao Pharmaceutical Co., Ltd. Representative:Chang Wen-Hai	5	0	100%	
Director	Tonghua Dongbao Pharmaceutical co., ltd. Representative：Leng, Chun-Sheng	5	0	100%	
Director	Yanben Investment Co., Ltd. Representative： Liou,Ke-Chen	4	1	80%	
Director	Bai Jue Investment Co., Ltd. Representative： Tai,Tsung-Kai	2	0	100%	2023/4/30 dismissal, the number of meeting times during the in-service period is 2 times
Independent Director	Zeng,Hui-Jin	5	0	100%	
Independent Director	Liu,Mei-An	5	0	100%	
Independent Director	Chen,Rui-Xin	5	0	100%	
Independent Director	Lai,Chun-Ling	2	0	100%	2023/6/30 new appointment, the number of meeting times during the in-service period is 2 times

Other matters to be recorded:

1. If any of the following circumstances occurs in the operation of the board meeting, please indicate the date of the board meeting, the session number, the contents of the resolution, the opinions of all independent directors and the Company’s handling of the

opinions of the independent directors:

(1) Matters listed in Article 14-3 of the Securities Exchange Act.
6 Board meetings were held in the year of 2023. The contents of the resolution are on pages 75 to 78 of the annual report. All independent directors had no objections to the matters listed in Article 14-3 of the Securities Exchange Act.

(2) Other than the aforementioned matters, the board resolutions which independent directors object to or have reservations about and there are records or written statements for them: None.

2. To avoid conflict of interest among directors, the Director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded:

(1) 2023/01/12 Board meeting- motion Regular review salary and year-end bonus of 2022 for managers payment details:
Resolution: The director Huang,Chun-Mu who acts as the manager of the Company concurrently didn't participate in the voting due to the conflict of interest. The acting chairman Lui,Mei-Ann who was elected by the directors consulted the opinion of other attending directors, and all of them approved the motion unanimously.

(2) 2023/8/9 Board meeting-motion: Employee remuneration distributed for the managers in 2022:
Resolution: The director Huang,Chun-Mu who acts as the manager of the Company concurrently didn't participate in the voting due to the conflict of interest. The acting chairman Lui,Mei-Ann who was elected by the directors consulted the opinion of other attending directors, and they approved the motion unanimously.

3. The TWSE/GTSM Listed Companies shall disclose the evaluation cycles, evaluation periods, scope, method and content of the board of directors' self-evaluation by the board members of themselves or peers and fill in the attached Table 2 (2) Board of Directors' Evaluation Implementation Status.

4. The goals for strengthening the board's functions in the current and the previous year (e.g., establishment of an audit committee, promotion of information transparency, etc.):

(1) On March 14, 2024, the board of directors resolved to pass the 2023 board members and board performance evaluation results.

(2) The Company had purchased the liability insurance for all directors, which have been filed as required.

(3) The company has established an audit committee on June 22, 2022.

Note 1: If a director or supervisor is a legal entity, please disclose the name of the corporate shareholder and of its representative.

Note 2: (1) If there is a director or supervisor leaving the company before the end of the year, please indicate the date of departure in Remarks field. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual number of meetings attended during the tenure.

(2) If there is a director or supervisor election before the end of the year, please list both the new and the old directors and supervisors, and indicate in the Remarks field whether the director or supervisor is old, new or re-elected and the date of election. The actual attendance rate (%) is calculated based on the number of board meeting held and the actual number of meeting attended during the tenure.

(b). Board of Directors’ Evaluation Implementation Status

Evaluation cycles (Note1)	Evaluation periods (Note2)	Evaluation scope (Note3)	Evaluation method (Note4)	Evaluation content (Note5)
Once a year	January 1, 2023 to December 31, 2023	All Board of Directors’	Internal self-evaluation of the board of directors	Board performance evaluation items: A. Participation in the operation of the company. B. Improving the quality of decision-making of the board of directors. C. Composition and structure of the board of directors. D. Election and continuing education of the directors. E. Internal control.
Once a year	January 1, 2023 to December 31, 2023	Individual directors	Self-evaluation of the board of directors	Performance evaluation projects for individual directors: A. Alignment of the goals and missions of the company. B. Awareness of the duties of a director. C. Participation in the operation of the company. D. Management of internal relationship and communication. E. The director's professionalism and continuing education. F. Internal control.
Once a year	January 1, 2023 to December 31, 2023	Audit Committee	Self-evaluation of the functional committee	Performance evaluation items for the functional committee: A. Participation in the operation of the company. B. Awareness of the duties of the functional committee. C. Improving the quality of decision-making by functional committees D. Composition and structure of the functional committee E. Internal control.
	January 1, 2023 to December 31, 2023	Remuneration Committee		

Evaluation results:

i. The overall results of the internal performance self-evaluation of the company's board of directors in 2023 were scored as 4.75 (The full score is 5), which means "excellent"

ii. The overall results of self-evaluation of individual directors in 2023 were scored as 4.66 (The full score is 5), which means "excellent"

iii. The overall results of the internal performance self-evaluation of the company's Audit Committee in 2023 were scored as 4.84 (The full score is 5), which means "excellent"

iv. The overall results of the internal performance self-evaluation of the company's Remuneration Committee in 2023 were scored as 4.85 (The full score is 5), which means "excellent"

The conclusion: The company's board of directors is operating well as a whole.

(2) Information on the operation of the Audit Committee

A total of 5 Audit Committee meeting was held in 2023, and the attendance of Supervisors is as follows:

Title	Name	Actual no. of Meetings Attended (B)	Actual Attendance Rate 【B/A】 (Note)	Remarks	Title
Independent Director	Zeng,Hui-Jin	5	0	100%	
Independent Director	Liu,Mei-An	5	0	100%	
Independent Director	Chen,Rui-Xin	5	0	100%	
Independent Director	Lai,Chun-Ling	2	0	100%	2023/6/30 new appointment, the number of meeting times during the in-service period is 2 times

Other matters to be recorded

1. If any of the following circumstances occurs in the operation of the Audit Committee meeting, please indicate the date of the Audit Committee meetingg, the session number, the contents of the resolution, the opinions of all independent directors and the Company's handling of the opinions of the independent directors:
   (1)Matters listed in Article 14-5 of the Securities and Exchange Act => From June 22, 2023 to December 31, 2023, Total five audit committee meetings were held, and all independent directors did not object to the matters listed in Article 14-5 of the Securities and Exchange Act and approved them.
   (2)Except for the aforementioned matters, other matters not approved by the Audit Committee and approved by two-thirds or more of all directors => None.
2. To avoid conflict of interest among Independent Directors, the Independent Director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded:None
3. Communication between the independent directors and the chief of internal audit and the accountant (should include the significant matters, methods and results of communication regarding the Company's financial and business status).
   (1) The chief of the Company's internal audit regularly conducts audits operations, and reports audit results and their tracking status to the independent directors at the audit committee meetings held quarterly.
   (2) The CPA attends the quarterly audit committee meetings to explain the process of reviewing the Company's financial statements, the scope of issues and the update of related regulations in the quarterly and annual financial reports, and discusses fully with the independent directors.

(3) The Company's CPA reports the results of the quarterly financial statement audits at the Audit Committee meetings and other communication matters required by the relevant laws and regulations, and the communication between the members of the Company's Audit Committee and the certified public accountant is good.

Date	Nature	Significant item communicated with internal audit supervisor	Significant item communicated with the accountant	Communication Results
Jan 12, 2023 First Board Third Meeting	Audit Committee	1.Audit Operations Execution and Communication. 2. Revise the company's internal control system	The accountants conducted a presentation and communication regarding "Information on Audit Quality Indicator".	No Opinion
March 14, 2023 First Board fourth Meeting	Audit Committee	1.Audit Operations Execution and Communication.	1.The accountants conducted a presentation and communication regarding the 2023 consolidated financial statements .	No Opinion
May 10, 2023 First Board fifth Meeting	Audit Committee	1.Audit Operations Execution and Communication.	1.The accountants conducted a presentation and communication regarding the consolidated financial statements for the first quarter of 2023.	No Opinion
August 9, 2023 First Board Sixth Meeting	Audit Committee	1.Audit Operations Execution and Communication. 2.Revise the company's internal control system	1.The accountants conducted a presentation and communication regarding the consolidated financial statements for the second quarter of 2023. 2. The accountants conducted a presentation regarding "International Standards on Sustainable Disclosure".	No Opinion
Nov 9, 2023 First Board SeventhMeeting	Audit Committee	1.Audit Operations Execution and Communication. 2.Audit plan for 2024	1.The accountants conducted a presentation and communication regarding the consolidated financial statements for the third quarter of 2023. 2. The accountants conducted a presentation regarding"Recent Updates on Important Regulations and Convergence to the Blueprint of International Sustainable Disclosure Standards".	No Opinion

Note: If there is any Independent Director leaving the Company before the end of the year, please indicate the date of departure in the Remarks field. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual number of meetings attended during the tenure.

If there is a Independent Director election before the end of the year, please list both the new and the old supervisors, and indicate in the Remarks field whether the Independent Director is old, new or re-elected and the date of election. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual number of meetings attended during the tenure.

(3). The state of the Company’s implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reason for any such departure:

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	✓		The Company approved the establishment of the "Corporate Governance Best-Practice Principles" at the Board of Directors' Meeting on 14th March 2024 and disclosed it on the company website.	No difference.
2. Shareholding structure & shareholders’ rights				
(1) Has the company established an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has spokespersons, legal and shareholder personnel and other relevant departments to deal with shareholders’ suggestions, disputes and other issues.	No difference.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) With the management of dedicated personnel, the Company is able to keep track of the major shareholders and the relationship with them remains sound.	No difference.
(3) Has the company established and implemented risk management and firewall mechanisms with its affiliates?	✓		(3) The Company has established relevant systems in the internal control system in accordance with the law.	No difference.
(4) Has the Company established internal rules against insiders trading with	✓		(4) The Company has established “Procedures for Handling Material Inside Information” in	No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
undisclosed information?			order to avoid improper disclosure of information. It is explicitly stated that insiders of the Company are prohibited from using undisclosed information in the market to buy or sell securities. Regulatory measures are established to restrict insiders from trading stocks from the day they become aware of the financial report or relevant performance data. Directors are not allowed to trade stocks 30 days before the publication of the annual financial report, as well as during the closed period of 15 days before the publication of each quarterly financial report. At the beginning of the month of the closed period, emails are sent to remind insiders to pay attention and avoid accidentally violating this regulation.	
3. Composition and Responsibilities of the Board of Directors （1）Does the board of directors formulate a diversity policy, specific management objectives and implement it in terms of membership? （2）Has the company voluntarily establishes other functional committees in addition	✓ (for (1))	✓ (for (2))	(1) The Company has seven directors, including three independent directors, three of whom is a female. The professional background to the members covers business management, finance, accounting and law. The board members have a diverse background in industry, profession and knowledge, and provide professional advice from difference perspectives with their experiences, which shall greatly enhance the Company's	No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
to the Remuneration Committee and the Audit Committee?			business performance and management efficiency. The Company has established "Regulations of the Board of Directors" and "Regulations on the Election of Directors and Supervisors".	
			(2) Except for Compensation Committee, there are no other functional committees yet as there is currently no requirement.	It will be determined according the operation status and scale in the future.
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the result of performance evaluation to the Board as reference for remuneration paid to the directors and their nomination for succession?	✓		(3) The Company has established a regulation on evaluating Board performance, and the evaluations are all conducted in form of surveys. The performance of the Board is evaluated by the meeting administrative office, which collects relevant data to assess the overall operations of the Board. The performance of individual members and functional committees is self-evaluated by each director and committee member. The results are submitted and approved at the Board Meeting on March 14, 2024, and are used as a reference for determining individual directors' salaries and remuneration.	No difference.
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Company evaluates the independence and suitability of its Certified Public Accountants (CPAs). In addition to requiring a "Declaration of Complete Independence" and "Audit Quality Indicators (AQIs)," CPAs are evaluated based on	No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			the standards of Remark 1 and 13 AQI indicators. The evaluation results for the most recent year were approved by the Audit Committee on January 12, 2024, and were subsequently submitted to the Board of Directors on the same day for resolution. The evaluation of the independence and suitability of the accountants was approved.	
4. Has the Company established adequate and competent corporate governance personnel, and assigned a corporate governance manager in charge of corporate governance affairs (including but not limited to provision of information required by directors and supervisors for business execution, by laws for matters relating to board meetings and shareholders' meetings, and information on corporate registration and amendment registration, as well as record minutes of board meetings and shareholders meetings, etc.)?	✓		The company appoints the corporate governance officer who are responsible for related matters regarding corporate governance, including providing the directors and supervisors with required information to carry out their business, handling matters related to board of directors and shareholders according to the law, handling corporate registration and change of corporate registration related matters, taking the minutes of board meeting s and shareholders' meetings. The Company has set up "Standard Operating Procedures for Handling Directors' Requirements."	No difference.
5. Has the Company established	✓		The Company's website has a stakeholder	No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
communication channels and dedicate section for stakeholder (including but not limited to the shareholders, employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?			section, and dedicated personnel responds to important corporate social responsibility concerns.	
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		In 2008, the Company appointed Chinatrust Commercial Bank as the stock agency to handle shareholders' related affairs.	No difference.
7. Disclosure of information (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information on collection and disclosure, creating a spokesperson system, webcasting investor conferences)? (3) Did the company announce and file its annual financial reports within 2 months	 ✓ ✓		(1)The Company has set up both Chinese and English websites to provide information related to financial business and corporate governance. The website: http://www.bionime.com.tw; Dedicated personnel is responsible for maintenance of the website and immediate updates are available for shareholders and interest parties. (2)The Company has spokespersons and acting spokespersons according to the regulations. It has appointed dedicated personnel to collect company information and put onto MOPS on a regular basis.	No difference. No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
from the end of the fiscal year? Did the company announce and file the financial reports for Q1, Q2 and Q3, as well as the operation status of each month before the due date?		✓	(3) Except for the annual financial reports announced within 3 months after the end of the fiscal year, the Company has announced and filed the financial reports for Q1, Q2 and Q3, as well as the operation status of each month before the due date.	It will be determined according the operation status and scale in the future.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. The status of directors and supervisors' further training: It has been disclosed in the "Corporate Governance Section of the MOPS". 2. The Company has purchased Liability Insurance for Directors, Supervisors and Important Managers to strengthen the protection of shareholder's equity.	No difference.
9. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved (not applicable if not included as a company to be evaluated).				

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
The Company carries out self-evaluation of corporate governance according to the regulations of the competent authorities, and gradually improves the corporate governance, in order to enhance the corporate governance image: Improvements: The company conducts corporate governance evaluation and self-evaluation in accordance with the regulations of the competent authority, and improves the corporate governance situation gradually to enhance the corporate governance image.				

Note1：Assessment criteria of accountant's independence

Evaluation Item	Evaluation Result
1.Does the CPA have a direct or indirect financial interest in Bionime.	■YES □NO
2.Does the CPA have a significant-close business relationship with Bionime.	■YES □NO
3. Is the CPA entering into potential employment negotiations with Bionime.	■YES □NO
4. The CPA has not had any monetary borrowings with the Company.	■YES □NO
5. The CPA has not received any gifts or presents of significant value (the value of which exceeds normal standards of social etiquette) from the Company, its directors or managers.	■YES □NO
6. The CPA has not provided audit services to the Company for seven consecutive years.	■YES □NO
7. The CPA does not hold any shares of the Company.	■YES □NO
8. The CPA, his or her spouse or dependent, and his or her audit team did not hold any position as a director, manager, or officer of the Company during the audit period or within the last two years that has significantly affected the audit case, and has determined that he or she will not hold any such position during the future audit period.	■YES □NO
9. Whether the CPA has complied with Accountants Code of Ethics Statement No. 18 on Independence and obtained a "Statement of Independence" from the CPA.	■YES □NO

(4) If the Company has a Remuneration Committee, Please Disclose its Composition, duties and Operation:

(a)Remuneration Committee Member Information

April 30 ,2024

Title (Note 1)	Criteria / Name	Meet one of the Following Professional Qualification Requirements, together with at Least Five Years Work Experience(Note2)	Independence Attribute (Note3)	Concurrent members of the compensation and remuneration committees of other public offering companies (Number of companies)
Independent Director (Chairman)	Liu,Mei-An	Please refer to the information disclosed on directors and supervisors on page 17-18, 1. Professional Qualifications and Independence Analysis of Directors and Supervisors		0
Independent Director	Zeng,Hui-Jin			3
Independent Director	Chen,Rui-Xin			0
Independent Director	Lai,Chun-Ling			0

Note1: Please specify in the form the relevant working years, professional qualifications and experience, and independence of the members of the Compensation Committee. If they are independent directors, please refer to Table 1 Information of Directors and Supervisors (1) on page 00 for remarks. Please fill in the Title as an independent director or others (if one is an organizer, please add a note).

Note2: Professional qualifications and experience: please state the professional qualifications and experience of each compensation committee members.

Note3: Condition of independence: please state that the members of the Compensation Committee meet the conditions of independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its affiliated companies; The number and proportion of the company's shares held by the person, spouse, relatives within the second degree of kinship (or in the name of another person); Whether one is a director, supervisor or employee of a company that has a specific relationship with the (Refer to 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, Article 6, Item 1, Subparagraphs 5 to 8); The amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

(b)Remuneration Committee Operation Status

i. The Company's Remuneration Committee is composed of four people.

ii. Term of the Fifth Committee :2022/6/22~2025/6/21
The Remuneration Committee held three meetings (A), and the member qualifications and attendance are as follows:

Title	Name	Actual No. of Meetings Attended (B)	No. of Meetings with Entrusted Attendance	Actual Attendance Rate (%) (B/A)	Remarks
Convener	Liu,Mei-An	3	0	100%	2022/6/22 new appointments, the number of meetings should be 2 times during the in-service period
Member	Zeng,Hui-Jin	3	0	100%	2022/6/22 new appointments, the number of meetings should be 2 times during the in-service period
Member	Chen,Rui-Xin	3	0	100%	2022/6/22 new appointments, the number of meetings should be 2 times during the in-service period
Member	Lai,Chun-Ling	1	0	100%	2023/6/30 new appointments, the number of meetings should be 1 times during the in-service period

Other matters to be recorded:

1. If the board of directors did not adopt or amend the suggestion of the remuneration committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution and the Company's handling of the suggestion of the remuneration committee (if the remuneration passed by the board is better than the suggestion of the remuneration committee, please state the difference and the reasons): None.
2. If any member had objections or reservations about the resolution of the remuneration committee and there is a record or a written statement please indicate the date and session number of the remuneration committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled: None.

Notes:

(1) If any remuneration committee member leaves the company before the end of the year, please state in the Remarks field the departure date, the actual attendance rate (%) calculated based on the number of remuneration committee meetings and the number of the actual meetings attended during the tenure.

(2) If there s a remuneration committee member election before the end of the year, please list both the new and the old members, and indicate in the Remarks field whether the member is old, new or re-elected and the date of election. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the atual number of meetings attended during the tenure.

iii. Content of motions, resolution results and the Company’s handling of the opinion of the remuneration committee members in the most recent year：

Remuneration committee meeting /date	Motion	Results of the resolutions	The Company’s handling of the opinion of the remuneration committee members
The 3th meeting of the 5rd remuneration committee held on January 12, 2023	1. 2022 Year-end Bonus Manager Payment Details 2. Amendment of the "Board of Directors' Performance Evaluation Method" of the Company” 3. Revision of the organizational rules of the Salary and Compensation Committee	After the chairman consulted the opinion of committee members, the motion was approved upon the consent of all attending members	Approved by the Board of Directors with the consent of all directors present
The 4th meeting of the 5rd remuneration committee held on March 14, 2023	1. Performance evaluation results of the company's 2022 board members and board of directors 2. Proposal of 2022 remuneration distributed for employees, directors and supervisors		
The 5th meeting of the 5rd remuneration committee held on August 9, 2023	1.The details of employee remuneration manager's payment for 2022 2.The details of directors' and supervisors' remuneration for the year 2022		

(5). The implementation status of promoting sustainable development initiatives and the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
1. Does the company establish a management structure to implement the sustainable development initiatives and set up a dedicated (part-time) unit to implement, which shall be handled by senior management authorized by the board of directors, and the board of directors supervises the situation?	✓		Under the President's Office, a Sustainable Development Office is set up, which is authorized by the Board of Directors to be handled by senior management. Regularly reports to the Board of Directors on a quarterly basis on the results of the implementation of sustainable development and future work plans, and the Board of Directors regularly receives reports from the management team on a quarterly basis to monitor the implementation of sustainable management issues and evaluate the implementation status. In addition, the company has formulated “Management Procedures for Preventing Insider Trading”, “Code of Ethical Conduct” and “Internal Control System”, etc. With the continuous operation of various management systems and procedures, the company can immediately detect and respond to risks associated with the operating environment, employee safety, customers, suppliers, and various stakeholders.	No difference.
2. Does the company proceed the risk assessments on environmental, social and corporate governance issues associated with company operations according to the principle of	✓		1.Environmental protection: The company is committed to environmental restoration and energy conservation improvement in the factory area, and has formulated management strategies for “energy conservation and carbon reduction”, “greenhouse gas reduction”, and	Depending on the Company’s operating conditions and

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	
materiality, and formulate the relevant policies or strategies of risk management? (Note 2)			"reduction of water or other waste": (1) Promote various energy-saving and carbon-reducing measures: including implementing paper reuse, garbage classification, turning off lights when leaving a room, and building energy-saving facilities to reduce greenhouse gas emissions and the impact on the natural environment. (2) Greenhouse gas reduction measures: equipment is changed to high-efficiency and variable frequency regulation. (3) Water-saving and other waste reuse measures: continue to invest in reducing process water consumption and using rainwater recycling to effectively reuse water resources. 2. Social norms: The company's daily business follows legal regulations such as the Company Law and the Securities Exchange Act. All production activities and business behaviors require employees and suppliers to follow regulations. The company also promotes regulations in internal meetings or courses. 3. Corporate governance: The company has established a code of conduct for integrity management, a code of ethics, operating procedures for integrity management, and behavioral guidelines as the basis for daily ethical behavior and business compliance by the company's management and employees. By regulating internal controls,	No difference.

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
			authorization systems, functional division of labor, etc., it strengthens the company’s operational efficiency and effectiveness, protects asset security and compliance with laws and regulations, in order to implement the execution of corporate law.	
3. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristics of its businesses?	✓		(1) The Company conducts EHS (Environment Health and Safety) promotion and auditing to all major suppliers, and conducts implementation on the employees’ physical health examinations, occupational injury prevention, fire safety, environmental health, etc. Suppliers shall fully cooperate with requirements and improve to achieve the implementation of corporate social responsibility.	No difference.
(2) Is the Company committed to improving the efficiency in the use of resources, and the use of recycled materials with low environmental impact?	✓		(2)The Company has a recycling area, which regularly recycles re-usable resources, and has also set up wastewater and rainwater recycling for re-using.	No difference.
(3) Does the Company evaluate the current and future potential risks and opportunities brought by the climate change, and take measure to respond to the climate related issues?	✓		(3) The company pays great attention to issues related to climate change, so employees are asked to start from daily works. For example, double-sided printing is adopted for document printing, and a recycling box is set next to the photocopier for reuse of recycled paper. The company uses electronic invoices and implements an online approval system to reduce paper waste. Install power-saving devices in the new plant area, strengthen the	No difference.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Impiementation Status(Note1)</th><th rowspan="2">Deviations 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>Description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>maintenance of the air-conditioning system, and install a solar power generation system on the roof. Employees are responding to the company’s policy to develop the good habit of turning off the lights and saving energy in order to slow down global warming.</td><td></td></tr>
<tr><td>(4) Does the company calculate the greenhouse gases (GHG) emission, water consumption and total weight of wastes for the past two years, and formulated the strategies for energy conservation, carbon reduction, GHG emission reduction, water saving and management of other wastes?</td><td>✓</td><td></td><td>(4) There are statistics on greenhouse gas emissions, water consumption, waste water and total waste weight every year. The company also formulates energy saving, carbon reduction, greenhouse gas reduction, and water consumption policies to achieve the goal of reducing emissions by 1% per year. The solar power generation system on the top floor of the plant was completed in 2019, in response to the green energy saving policy.
<table><tr><td colspan="2">Our Daqing plant and Dawei plant</td><td>2022</td><td>2023</td></tr><tr><td colspan="2">Total water consumption (kilowatt hour)</td><td>28,890</td><td>25,985</td></tr><tr><td rowspan="2">Greenhouse Gas (Note)</td><td>Type 1: Common services (direct emissions)</td><td>210.6398 (tons) CO2 e</td><td>294.4033 (tons) CO2 e</td></tr><tr><td>Type 2: Electricity (indirect emissions) (kg CO2 e/kWh)</td><td>6,088.8462(tons)CO2 e</td><td>5,895.5566 (tons) CO2 e</td></tr></table></td><td>No difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Impiementation Status(Note1)</th><th rowspan="2">Deviations 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>Description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>Type 3:Other (indirect emissions) (kg CO2 e/kWh)</td><td>1651.9016 (tons) CO2 e</td><td>1510.2712 (tons) CO2 e</td></tr>
<tr><td colspan="2">Waste (tons) - Non-hazardous waste</td><td>4.8</td><td>4.74</td></tr>
<tr><td colspan="2">Waste (tons) - Hazardous waste</td><td>57.924</td><td>29.624</td></tr>
<tr><td colspan="2">Wastewater (tons)</td><td>5,345</td><td>4,661</td></tr>
<tr><td colspan="4">Note: The data for 2022 years was checked by the company itself and has not been verified by a third-party impartial unit.The data for 2023 years has been verified by a third-party impartial unit (TUV).</td></tr>
</table></td><td></td></tr>
<tr><td>4. Social issues
(1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>✓</td><td></td><td>(1) The Company’s implementation of human rights protection policies is as follows:
The Company complies with local applicable laws and international standards.
The Company and its subsidiaries abide by the relevant local laws and regulations of each operating site, support and respect relevant international labor human rights norms, including the ILO Tripartite Declaration of Principles and the United Nations Global Compact.</td><td>No difference</td></tr>
</table>

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	

Human Rights Management Policy	Specific Solutions
Provide a safe and healthy work environment to help employees maintain physical and mental health and work-life balance	➢Quality staff restaurant, balanced diet and good food. ➢We promote the "Sunshine Workplace Program" to enable our management staff to create a good working atmosphere while pursuing organizational goals, so that all colleagues can work happily. ➢Regular employee health checkups, from caring about the results to developing actions. ➢Monthly on-site doctor visits to provide the most professional health consultation.
Prohibit forced labor and comply with local government	Implement a leave system to encourage colleagues to focus on work-life balance.

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	
			labor laws In 2023, we implemented human rights protection-related training for employees, with a total of 5,504 hours and 742 employees (2,200 attendances) completing the training, accounting for 75% of the total number of employees. In the future, the Company will continue to pay attention to human rights protection issues and promote related education and training to raise awareness of human rights protection and reduce the possibility of related risks.	

Course Name	Total Attend ance	Total Training Hours
【Newcomer Training】Newcomer Education and Training	123	861
【Occupational safety and health】Occupational safety and health education and training (including on-the-job training and retraining for operation supervisors)	1,173	3,758
【Occupational Safety and Health】	717	398

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfares), and reflect the operating performance or achievement in the compensation of the employees properly?	✓		(2)Employee benefit measures and remuneration policies are implemented in accordance with the Company's "Work Rules", "Payroll Cycle - Benefit Operations", "Payroll Cycle - Evaluation Operations" and "Performance Evaluation Management Regulations", The Company implements performance management through a performance evaluation system that does not differ by gender or age. Through performance management operations, the Company hopes to	No difference

(Nested table in the Description cell of the empty row above:)

Safety Education and Training on Workplace Injury Prevention		
【Occupational Safety and Health】 First responder and occupational nursing related education and training	15	123
【Corporate Governance】 The Three Rules of Honest Management, Corporate Governance and Corporate Social Responsibility and Practical Cases	20	60
【Information Security】 Information Security Promotion	152	304
Total	2,200	5,504

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
			integrate the Company's overall operational objectives with the individual work goals of employees, which will serve as the basis for annual performance evaluation and feedback, as well as subsequent employee training and development. In addition, the Company's Articles of Incorporation stipulate that employees of the Company and its subsidiaries shall be compensated at a rate of not less than 1.5% of the Company's profit for the year.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(a). In order to prevent the occurrence of occupational disasters, the Company spares no effort to improve the working environment to ensure the safety of employees (including all partners). Moreover, it has passed ISO 45001 occupational health and safety management system certification to provide a safe Working environment for the employees. (b). The Company provides employees with safety and health work relevant items as follows: 1. Regularly conduct employee health checks every year. 2. Schedule safety and health education and training courses every year. 3. Carry out inspections in the operating environment every six months. 4. Build diverse communication channels for employee suggestions	No difference

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
			and complaints. 5. Formulate “Appeal and Punishment Measures for Prevention and Control Measures of Sexual Harassment in the Workplace”, provide complaint channels and keep the working environment in order 6. Purchase accident and medical insurance for employees. 7. Formulate precautions for emergency response countermeasures, hold fire drills and lectures every six months, and regularly hold safety maintenance meetings. 8. There was no fire incident in 2023	
(4) Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees?	✓		(4) The company’s talent cultivation strategy takes “function-oriented performance training”, “class-specific training system” and “function-specific training academy” as the main projects, training and developing value chain management processes, inputting and connecting organizations as the strategic goal, and find out the functional gap and performance gap of human resources. Through systematic training course design, strengthen and upgrade staff’s job functions to achieve organizational, departmental and personal performance.	No difference
(5) Does the Company follow regulations and international standards in the customer health,	✓		(5) The company has set up a 0800 free customer service line. Services include customer appeals, dispute resolution and after-customer	No difference

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	
safety, customer privacy, marketing and labeling of its products and services, and set polices and appeal procedures for protection of consumer's rights and interests?			service mechanisms. For customer data, confidential file management is adopted in accordance with the Personal Data Protection Law, and non-related business personnel are not allowed to access it.	
(6) Does the Company formulate the supplier management policies and require suppliers to follow relevant norms on environmental protection, occupational safety and health, or labor's human rights, and disclose the implementation?	✓		6) The Company established the "Regulations on Safe Supply Chain Management", "Supplier Management Procedures", and "Supplier Code of Conduct and the Letter of Commitment" to require suppliers to adhere to relevant standards on issues such as environmental protection, occupational safety and health, and labor rights. 1. Method of supplier evaluation by the Company Bionime values cooperation and growth with suppliers, with sustainable procurement as its foundation, encompassing quality performance and implementation, technical process capabilities, operational management, local supply chain priority, and sustainability. We control the benchmarks and processes for selecting suppliers, and conduct risk assessments, performance evaluations, and audit counseling, implementing sustainability requirements into the daily management of the supply chain. (1) Supplier screening mechanism ➢Based on the supplier's operating conditions, level of compliance,	No difference

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	
			product capabilities, quality, and environment, it is ensured that each item meets Bionime's standards, and procurements will undergo preliminary selection and other risk assessments. ➢Once the standards are met and the materials used are specified by Bionime, on-site factory inspection and evaluation will be conducted jointly by the Department of Quality Control and the Research and Development Unit. (2) Suppliers who obtain an additional environmental management system/occupational health and safety management system/hazardous materials management system or other sustainable environment management system can have additional points on the evaluation form. (3) Supplier Code of Conduct Suppliers are required to agree to and sign the "Supplier Code of Conduct and the Letter of Commitment". In 2023, 100% of Bionime's s current transaction suppliers have completed signing. 2. Method of supplier audit by the Company (1) Supplier performance assessment	

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
			Supplier performance assessments are conducted monthly based on indicators such as the number of qualified batches of incoming materials, on-time rate, abnormal response rate, and degree of cooperation. Those with a grade of C or below need to be counseled and develop improvement plans. (2)Supplier audit/counseling ➢After the purchase of materials from the supplier, if substantial quality abnormalities are found during incoming inspection or when the production line starts operation, in addition to informing the supplier immediately to correct the defect and develop correction and prevention measures, audits and quality counseling at the supplier are required when necessary. ➢Regular audit schedules are arranged annually to conduct factory inspections and on-site assessments following the listed items. If a supplier regularly gets a score below the requirements, a fault report is issued, and the supplier is required to reply according to its improvement status and correctional measures within one month. ➢Arrange on-site inspections and audit of AEO safety supply chain assessments at the suppliers annually. ➢Arrange on-site inspections of safety and health assessments at	

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	
			the suppliers annually. ➢According to the monthly quality report, the top three suppliers with the most quality abnormalities will be scheduled for meetings and quality counseling.	
5. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its corporate social responsibility report to disclose non-financial information of the Company? Does the Company obtain a third-party verification or assurance for such reports?		✓	The Company hasn't prepared a ESG report. It is expected to complete the compilation of the 2024 sustainability report in 2025.	It is expected to complete the compilation of the 2024 sustainability report in 2025.
6. If the company has its own sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the difference between its operation and the principles		✓	The Company does not have its own sustainable development principles.	Depending on the corporate governance needs in the future.
7. Other important information to help understand the operation of corporate social responsibility: (1).Bromine is committed to promoting people's quality and healthy living, as well as to research and development of home health medical equipment that is trusted by everyone. Therefore, professional-grade medical equipment is equipped with a user-friendly operating interface, so that high- medical meters have a simple operating interface, and people can easily check their own health at home.IN addition, due to changes in people's diet and living				

Evaluation item	Impiementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description (Note 2)	

styles in recent years, the age group of people who have high blood pressure, high blood sugar, and high cholesterol have tendency to decrease year by year. In order to implement the business philosophy of improving people’s quality and healthy life, we cooperate with the health education department of major hospitals and distributors to educate the public to understand the relevant diseases and their correct health care concepts, so people have a better understanding of better health care for themselves and their families.

(2). In order to support local education to utilize students' knowledge, accumulate practical experience in the workplace, and enhance their competitiveness in the workplace, the Company actively cooperates with local senior secondary schools and colleges and universities to arrange for students to receive practical training in the workplace during their school years, so that their learning can be put to use. Through the K-12 Education Administration, MOE's "Industry-Academia Partnership Program", the National Chin-Yi University of Technology and The National Erh-lin Industrial and Commercial Vocational High School Education collaborated in 2023. National Chin-Yi University of Technology and National Chung Cheng University also provides summer internship opportunities for students, combining practical industrial experience and academic research resources to help professional and internship students experience the workplace early and give full play to their strengths, creating a win-win-win situation for enterprises, schools and students.

The following table summarizes the status of industry-academic cooperation for the year 2023：

Type	Academic Institution	Number of People	Period
Industry-Academic Cooperation	National Chin-Yi University of Technology	3	Sep.1, 2023-June 30,2027
Corporate Internship	National Chin-Yi University of Technology	1	Aug.14,2023-Jan.30,2023
Corporate Internship	National Chung Cheng University	1	July 10, 2023-Aug 18, 2023
Building Education	National Erh-lin Industrial and	1	May 15, 2023-June 23, 2023

Evaluation item	Impiementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description (Note 2)	

Cooperation	Commercial Vocational High School		

(3)Succession planning and operation of board members and key management personnel:(1)Regarding the succession planning of the Board of Directors, the Company plans to train senior managers to join the Board of Directors to familiarize them with the operation of the Board of Directors and the business of each unit of the Group, and to deepen their industrial experience through job rotation.(2)In addition to excellent professional and leadership skills, the successor of our key management should have values that are in line with our corporate culture, and should have sharp observation skills, good organizational skills, the ability to identify problems, and the ability to solve them. The cultivation of key management personnel covers management function strengthening, duty rotation and project experience, and systematically cultivates management personnel with timely and precise wisdom in decision-making and problem-solving abilities. In addition to cultivating management with growth-oriented values internally, we also recruit outstanding managers externally to strengthen the breadth and depth of the company's succession talent pool.

(4)Workplace Diversity Policy: Our company has a "Safety and Health Management Manual" and a "Workplace Sexual Harassment Prevention and Control Measures for Complaints and Discipline" document that are posted on bulletin boards and our internal website. We have a health room, a gym and a breastfeeding room in our factory and employ occupational safety personnel and workplace nurses to provide a dignified and safe workplace environment for our employees. We offer and provide disadvantaged positions, such as physically and mentally challenged, aboriginal, and secondary employment, to ensure employment diversity, fairness in remuneration and advancement opportunities, and that employees are not discriminated against, harassed, or treated unequally on the basis of race, gender, religion, age, political affiliation, or any other status protected by applicable laws and regulations.

Indicators	Percentage(%)	2026 Target (%)
Female as a percentage of total employees (%)	63.4	60
Female as a percentage of all supervisors (%)	29.2	34
Female as higher executives (%)	29.6	34

(5). New investments in energy-saving or green-energy related, eco-friendly and sustainable machinery and equipment in the most recent year:
(a).In 2021, the air compressors were changed from air-cooling to water-cooling - with an investment amount of NT$ 8,085,000 and can reduce electricity usage by 59.36 kWh/hour. (b).In 2022, the lamps were changed from traditional to LED - with an investment amount is NT$456,080, and can reduce electricity usage by 21.28 kwh/hour. (c).In 2023, the air compressors were changed from air-cooling to water-cooling - with an investment amount of NT$ 1,617,000 and can reduce electricity usage by 37 kWh/hour.

Note1: If “Yes” is selected under the Implementation Status, it shall explain the important policies, strategies, measures and implementations. If “No” is selected under the Implementation Status, it shall explain the reason and detail the plan to carry out the policies, strategies and measures in the future.

Note2: The Company has compiled a corporate social responsibility report, and the Description indicates the method of reviewing the CSR report and the replacement of index page.

Note3: The materiality principle refers to those related to environmental, social and corporate governance issues that have significant influence on the Company's investors and other interested parties.

(6) Climate-related information for TWSE/TPEx Listed Companies

Implementation Status for the climate-relatedinformation

Item	Execution Status
1. Describe the board and management'soversight and governance of climate related risks and opportunities. ◦	(1). In pursuant to the regulations of the Taiwan Stock Exchange, starting from May 2022, the greenhouse gas inventory and verification schedule will be submitted quarterly to the Board of Directors for control and management. (2). A sustainable development team will be established in Q2 of 2024, with the general manager as the convener and department-level supervisors as members. The committee is responsible for executing duties related to environmental sustainability, social responsibility, and corporate governance. Regular quarterly reports on the progress of implementing sustainable development and future work plans are submitted to the Board of Directors. The Board keeps supervising the implementation of different items in sustainable management and evaluates the operations by the report from the managing team.
2. Des cribe how the identified climate risks and opportuni ties affect the company's business, strategy and finance (short term, medium term, long term).	Under drafting, and It is planned to be disclosed in the 2024 sustainability report
3. Describe the financial impact of extreme climate events and transition ac tions.	Under drafting, and It is planned to be disclosed in the 2024 sustainability report
4. Describe how climate risk identification ,assessment, and management proces ses are integrated into an overall risk management system.	Under drafting, and It is planned to be disclosed in the 2024 sustainability report
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, para meters, assumptions, analysis factors and main financial impacts used should be explained.	Currently,there is no scenario analysis and asse ssment of resilience to climate change risks.
6. If there is a transformation plan to manage clima te rela ted risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformati on risks.	Currently, there is no transformation plan in place to manage climate related risks.

7. If internal carbonpricing is used as a planning tool, the basis for setting the price should be stated.	Currently, there is no plan for using carbon pricing tools.
8. If climate r elated go als are set, information such as the activities cove red, greenhouse gas emission scope, planning schedule,annual achievement progress, etc. should be explained I f carbon offsets or renewable energy certificates (RECs) are used toachieve relevan t goals, should e xplain theso urce and quantity of carbon red uction credits or the quantity of r enewable energy certificates (RECs) being redeemed.	Currently, there are no climate-related goals and plans set.
9. Greenhouse gas inventory and assurance ,and re duction g oals, strategies and specific action plans.(Also fill in the following 1-1 1-2)	The parent company passed the external verification for ISO 14064-1, with the base year being 2023, on May 8, 2024. The projected schedule plan is as fo llows: A.The subsidiary company completed the greenhouse gas inventory in third quarter 2027. B.The subsidiary company completed the external verificat ion in third quarter 2029.

1-1 Recent Two-year GHG Inventory and Assurance Effors

1-1-1Green house Gas Inventory

Specify the emissions(metric tons CO_2e)、intensity(metric tonsCO_2e/NT$million)and datacoverage for the greenhouse gases in the past two years.
The total carbon emissions for 2022 were 6,449 metric tons of CO_2 equivalent (tCO_2e). The total carbon emissions for 2023 were 7,700.231 metric tons of CO_2 equivalent (tCO_2e).

1-1-2 Greenhouse Gas Assurance Efforts

Explanation of the assured situation for the two most recent fiscal years as of the printing date of the annual report,including the scope of assurance,assurance institutions,assurance criteria and assurance opinions.
The company passed the external verification for ISO 14064-1, with the base year being 2023, on May 8, 2024,The relevant information is as follows: Certificate Holder： BIONIME CORPORATION No.100, Sec. 2, Daqing St., South Dist., Taichung City 40242, Taiwan Validation & Verification Site： Including the sites according to annex Validation & Verification Body： TÜV Rheinland Taiwan Ltd. Validation & Verification ISO 14064-3:2019

Standard：	
Base year：	- 2023 (2023.01.01~2023.12.31)
Validation & Verification year：	- 2023 (2023.01.01~2023.12.31)
Programme：	- Voluntary GHG scheme
Level of Assurance：	- Reasonable
Consolidation methodology：	- Operational Control
Materiality：	- 5%
Type of Greenhouse Gases：	- CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3
Validation & Verification Scope：	Based on the information we have received and evaluated that: - Global warming potential (GWP): IPCC 2021, AR6 - The total carbon emission is 7,700.231 tonnes CO_2 equivalent (tCO_2e) - Category 1 Direct emission is 294.4033 tCO_2e - Category 2 Indirect Imported energy emission is 5,895.5566 tCO_2e - Category 3 Indirect Transportation emission is 336.8650 tCO_2e - Category 4 Indirect Products used by organization emission is 1,173.4062 tCO_2e - Category 5 Indirect Associated with the use of products from the organization emission is not quantified - Category 6 Indirect Other sources emission is not quantified - Data and information - Historical in nature: Category 1 / 2 - Historical in nature with scenario models: Category 3 / 4
Validity：	This certificate only reviewed the emissions data of inventory year, this certificate is not for the management systems certification.

1-2 Greenhous Gas Assurance Effors

Explanation of the assured situation for the two most recent fiscal years as of the printing date of the annual report,including the scope of assurance,assurance institutions,assurance criteria,and assurance opinions.
No relevant reduction plan has been drafted yet.

(7) Implementation of Integrity Management

Based on the concept of co-prosperity, the Company maintains friendly interaction and cooperation with suppliers and related stakeholders, and provides a good and effective communication channel and information transmission to establish long-term partnership and economic operation mode as the development direction.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
1. Setting business integrity policies and programs (1) Does the Company have its regulations and publicly available documents addressing its corporate ethics principles and programs, and the commitment regarding implementation of such programs from the Board of Directors and the management team?	V		(1) The Company has established the Code of Ethical Conduct approved by the board of directors. All directors, managers and all employees should be responsible for the compliance.	No difference.
(2) Does the company establish appropriate preventive measures for the business activities prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" or any other such activities associated with high risk of unethical conduct?	V		(2) The Company has established the Code of Ethical Conduct, Employee Code of Practice, and work rules, which clearly state that employees must not engage illegal interests with their job titles, and accept hospitality, gifts, rebates, embezzlement of public funds, or other illegal interests. It is expected to prevent unethical misconduct that may affect business or trade relations.	
（3）Does the Company formulate the operation procedures, guidelines, disciplinary and appeal system	V		(3) The Company has established the Code of Ethical Conduct, and Employee Code of Practice,	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
against unethical conduct? Does the Company implement and regularly review to revise them?			which clearly stipulate terms and guidelines regarding conflicts of interest, customer information confidentiality, business gifts, fair trading and competition. Through trainings and initiatives, the directors, managers and employees can truly understand and follow this concept. Any behavior against ethics and integrity, regardless of position levels, will be punished in accordance with the Work Rules. It also provides complaint channels for employees, so as to handle employees' opinions towards unfair and unreasonable treatment.	
2. Implementation of integrity management (1) Does the Company asses the integrity record of its business partner, and stipulate the terms of conduct on integrity in the contract with the business partner?	V		(1) The Company conducts business activities in a fair and transparent manner, and stipulates that employees are responsible for protecting the Company's intellectual property and not disclosing any information that should not be disclosed or having connection with any dishonest manufacturers or customers. In case of any abnormal condition, it should be reported any time. Moreover, the terms of business integrity are included in the contract.	No difference.
(2) Has the Company set up a dedicated (or concurrent) corporate integrity promotion unit under the board of directors which regularly	V		(2) In compliance with Company Law, Stock	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
reports to the board on its work?			Exchange, Commercial Accounting Law, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Officer Conflict of Interest Avoidance Act, other relevant laws and regulations. As well as relevant internal regulation such as auditing and internal control, and considers the "Code of Integrity Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" as the basis for implementing integrity management.	
(3) Has the Company formulated policies to prevent conflicts of interest, provided appropriate channels for statements and implemented them?	V		(3) The Company stipulates provisions to prevent conflicts of interest in the Code of Ethical Conduct, Management Regulations for Employees 'Code of Practice, labor contracts, and work rules, so as to provide employees with complete guidelines. It has an internal mailbox for suggestions and an external reporting mailbox to provide a smooth reporting and expressing channel.	
(4) Has the Company established an effective accounting system and internal control system for the implementation of integrity	V		(4) The Company has established an accounting system and internal control system to ensure the validity of the financial reporting process and	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
management, which is checked by the internal auditing unit on a regular basis or audited by external auditors?			internal control. The internal audit unit prepares the audit plan based on the risk assessment results, regularly performs audit operations, and performs audits randomly upon demand. The audit results are also reported to the Board.	
(5) Does the Company hold regular internal and external training on business integrity?	V		(5)It explains the Company's relevant regulations for the new recruits and request them to labor contracts. It also holds various internal meetings, conducts advocacy in various forms, and arranges trainings for new recruits at the first day when they come to work. Moreover, it organizes related internal educations and trainings (including courses on integrity management, regulatory compliance, intellectual property rights, business secrets, etc.) to illustrate the importance of integrity management. a).In 2023, we prepared education and training sessions for every newcomer to explain the code of conduct and work rules for employees for 1 hour each time, with a total of 346 participants. b).In 2023, we prepared education and training sessions for every newcomer to introduce	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations 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>Description</th></tr>
<tr><td></td><td></td><td></td><td>"Intellectual Property Rights", which was conducted for 0.5 hours each time, with a total of 123 participants.
c).In 2023, we prepared education and training sessions for "Information Security and Business Secrets", which was held for colleagues in various departments, for 2 hours each time, with a total of 275 participants.
d).In 2023, we prepared education and training sessions for "Prevention of Insider Trading and Integrity Management", which was held for directors, supervisors, and managers, for 1 hour each time, with 10 participants.</td><td></td></tr>
<tr><td>3. Operation of the Company Reporting System
(1)Has the Company set up specific reporting and reward systems and a convenient reporting channel, and does the Company assign appropriate personnel to investigate the person being reported?
(2)Has the Company established standard operating procedures for investigating complaints, and the subsequent measures taken after the investigation and ensuring that such complaints are handled in a confidential manner?</td><td>V

V

V</td><td></td><td>(1) The opinions of employees can be reflected through multiple channels including management and human resources units, and shall be properly handled and communicated smoothly.
(2) The Company has a whistleblowing system and protects its employees from revenge by reporting their violations.
(3) The Company handles the reporting cases in a confidential manner to protect the whistleblower's identity. If the whistleblower is</td><td>No difference.</td></tr>
</table>

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
(3) Does the Company take measures to protect the reporter from improper treatment?			an employee, the Company guarantees that he will not be subject to improper treatment due to the reporting.	
4. Strengthening of Information Disclosure (1) Does the Company disclose the contents of its Code of Practice for Business Integrity and the effectiveness on its website and MOPS?	V		The Company's performances of integrity management and adoption measures are disclosed on its website and annual reports.	No difference.
5. If the Company has its own Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", lease describe the difference between them: The Company has not set up Corporate Governance Best Practice Principles but complies with the Company Law, Stock Exchange, Commercial Accounting Law, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Officer Conflict of Interest Avoidance Act, other relevant laws and regulations and relevant internal regulation such as auditing and internal control, and considers the "Code of Integrity Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" as the basis for implementing integrity management.				
6. Other important information that will help to understand the operation of the Company's integrity (eg. the Company reviews and amends its established code of conduct, etc.): the Company keeps an close eye on the developments of relevant norms of integrity management at home and abroad in order to review and improve the Company's integrity management policy to enhance the effectiveness.				

Note 1: Regardless of whether "Yes" or "No" is checked, it shall be specified in the Description field.

(8) If the Company has adored corporate governance best-practice principles or related bylaws, disclose how there are to be searched:

Such rules can be referred to the Company's website, under the Investors/Corporate Governance page.

(9) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed: None.

(10) Implementation of the internal control system:

i. Statement of Internal Control System (refer to p.78)

ii. If the CPA was engaged to conduct a Special Audit of Internal Control System, provide its audit report: None.

(11) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

(12) Important resolutions of the shareholders' meeting and the board meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Date / Meeting	Important Resolutions
June 30,2023 General Shareholders Meeting	● Recognition of the 2023 Annual Report of Operations and Financial Statements Implementation status: The resolution was passed and the execution was completed in accordance with the resolution of the shareholders' meeting. ● Recognition of 2023 earnings distribution Implementation status: The base date of distribution is set at Jul 30, 2023 and the dividend payment date is set at Aug 18, 2023. ● Approved amendments to certain provisions of the Articles of Incorporation Implementation status: The shareholders' meeting approved the

Date / Meeting	Important Resolutions
	amendment of the Company's business project and obtained the approval letter from the Investment Commission on June 17, 2023 and the approval letter from the Ministry of Economic Affairs on Jul 11, 2023 for the change of registration. ● Approved the By-election for one independent director Implementation status: The By-election was completed, and on July 16, 2023, a letter of approval was obtained from the Ministry of Economic Affairs .
Jan.12,2023 Board of Directors' Meeting	●Approved the 2023 annual operating plan ●Approved the details of the 2022 year-end bonus payment for the managers ●Approved the "2023 Regulations for the Issuance of Employee Stock Options and Stock Options" of the Company ●Approved the change of CPA in line with KPMG in Taiwan business restructuring ●Approved the Company's regular evaluation of the independence and suitability of CPAs ●Approved amendments to certain provisions of the Company's Articles of Incorporation ●Approved amendments to certain provisions of the Company's "Procedures for Application for Suspension and Resumption of Trading ●Approved the amendment of the "Board of Directors' Performance Evaluation Method" of the Company ●Approved the amendment of the Company's "Remuneration Committee Organizational Rules". ●Approved the amendments to the Company's internal control system ●Approved the bank financing application
March 14,2023 Board of Directors' Meeting	●Approved the remuneration for employees and directors and supervisors of the Company for the year 2022. ●Approved the Company's 2022 Annual Report of Operations and Financial Statements ●Approved the 2022 Annual Earnings Distribution ●Approved the cash distribution through the processing of capital surplus ●Approved the addition (replacement) of 1 member to the tenth independent directors ●Approved the amendment to the Company's Internal Control Management Method ●Approved the convening of the 2023 Annual General Meeting of Shareholders of the Company ●Approved the announcement of the nomination of independent directors for the 2023 Annual General Meeting of Shareholders ●Approved to accept matters related to shareholders' rights of proposal for the 2023 Annual General Meeting of the Company

Date / Meeting	Important Resolutions
	●Approved the exercise of purchasing new shares through employee stock certificates and setting of capital increase base date ●Approved the results of the evaluation of the performance of the members of the Board of Directors and the Board of Directors of the Company for the 2022 ●Approved the "2022 Statement of Internal Control" of the Company ●Approved the general principles for establishing the Company's pre-approved non-confirmation service policy ●Approved the bank financing application
May 10,2023 Board of Directors' Meeting	●Approved the Company's audited financial statements for the first quarter of 2023 ●Approved the establishment of a corporate governance officer in accordance with the Act ●Approved the review of the list of candidates for independent director of the Company ●Approved the exercise of purchasing new shares through employee stock certificates and setting of capital increase base date ●Approved the amendment to the Company's Statement of Earnings Distribution for 2022 ●Approved the amendment of the capital surplus for cash distribution ●Approved the amendment to the Company's "2023 Employee Stock Option Issuance and Stock Option Regulations" ●Approved the bank financing application
August 9,2023 Board of Directors' Meeting	●Approved the Company's audited financial statements for the second quarter of 2023 ●Approved the details of employee remuneration manager's payment for 2022 ●Approved the details of directors' and supervisors' remuneration for the year 2022 ●Approved the bank financing application ● Approved the proposal of appointing the new independent director of the Company as a member of the 5th remuneration committee. ●Approved the amendments to the Company's internal control system
Nov. 9,2023 Board of Directors' Meeting	●Approved the Company's audited financial statements for the third quarter of 2023 ●Approved the audit plan for 2024 ●Approved the exercise of purchasing new shares through employee stock certificates and setting of capital increase base date ●Approved the bank financing application
Jan.23,2024 Board of Directors' Meeting	●Approved the 2024 annual operating plan ●Approval of Capital Expenditure for CGM (Continuous Glucose Monitoring System) by the Board of Directors ● Approved the regular evaluation of the Company's independence and suitability of the CPA

Date ／ Meeting	Important Resolutions
	●Approved the proposal of reviewing the public expenses of CPA in 2024. ●Approved the exercise of purchasing new shares through employee stock certificates and setting of capital increase base date ●Approved the proposal on the change of managers of the Company ●Approved the proposal on the regular review of manager remuneration (including new managers), managers' year-end bonus in 2023, and the bonus for the launch of CGM in 2024. ●Approved the bank financing application
March.14,2024 Board of Directors' Meeting	●Approved the Company's 2023 Annual Report of Operations and Financial Statements ●Approved the 2023 Annual Earnings Distribution ●Approved the cash distribution through the processing of capital surplus ●Approved the amendment to the Company's Internal Control Management Method ●Approved the convening of the 2024 Annual General Meeting of Shareholders of the Company ●Approved to accept matters related to shareholders' rights of proposal for the 2023 Annual General Meeting of the Company ●Approved the results of the evaluation of the performance of the members of the Board of Directors and the Board of Directors of the Company for the 2023 ●Approved the "2023 Statement of Internal Control" of the Company ●Approved the bank financing application
May.9,2024 Board of Directors' Meeting	●Approved the Company's audited financial statements for the first quarter of 2024 ●Approved the exercise of purchasing new shares through employee stock certificates and setting of capital increase base date

(13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a resolution approved by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairman, general manager, principal accounting officer,

principal financial officer, chief internal auditor, and principal research and development officer:

March 30, 2024

Title	Name	On board Date	Dismissal date	Reason for resignation or dismissal
Financial Officer& Corporate Governance Officer	Chen, Hui-zhen	2017.11.6	2024.02.08	Resignation due to personal career planning

Bionime Corporation
Statement of Internal Control System

Date: March 14, 2024

The internal control system from January 1 to December 31, 2023, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reason assurance of accomplishing its three state objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluate the design and operating effectiveness of its internal control system Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evolution, the Company believes that, on December 31, 2021, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's annual report for the year 2023 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
7. This statement was approved by the board of directors in the meetings held on March 14, 2024, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

BIONIME Corporation
Chairman: Huang,Chun-Mu
General Manager: Huang,Chun-Mu

5. Information on CPA Profession Fees

Information on CPA Profession Fees

Unit: NT$ thousand

Accounting Firm	CPA Name	Audit period	audit fee	Non-audit fee	Total	Remarks
KPMG	Chen,Yen- Hui Kuo,Shyh-Huar	2023.01.01 ~2023.12.31	3,000	790	3,790	TP Report NT$340 thousand, Tax Certification NT$250 thousand, Business Registration NT$100 thousand Issuance of audit report on employee stock options NT$ 100 thousand

Please specify the content of non-audit public services: (such as tax visa, assurance or other financial advisory services)

Note: If there is any change of accountants or accounting firm this year, please list the audit period separately, explain the reason of the change in the remarks column, and disclose the audit and non-audit fees paid in sequence. The non-audit fees should be noted and should explain its service content.

(1) If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons: None.

(2) If the audit fee is reduced more than 15% compared with the previous year the reduction in the amount of audit fees, the proportions, and reason (s) there for shall be disclosed: There is no reduction in the audit fees.

6. Change of Accountants:None

7.The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Auditing CPA Firm or its Affiliated Businesses in the Past Year, Name, Title as well as Serving Period of the Accounting Firm or its Affiliate shall be Disclosed: None.

8. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, Managerial Officer; or Shareholder with a Stake of More than 10 Percent during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report:

(1) Changes of directors, supervisors, managers or shareholders holding greater than a 10 percent stake in the Company

Title	Name	2023		Current year to April. 30	
		Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease	Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease
Chairman as well as CEO	Huang,Chun-Mu	0	0	36,200	0
Director	Hua Eng Wire & Cable Co., Lt Representative: Liou,Xiu-Mei	0	0	0	0
Shareholders holding more than 10% shares	Hua Eng Wire & Cable Co., Lt	(471,000)	0	(10,000)	0
Director concurrently holding more than 10% shares	Tonghua Dongbao Pharmaceutical Co., Ltd.	0	0	0	0
Director	Tonghua Dongbao Pharmaceutical Co., Ltd Representative: Leng, Chun-Sheng				
Director	Tonghua Dongbao Pharmaceutical Co., Ltd. Representative :Zhang,Wen-Hai				
Director	Yanben Investment Co., Ltd.	0	0	0	0
Representative	Liou,Ke-Chen	0	0	0	0
Independent director	Zeng,Hui-Jin	0	0	0	0
Independent director	Liu,Mei-An	0	0	0	0
Independent director	Chen,Rui-Xin	0	0	0	0
Independent director	Lai,Chun-Ling (on board date:2023/6/30)	0	0	0	0
Deputy General Managers	Chen Bi-Hsuan	0	0	0	0
Deputy General Managers	Chen Chieh-Shing	0	0	0	0
Deputy General Managers	Yeh Zhi-Long	(2,000)	0	(6,000)	0

Associate Manager	Li Chia-Ming	0	0	0	0
Associate Manager	Li Ming-Tsan	0	0	0	0
Corporate Governance Officer	Tang,Wei (on board date:2024/2/8)	0	0	0	0
Financial Officer	Huang,Chien-Yu (on board date:2024/2/8)	0	0	0	0
Accounting Officer	Chen,Ya-wen	2,000	0	0	0
Director	Baijue Investment Co., Ltd. (Date dismissal :2022/4/30)	0	0	0	0
Representative	Tai,Tsung-Kai (Dismissed on 2022/4/30	(30,000)	0	0	0
Associate Manager &Finance Manager	Chen,Hui-Zhen (Dismissed on 2023/2/8)	0	0	8,400	0

Note 1: Shareholders with more than 10% of the Company's shares shall be listed as major shareholders, and shall be listed separately.

Note 2: If the counterparties of equity transfer are related parties, please specify in below.

(2) Information on equity transfer:

Name	Reasons for pledge changes	Date	Counterparty	Counterparty's relationship with company directors, supervisors, managers and shareholders who hold more than 10% of the shares	Share	Trading price
Tai,Tsung-Kai	Gifted	2023/1/9	Tai,Po-Hsiang	-	15,000	76.9
Tai,Tsung-Kai	Gifted	2023/1/9	Tai,Po-Yu	-	15,000	76.9

(3) Information on equity pledge:None.

9. Relationship Information, if among the Company's 10 Largest Shareholders any one is a Related Party or a Relative within the Second Degree of Kinship of another:

April 30 ,2024

Name	Shareholding		Spouse & Minor Children Current Shareholding		Current Shareholding in the Name of others		Relationships among the Top Ten Shareholders, anyone who is a Related Party, Spouse, or Second-Degree Kinship of another: Name and Relation		Remarks
	Share	%	Share	%	Share	%	Title (Name)	Relation	
Tonghua Dongbao Pharmaceutical Co., Ltd. Representative: Lee Jia-Hong	12,000,000	19.67%	-	-	-	-	-	-	-
Hua Eng Wire & Cable Co., Ltd Representative:Wang,Ho-Jen	7,004,900	11.48%	-	-	-	-	-	-	-
Huang,Chun-Mu	2,510,692	4.11%	1,120,380	1.84%	-	-	Shih,Chin-Hsiu Huang Shiu-Chin Shih,Tsui-o	Husband and wife Brother and sister The In- laws	-
Yen-Pen Investment Co.,Ltd. Representative：Chang,Mei-Ling	1,500,000	2.46%	-	-	-	-	-	-	-
Shih,Tsui-o	1,138,292	1.87%	-	-	-	-	Shih,Chin-Hsiu Huang,Chun-Mu	Sister and sister The In- laws	-
Tseng,chin-Cheng	1,130,000	1.85%	-	-	-	-	-	-	-
Shih,Chin-Hsiu	1,120,380	1.84%	-	-	-	-	Huang,Chun-Mu Shih,Chin-Hsiu Huang,Shiu-Chin	Husband and wife Sister and sister The In- laws	-
Huang Shiu-Chin	1,117,869	1.83%	2,510,692	4.11%	-	-	Huang,Chun-Mu Shih,Chin-Hsiu	Brother and sister The In- laws	-
Chaoyang Investment Co., Ltd. Representative:Wu,Chun-Hui	722,200	1.18%	-	-	-	-			-
Chiang,Tai-Hsiung	656,000	1.08%	-	-	-	-	-	-	-

Note 1: The top ten shareholders shall be listed, and the corporate shareholders shall list the names of the corporate shareholder and the name of the representative of the corporate shareholder separately.

Note 2: The shareholding ratio refers to the calculation of the shareholding ratio in the name of the shareholder, spouse, minor children or shareholding in the name of others.

Note 3: The shareholders listed in the previous disclosure, including corporate shareholders and natural persons, shall disclose the relationship between them.

10. The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors and Supervisors, Managers, and any Companies Controlled either Directly or Indirectly by the Company: None.

IV. Capital Overview

1. Capital and Shares

(1) Source of capital

Unit: NT$ thousand; 1000 shares

Year/ Month	Par Value	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets other than Cash	Others
2003/4	10	750	7,500	750	7,500	Capital at establishment 7,500	None	Note 1
2003/6	10	1,500	15,000	1,500	15,000	Capital increase 7,500 by cash	None	Note 2
2003/11	10	4,500	45,000	4,500	45,000	Capital increase 30,000 by cash	None	Note 3
2004/7	10	11,000	110,000	9,000	90,000	Capital increase 45,000 by cash	None	Note 4
2005/1	30	11,000	110,000	10,000	100,000	Capital increase 30,000 by cash	None	Note 5
2005/3	30	15,000	150,000	11,000	110,000	Capital increase 30,000 by cash	None	Note 6
2005/7	15	15,000	150,000	12,000	120,000	Capital increase 15,000 by cash	None	Note 7
2005/9	30	15,000	150,000	13,500	135,000	Capital increase 45,000 by cash	None	Note 8
2006/4	31.5	50,000	500,000	16,500	165,000	Capital increase 63,000 by cash	Capital increase 31,500 by creditor's right	Note 9
2006/4	31.5	50,000	500,000	18,500	185,000	Capital increase 63,000 by cash	None	Note 10
2007/4	31.5	50,000	500,000	21,500	215,000	Capital increase 94,500 by cash	None	Note 11
2007/10	10/15	50,000	500,000	21,935	219,350	Employee stock option certificates 5,069	None	Note 12
2008/5	39	50,000	500,000	26,189	261,898	Capital increase 17,548 by capital surplus Capital increase 97,500 by cash	None	Note 13
2008/8	10	50,000	500,000	26,345	263,447	Employee stock option certificates NT$1,549 thousand	None	Note 14
2008/9	15	50,000	500,000	26,556	265,563	Employee stock option certificates 3,174	None	Note 15
2008/12	64	50,000	500,000	27,884	278,844	Capital increase 85,000 by cash	None	Note 16
2009/8	10/11.9	50,000	500,000	35,236	352,356	Capital increase 71,641 by earnings	None	Note 17

Year/ Month	Par Value	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets other than Cash	Others
						Employee stock option certificates 2,226		
2010/1	14.4	50,000	500,000	36,236	362,356	Employee stock option certificates 14,400	None	Note 18
2010/12	95	50,000	500,000	39,952	399,516	Capital increase NT$353,020 thousand by cash	None	Note 19
2011/8	10	50,000	500,000	43,947	439,468	Capital increase NT$39,952 thousand by capital surplus	None	Note 20
2014/12	38	70,000	700,000	51,447	514,468	Capital increase NT$285,000 thousand by cash	None	Note 21
2015/12	95	70,000	700,000	63,447	634,468	Capital increase NT$1,140,000 thousand by private placement	None	Note 22
2017/8	10	70,000	700,000	59,447	594,468	Capital increase NT$40,000,000 by treasury stock	None	Note 23
2019.7	10	100,000	1,000,000	59,501	595,008	Employee stock option certificates NT$540,000	None	Note 24
2019.11	47.7	100,000	1,000,000	59,670	596,698	Employee stock option certificates NT$1,690,000	None	Note 25
2020.2	47.7	100,000	1,000,000	60,536	605,358	Employee stock option certificates NT$8,660,000	None	Note 26
2020.6	47.7 49.4	100,000	1,000,000	61,522	615,218	Employee stock option certificates NT$9,860,000	None	Note 27
2020.11	46.4 48	100,000	1,000,000	61,756	617,558	Employee stock option certificates NT$2,340,000	None	Note 28
2021.3	46.4 48	100,000	1,000,000	61,963	619,633	Employee stock option certificates NT$2,075,000	None	Note 29
2021.7	48	100,000	1,000,000	62,195	621,953	Employee stock option certificates NT$2,320,000	None	Note 30
2021.10	48	100,000	1,000,000	62,236	622,358	Employee stock option certificates NT$405,000	None	Note 31
2021.12	48 46.6	100,000	1,000,000	62,289	622,888	Employee stock option certificates NT$530,000	None	Note 32

Year/ Month	Par Value	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets other than Cash	Others
2022.05	46.6 56.7	100,000	1,000,000	60,580	605,810	Employee stock option certificates NT$2,922,000 Capital increase NT$20,000,000 by treasury stock	None	Note 33
2022.06	56.7	100,000	1,000,000	60,602	606,022	Employee stock option certificates 212,000	None	Note 34
2022.09	56.7	100,000	1,000,000	60,624	606,240	Employee stock option certificates 218,000	None	Note 35
2022.12	56.7 55.1	100,000	1,000,000	60,687	606,870	Employee stock option certificates 630,000	None	Note 36
2023.05	55.1	100,000	1,000,000	60,749	607,488	Employee stock option certificates 618,000	None	Note 37
2023.07	55.1	100,000	1,000,000	60,802	608,022	Employee stock option certificates 534,000	None	Note 38
2023.12	55.1 53.6	100,000	1,000,000	60,820	608,202	Employee stock option certificates 180,000	None	Note 39
2024.04	53.6	100,000	1,000,000	60,942	609,424	Employee stock option certificates 1,222,000	None	Note 40

Note 1: The capital increase was approved by Ministry of Economic Affairs on April 14, 2003 No. 09231929030.

Note 2: The capital increase was approved by Ministry of Economic Affairs on June 19, 2003 No. 09232227670.

Note 3: The capital increase was approved by Ministry of Economic Affairs on November 27, 2003 No. 09233029400.

Note 4: The capital increase was approved by Ministry of Economic Affairs on August 26, 2004 No. 09332627270.

Note 5: The capital increase was approved by Ministry of Economic Affairs on February 25, 2005 No. 09431721640.

Note 6: The capital increase was approved by Ministry of Economic Affairs on May 13, 2005 No. 09432106330.

Note 7: The capital increase was approved by Ministry of Economic Affairs on September 16, 2005 No. 09432834870.

Note 8: The capital increase was approved by Ministry of Economic Affairs on October 5, 2005 No. 09432935950.

Note 9: The capital increase was approved by Ministry of Economic Affairs on May 5, 2006 No. 09532127100.

Note 10: The capital increase was approved by Ministry of Economic Affairs on May 17, 2006 No. 09532182970.

Note 11: The capital increase was approved by Ministry of Economic Affairs on May 14, 2007 No. 09632110580.

Note 12: The capital increase was approved by Ministry of Economic Affairs on October 22, 2007 No. 09632934410.

Note 13: The capital increase was approved by Ministry of Economic Affairs on June 20, 2008 No. 09732462450.

Note 14: The capital increase was approved by Ministry of Economic Affairs on August 8, 2008 No. 09732815110.

Note 15: The capital increase was approved by Ministry of Economic Affairs on October 22, 2008 No. 09733293140.

Note 16: The capital increase was approved by Ministry of Economic Affairs on January 6, 2009 No. 09831508980.

Note 17: The capital increase was approved by Ministry of Economic Affairs on September 10, 2009 No. 09833037820.

Note 18: The capital increase was approved by Ministry of Economic Affairs on February 22, 2010 No. 09931699410.

Note 19: The capital increase was approved by Ministry of Economic Affairs on January 4, 2011 No. 10031506780.

Note 20: The capital increase was approved by Ministry of Economic Affairs on August 25, 2011 No. 10032427660.

Note 21: The capital increase was approved by Ministry of Economic Affairs on January 8, 2015 No. 10301266680.

Note 22: The capital increase was approved by Ministry of Economic Affairs on January 12, 2016 No. 10401278900.

Note 23: The capital increase was approved by Ministry of Economic Affairs on August 29, 2017 No. 10601121050.

Note 24: The capital increase was approved by Ministry of Economic Affairs on July 22, 2019 No. 10801090630.

Note 25: The capital increase was approved by Ministry of Economic Affairs on November 28, 2019 No. 108011721120.

Note 26: The capital increase was approved by Ministry of Economic Affairs on February 14, 2020 No. 10901014580.

Note 27: The capital increase was approved by Ministry of Economic Affairs on June 9, 2020 No. 10901095090.

Note 28: The capital increase was approved by Ministry of Economic Affairs on Nov. 17, 2020 No. 10901204940.

Note 29: The capital increase was approved by Ministry of Economic Affairs on March. 9, 2021 No. 11001036530.

Note 30: The capital increase was approved by Ministry of Economic Affairs on July. 14, 2021 No. 11001117870.

Note 31: The capital increase was approved by Ministry of Economic Affairs on October. 1, 2021 No. 11001170820.

Note 32: The capital increase was approved by Ministry of Economic Affairs on December. 30, 2021 No. 11001222170.

Note 33: The capital increase was approved by Ministry of Economic Affairs on May. 17, 2022 No. 11101083910.

Note 34: The capital increase was approved by Ministry of Economic Affairs on June. 13, 2022 No. 11101092240

Note 35: The capital increase was approved by Ministry of Economic Affairs on Nov. 14, 2022 No. 11101173000.

Note 36: The capital increase was approved by Ministry of Economic Affairs on December. 16, 2022 No. 11101236530

Note 37: The capital increase was approved by Ministry of Economic Affairs on May. 24, 2023 No. 11230084940

Note 38: The capital increase was approved by Ministry of Economic Affairs on July. 17, 2023 No. 11230136120

Note 39: The capital increase was approved by Ministry of Economic Affairs on December. 20, 2023 No. 11230234730

Note 40: The capital increase was approved by Ministry of Economic Affairs on March. 29, 2024 No. 11330039100

April 30,2024 Unit: thousand shares

Type of Stock	Approved Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common stock	61,015	38,985	100,000	

(2) Shareholder Structure

April 30,2024

Shareholder Structure	Government Agencies	Financial Institutions	Other Judicial Persons	Foreign Institutions and Foreign Persons	Domestic Natural Persons	Treasury Stock	Total
Number	0	2	128	30	9,844	0	10,004
Shareholding	0	179,000	11,060,047	13,496,743	36,278,804	0	61,014,594
%	0.00%	0.29%	18.13%	22.12%	59.46%	0.00%	100.00%

(3) Diffusion of Ownership

April 30,2024

Shareholding Tiers	No. of Shareholders	Shareholding	%
1-999	7,599	95,875	0.16%
1,000-5,000	1,696	3,388,998	5.55%
5,001-10,000	247	1,924,284	3.15%
10,001-15,000	109	1,392,887	2.28%
15,001-20,000	68	1,251,829	2.05%

20,001-30,000	76	1,920,686	3.15%
30,001-40,000	38	1,307,517	2.14%
40,001-50,000	26	1,172,429	1.92%
50,001-100,000	62	4,428,663	7.26%
100,001-200,000	52	7,257,417	11.90%
200,001-400,000	14	4,264,226	6.99%
400,001-600,000	6	3,078,033	5.04%
600,001-800,000	3	2,009,617	3.29%
800,001-1,000,000	0	0	0.00%
Over1,000,001 shares	8	27,522,133	45.12%
total	10,004	61,014,594	100.00%

Note: Face value of NT$10 per share.

(4) Major Shareholders

List all shareholders with a stake of five percent or greater, or the names of the top ten shareholders, specifying the number or shares and stake held by each shareholder on the list

April 30,2024; Unit: Share

Shares / Name of Major Shareholders	Shareholding	%
Tonghua Dongbao Pharmaceutical Co., Ltd.	12,000,000	19.67%
Hua Eng Wire & Cable Co., Ltd	7,004,900	11.48%
Huang,Chun-Mu	2,510,692	4.11%
Yen-Pen Investment Co.,Ltd.	1,500,000	2.46%
Shih,Tsui-o	1,138,292	1.87%
Tseng,chin-cheng	1,130,000	1.85%
Shih,Chin-Hsiu	1,120,380	1.84%
Huang Shiu-Chin	1,117,869	1.83%
Chaoyang Investment Co., Ltd.	722,200	1.18%
Chiang,Tai-Hsiung	656,000	1.08%

(5) The Company's net worth per share, earnings per share, dividends per share, and related information

Unit: NT$; thousand shares

Year / Item		2022	2023	Current year to March 31, 2024 (Note 8)
Market Price per Share (Note 1)	Highest	97.8	90.1	76.6
	Lowest	67.0	71.5	67.2
	Average	80.95	78.56	72.06

Net Worth per Share (Note 2)	Before Adjustment		34.11	32.59	31.19
	After Adjustment		-	-	-
Earnings per Share	Weighted Average Shares		60,533	60,757	60,872
	Earnings per Share (Note 3)		1.50	0.10	(0.08)
Dividend per Share	Cash Dividends	Before Adjustment	2.00	2.10	-
		After Adjustment	2.09983423	(Note9)	-
	Stock Dividends	Earnings per Share	-	-	-
		Stock Dividends Appropriated from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends (Note4)		-	-	-
Investment Return Analysis	Price / Earnings Ratio (Note 5)		54	325.9	-
	Price / Dividend Ratio (Note 6)		38.55	39.28	-
	Cash Dividend Yield Rate (Note 7)		0.026	0.025	-

＊If there is capital increase by earnings or capital surplus, the market price and cash dividend information adjusted retrospectively based on the number of shares to be issued shall be disclosed.

Note 1: The highest and lowest market prices of common stock in each year and the average annual market price is calculated based on the annual turnover and volume.

Note 2: Based on the number of shares issued as of the end of the year, and in accordance with the resolution of the annual shareholders’ meeting on earnings distribution.

Note 3: If there are retrospective adjustments due to stock dividends, the earnings per share before adjustment and after adjustment shall be listed.

Note 4: If there are provisions for equity securities of the year to be undistributed but accumulated to the year when there are earnings. It shall be disclosed separately to accumulated undistributed dividends of the year.

Note 5: Price / Earnings ratio = average closing price per share for the year / earnings per share.

Note 6: Price / Dividend ratio = average closing price per share for the year / cash dividend per share.

Note 7: Cash divined yield rate = cash dividend per share/ average closing price per share for the year.

Note 8: The net value per share and the earnings per share shall be filled in with the information of the account audited (reviewed) by the accountant in the most recent quarter of the annual report. The remaining fields shall be filled with the annual information as of the date of publication of the annual report.

Note 9: As for the 2020 profit distribution plan, the chairman is authorized to set the distribution reference date upon the approval of the Board.

(6) Dividend Policy and Implementation Status

(a)Dividend Policy:

The Company's dividend policy is based on current and future investment environment, capital needs, capital budget and changes in internal and external environment, as well as taking into account the interests of shareholders, balanced dividends and the long-term plans of the Company. The Company is in technology industry which is at growing stage; therefore, the Company's dividend policy is based on the principle of issuing cash dividends. The cash dividends distributed shall not be less than 50% of the total shareholder dividend of the year. The actual ratio of distribution shall be determined by the board of director based on the Company's funding status and capital budget.

(b)Implementation Status

The Company's future dividend distribution process is stipulated by the Company Law. At the end of each business year, the chairman of the board of directors takes into account the Company's profitability and future operation needs, and drafts a proposal of profit distribution. The dividend distribution will proceed after it is passed by the resolution of the board meeting, which will be also reported to the shareholders' meeting.

The Company's surplus of 2023was issued by the board of directors on March 14, 2024.

The types and amounts of dividends were: (a) The cash dividends of shareholders were distributed by surplus and NT$0.095 was distributed per thousand shares, the total of NT$5,795,132 was distributed.

(b) The cash dividend for shareholders is distributed by capital reserve. A total of NT$116,207,656 is distributed based on the rate NT$1.905 /1,000 shares.

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted this year:

The Company has no stock dividend; therefore they have no significant impact on the Company's business performance and earnings per share.

(8) Compensation of employees, directors, and supervisors

(a).Ratio or scope of compensation for employees, directors, and supervisors, as set forth in the Company's Article of Incorporation:

Article 28 of the Company's Article of Incorporation: The Company shall distribute the compensation of employees at a rate not less than 1.5% of the profitability of the current year and shall distribute the compensation of directors and supervisor at a rate not higher than 3% of the profitability of the current year. It shall make up the Company's accumulated losses if any. The Company shall deduct the benefits of the employees' compensation and the compensation of the directors and supervisors from the current year's pre-tax benefits.

(b).The estimated amount of compensation for employees, directors, and supervisors for the current period.

i. Since there was a pre-tax loss in 2023,employee remunerations and directors' remuneration will not be distributed.

ii. The actual distribution amount is consistent with the estimated provision.

(c).Distribution of compensation approved by the board of directors:

Since there was a pre-tax loss in 2023, the Board of Directors passed a resolution on March 14 2024 that employee remunerations and directors' remuneration will not be distributed.

(d).The distribution of compensation for employees, directors, and supervisors in the previous fiscal year:

On March 14, 2023, the board of directors of the Company approved to issue a compensation of NT$11,850,000 for employees and NT$2,970,000 for directors. The actual distribution amount is consistent with the estimated provision.

(9) In accordance with the provisions of Article 28-2 "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies". The implementation of the Company's share repurchase is as follows: None.

2. Corporate Bonds: None.

3. Preferred Shares: None.

4. Global Depository Receipts (GDR): None.

5. Employee Stock Warrants:

(1)The employee stock option certificate of the Company that has not expired:

April 30, 2024

Types of Employ Stock Option Certificates (Note 2)	2019 Employ Stock Option Certificates	2024 Employ Stock Option Certificates
Date of Effective Registration from the Competent Authority	Effective date of declaration: August 12, 2019 Total shares:2,930,000	Effective date of declaration:April 14,2023 Total shares:5,000,000
Issuing (handling) Date (Note 4)	November 05,2019	April 09,2024
Numbers of Units Issued	2,930,000	3,500,000
Number of units still available	0	1,500,000
Ratio of Subscribable Shares to Total Issued Shares	4.81%	5.74%
Subscription Period	10years	7years
Exercise Method (Note 3)	By issuing new shares	By issuing new shares
Period and Ratio in which Subscription is Restricted (%)	Maturity of 2 years: 20% Maturity of 3 years: 20% Maturity of 4 years: 20% Maturity of 5 years: 20% Maturity of 6 years: 20%	Maturity of 2 years: 20% Maturity of 3 years: 20% Maturity of 4 years: 20% Maturity of 5 years: 20% Maturity of 6 years: 20%
Number of Shares that have been Obtained through Exercise of Subscription Rights	578,800	-
NT$ Amount of the Shares Subscribed	31,886,400	-
Number of Shares that have not been Subscribed	1,376,800	3,500,000
Subscription Price per Share of the Unsubscribed Shares	NTD 53.6	NTD 70
Ratio of the Number of Unsubscribed Shares to Total Issued Share	2.26%	5.74%
Effect on Shareholders'	Little impact on the	Little impact on the dilution

Equity	dilution of the original common stockholders' equity	of the original common stockholders' equity

Note 1:The description of the status of employee stock warrants includes public placement and private placement of employee stock warrants. Public placement of employee stock warrants in the process of handling refers to effective by this meeting. Private placement of employee stock warrants in the process of handling refers to the approval made by the board meeting.

Note 2: The number of fields depends on the actual number of adjustments.

Note 3: It shall list the issued shares or new shares.

Note 4: If the issuing (handling) date is different, it shall be listed separately.

Note 5: If private placement, it shall be marked in a noticeable method.

(2)Names and subscription status of managerial officers who have obtained employee stock warrants and of employees who rank among the top ten in terms of the number of shares to which they have subscription rights through employee stock warrants acquired, cumulative to the date of publication of the annual report:

April 30, 2024

	Title (Note 1)	Name	Number of Shares Subscribed	Ratio of Total Issued Shares to Number of Shares Subscribed (Note4)	Subscribed (Note2)				Unsubscribed (Note 2)			
					Number of Shares Subscribed	Price of Shares Subscribed (Note 5)	Amount of Shares Subscribed	Ratio of Total Issued Shares to Number of Shares Subscribed (Note4)	Number of Shares Subscribed	Price of Shares Subscribed (Note 5)	Amount of Shares Subscribed	Ratio of Total Issued Shares to Number of Shares Subscribed (Note4)
Managerial Officers	CEO	Huang,Chun-Mu	586,000 948,000	0.96% 1.55%	90,200 0	56.7 55.1 53.6 (Note5) 70	4,978,620 0	0.15% 0%	495,800 948,000	53.6 70	26,574,880 0	0.81% 1.56%
	Deputy General Managers	Chen, Bi-Hsuan										
		Chen, Chieh-Shing										
		Yeh,Zhi-Long										
	Associate manager	Li, Chia-Ming										
		Li, Ming-Tsan										
		Hsu,Yu-Jen										

	Corporate Governance Officer	Tang,Wei										
	Finance Manager	Huang, Chein-Yu										
	Accounting Manager	Chen, Ya-Wen										
Employee (Note 3)	Employee	Chang, Heng-Jia	451,000 522,000	0.74% 0.86%	93,400 0	56.7 55.1 53.6 (Note5) 70	5,142,820 0	0.15% 0%	357,600 522,000	53.6 70	19,167,360 0	0.59% 0.86%
		Huang, Li-Gang										
		Chen, Chi-Hao										
		Chang, Kuan-Lin										
		Lu, Cheng-Wei										
		Chen, Chien-Chung										
		Liu,Ting-Yu										
		Lu,Kuan-Yu										
		Jiang, Hung-Wen										
		Huang,Ta-Yu										

Note 1: Including managerial officers and employees (those who have been resigned or deceased shall be stated) shall disclose individual names and titles, but may be aggregated to disclose their acquisition and subscription status.

Note 2: The number of fields depends on the actual number of adjustments.

Note 3: Employees obtained employee stock warrants that rank among the top ten refers to the employees other than managerial officers.

Note 4: The total number of issued shares refers to the number of shares listed in the Ministry of Economic Affairs' change of registration information.

Note 5: The employee stock warrants that have been subscribed shall disclose the price at the time of the subscription. The subscription price of the employee stock options issued by the company in 2019 was NT$56.7.From July 28, 2022, due to the ex-dividend adjustment of the subscription price, the subscription price per share has been adjusted to NT$55.1. .From July 30, 2023, due to the ex-dividend adjustment of the subscription price, the subscription price per share has been adjusted to NT$55.1.The subscription price of the employee stock options issued by the company in 2024 was NT$70

Note 6: The employee stock warrants that have not been subscribed shall disclose the adjusted subscription price which is calculated according to the issuance method.

6. New Restricted Employee Shares: None

7. Issuance of New Shares for Acquisition or Exchange of other Companies' Shares

8. Financing Plans and Implementation:

Previously issued or private placement securities have not been completed or have been completed in the last three years and profits have not yet been appeared:None

V. Operational Highlights

1. Business Activities

(1) Scopes of the business

(a). Main contents of operating business of the Company

The business contents as stated in the Company's Articles of Association are as follows:

1).F108031 Medical Equipment Wholesale Industry (limited to the Republic of China Industry Standard Classification 4565 Watches and Glasses Wholesale Industry, 4571 Pharmaceutical and Medical Supplies Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry) .

2).IG01010 Biotechnology Service Industry (limited to the Republic of China Industry Standard Classification 7210 Natural and Engineering Science Research Service Industry).

3).F113030 Precision Instrument Wholesale Industry (limited to the Republic of China Industry Standard Classification 4564 Household Photographic Equipment and Optical Products Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry).

4). CF01011 Medical Equipment Manufacturing Industry (limited to the Republic of China Industry Standard Classification 2760 Radiation and Electronic Medical Equipment Manufacturing, 3321 Glasses Manufacturing and 3329 other Medical Equipment and Supplies Manufacturing).

5).CC01101 Telecom Control RF Equipment Manufacturing (limited to the Republic of China Industry Standard Classification 2721 Telephone and Mobile Phone Manufacturing, 2729 Other Communication Equipment Manufacturing, 2751 Measurement, Navigation and Control Equipment Manufacturing and 2760 Radiation and Electronic Medical Equipment Manufacturing).

6).F401021 Telecom Control RF Equipment Input Industry (limited to the Republic of China Industry Standard Classification 4642 Electronic Equipment and its Components Wholesale Industry).

7).F399040 Retail business without a store (limited to the Republic of China’s Industry Standard Classifications 4871 e-shopping and mail order industries, and other unclassified retailing without a store 4879; except for pharmacies, drug stores, chemist stores, or live animal retails).

8).F203010 food & beverage retailing (limited to the Republic of China Industry Standard Classification 4711 Food and Beverage-based General Merchandise Retailing and 4729 Other Food and Beverage, Tobacco Products Retailing; Excluding Pharmacy, Drugstore or Retail Sale of Live Animals)

9).CB01010 Mechanical Equipment Manufacturing（limited to the Republic of China Industry Standard Classification 2531 Boiler, Metal Tank, and Pressure Containers Manufacturing, 2911 Metallurgical Machinery Manufacturing, 2919 Other Metal Processing Machinery and Equipment Manufacturing, 2921 Agricultural and Forestry Machinery and Equipment Manufacturing, 2922 Mining and Construction Machinery and Equipment Manufacturing, 2923 Food, Beverage, and Tobacco Production Machinery and Equipment Manufacturing, 2924 Textile, Clothing, and Leather Production Machinery and Equipment Manufacturing 2925 Woodworking Machinery and Equipment Manufacturing, 2926 Chemical Processing Machinery and Equipment Manufacturing, excluding equipment and parts of Isotope Separation Machine, 2927 Rubber and Plastic Processing Machinery and Equipment Manufacturing, 2929 Other Unclassified Special-Purpose Machinery and Equipment Manufacturing, excluding the Production of Firearms and Weapons, Gun Repairs, Ammunitions, and Fire Controls, 2931 Engine and Turbine Manufacturing, excluding Hydraulic Turbines and Water Wheels with a power exceeding 10,000 kW and Reaction Engines (Except Turbojets), and 2935 Conveying Machinery and Equipment Manufacturing）

10).CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing（limited to the Republic of China Industry Standard Classification 2699 Other Unclassified Electronic Parts and Components Manufacturing, 2832 Wiring Equipment Manufacturing, 2929 Other Unclassified Special-Purpose Machinery and Equipment Manufacturing, and 2939 Other General-Purpose Machinery and Equipment Manufacturing, excluding the Production of Firearms and Weapons, Gun Repairs, Ammunitions, and Fire Control）

11).F113010 Wholesale of Machinery（limited to the Republic of China Industry Standard Classification 4643 Wholesale of Agricultural and Industrial Machinery and Equipment）

12).F113990 Wholesale of Other Machinery and Tools（limited to the Republic of China Industry Standard Classification 4649 Wholesale of Other Machinery and Tool）

13).F119010 Wholesale of Electronic Materials（limited to the Republic of China Industry Standard Classification 4642 Wholesale of Electronic Equipment and Parts and Component）

14).E604010 Machinery Installation (limited to the Republic of China Industry Standard Classification 3400 Repair and Installation of Industrial Machinery and Equipment)

15).JE01010 Rental and Leasing（limited to the Republic of China Industry Standard Classification 7711 Rental and Leasing of Construction Machinery and Equipment, 7712 Rental and Leasing of Agricultural and Other Industrial Machinery and Equipment, 7713 Rental and Leasing of Office Machinery and Equipment, 7719 Rental and Leasing of Other Machinery and Equipment, excluding Rental and

Leasing of Telecommunication Equipment, Medical Machinery and Equipment, and Electrical Equipment, 7729 Rental and Leasing of Other Transport Equipment, and 7731 Renting and Leasing of Sports and Recreational Goods

(b).The sales proportion of the main products of the business

Unit: NT$ Thousand

Item	2023	
	Amount	Percentage
Blood glucose meter	211,733	12.06%
Blood glucose test strips	1,224,540	69.75%
Others	319,293	18.19%
Total	1,755,566	100.00%

(c). Existing main products (services)

Blood glucose meter.

Blood glucose test strips.

(d). New products (services) development projects

Continuous blood glucose monitoring system (CGM) , Wireless touchscreen BGM glucose meter, Partner App and blood glucose management system (DMS)

(2) Industry Overview

(a). Current status and development of industry

Fortune Business Insight's 2023 research report on the medical device market suggests that the global scale of medical devices reached US$512.2 billion in 2022 and is estimated to reach US$536.1 billion in 2023. It is projected to grow at a compound annual growth rate (CAGR) of 5.9% between 2023 and 2030, reaching US$799.6 billion by 2030.

According to data from the International Diabetes Federation (IDF), 530 million people were diagnosed with diabetes in 2021. It is projected that the number will reach 643 million by 2030 and 783 million people will suffer from diabetes by 2045. The report also indicates that global spending on treating diabetes was US$966 billion in 2021 and is estimated to reach US$1.05 trillion by 2045. It is expected that the demand for diabetes-related care will rise over time. Observing regional expenditures on diabetes, the highest annual per capita spending is in North America at US$8,209 per person, followed by Europe at $3,086 per person. In other regions (including Central and South America, Asia, and Africa), expenditures range from USD$112 to $2,190 per person. This suggests that developed countries allocate relatively higher expenditures to diabetes-related costs, particularly products with higher quality and prices still have a market in these countries.

The two internationally renowned institutions mentioned above have unanimously stated that the medical materials industry has a substantial growing trend in the long term.In diabetes care, early diagnosis and effective monitoring can help mitigate the occurrence of subsequent complications. In recent years, Continuous Glucose Monitoring (CGM) products have been well-received internationally. If the market can offer competitive pricing products, it would give manufacturers a significant advantage in the diabetes market.

(b). Current status and development of the domestic medical devices market

1). Current status and development

Currently, the domestic BGM market is highly competitive, featuring over twenty brands. The BGM market is now under a price war, with continuous promotions for upgrading old devices to new ones. The past prosperity of the traditional blood glucose meter market is no longer present.

However, the CGM market is still emerging, and currently, there are only two companies: Medtronic and Abbott. Due to its high price and professional use, Medtronic products are only sold and operated in hospitals for many years.On the other hand, since Abbott entered the Taiwan market in 2023, its products have consistently been in short supply due to global supply issues. It shows that there is still huge room for growth and market demand for CGM in Taiwan.

2). Industrial characteristics of products

Industries that the Company is involved in encompassing a wide range of sectors related to biotechnology. In the supply chain, the upstream includes various types of raw material suppliers such as reagents, consumables and components. The downstream includes domestic and foreign medical equipment importers and exporters, medical equipment stores, medical institutions, healthcare facilities, distributors, pharmacy chains, and different sales channels such as hypermarkets. Products can be divided into home use and healthcare facility use. Home use can be purchased through general consumer channels, while healthcare facility use must be ordered through domestic and foreign agents and distributors. To ensure the quality control of the final product, inspection reagents have very strict requirements on the purity and quality of biochemical materials. Therefore, if the model of outsourcing materials is adopted, once the upstream and downstream successfully cooperate, they will usually establish a long-term and close partnership. This type of cooperation is typically conducted through contractual services, which involve ongoing counseling on production-related quality control to ensure that the supplied products meet expected standards in terms of both quality and quantity. Additionally, the Company's blood glucose meters and blood glucose testing strips are developed under a private brand, establishing downstream sales channels independently, thereby fostering a more flexible and close cooperation relationship between the midstream and downstream of the industry chain.

3). Development trends of products

As smart medicine evolves in continuously optimized care scenarios, wireless transmission of medical equipment data has become a trend. The development of the Internet of Things, the combination of cloud computing and big data are trends that cannot be ignored. Bionime has always gone all out in the pursuit of innovation.Although Bionime currently accounts for only about 1% of the global market, through an in-depth understanding of the layout of international manufacturers and the CDMO model of cooperation with international major manufacturers, it will surely be able to rapidly expand the Company's scale of development.

Bionime's products take quality as the basic requirement and always adhere to the purpose of allowing users to use them with ease. These are the highest guiding principles for R&D, production and manufacturing. The Company takes high accuracy and fast response time as its competitive advantages in the future market. At the same time, based on the existing technology platform, the Company will develop new products in the future, such as uric acid, and products for cholesterol detection and glycated hemoglobin detection. This will not only increase product diversity and market competitiveness, but also help enhance the company's value.

4). Competitive landscape

In the early period, the competition in the blood glucose monitoring market was divided by four major manufacturers to form an oligopoly trend. Due to United States' Healthcare reform and European insurance subsidies and other policies, a price-competitive market has been formed since 2013, which indirectly reduces product profits when costs are not easily reduced. With the continuous tightening of blood glucose testing accuracy standards, manufacturers must consider both cost control and product quality. Many global medical equipment manufacturers continue to invest in R&D and production, gradually making the market become more and more competitive.

By understanding the business roadmap of international manufacturers and the practices of international manufacturers' M&A strategies, focusing on development is the key to limited resources and efficient solutions. Moreover, the smart healthcare with the continuous optimization of the care environment, the wireless medical appliances, the development of the Internet of Things, the combination of cloud computing and big data, Bionime has committed to pursue innovation, although at present, it only accounted for about 1% of the global market share. However, with the continuous launching of new products, it will accelerate the expansion of the Company.

3. Technology and R&D Overview

(1). Technology level and R&D status of operating business

The existing personal invasive blood glucose meters can be divided into two types, which are optical and electrochemical. As the electrochemical products is more stable, hence, it has become the mainstream in the market. The earliest commercialized electrochemical blood glucose meter is YSI 2300 from United States, which uses precious metal electrodes and unique sensing film technology to achieve 98% accuracy and stability of laboratory-grade instruments. Its measurement quality always been the benchmark for all blood glucose meters for more than 30 years. However, in view of the instrument is a high-priced product which costs hundreds of thousands of dollars and required operates by professional, therefore, it is not possible to enter the home healthcare market. How to reduce the cost and convenient operation of electrochemical blood glucose testing products, as well as take into account the accuracy of the test results have been the main axis of the R&D of Bionime's blood glucose meter products.

For the blood glucose test strip, the R&D team of Bionime has designed its own production technology which is fully automatic machinery equipment for test strip in addition to the unique embedded precious metal electrode sensor test strip, and used the computer to detect precious metal electrodes to enhance the accuracy of the test strip, and achieve the effects of time-saving and increase productivity. Along with the precious metal electrode material of the test strip, Bionime has the capability of self-design blood glucose meter, which added unique auxiliary functions that give better convenience to the users. Moreover, the products of Bionime have received favorable reviews from Science Citation Index (SCI) and journals of international seminar, which showed that Bionime has competitive edges. In addition, its measurement accuracy and long-term stability, published in international journals in relevant clinical performance have been well-acclaimed by international research scholars, it has established a certain status in the blood glucose meter and test strip industry.

At present, most of the products of the major international manufacturers in the market are electrochemical blood glucose meters, but the test strips are mostly made by carbon printing and lamination. Bionime's patented structure technology enables nanometer-grade precious metal electrodes to be used in the disposable test strip structures with a low-cost structure and manufacturing processes, and integrated with technologies such as chemistry, electronics, software, mechanism and precision manufacturing, etc. to produce blood glucose meters and test strips of "achieving instrumental testing result at the cost of home blood glucose meter". In the future, the patented structure of this blood glucose test strip can also be used for other various disposable test strips, such as uric acid, cholesterol, etc. The first continuous glucose meter (CGM) was approved by FDA in 1999, and the first CGM that can replace BGM in measuring blood glucose was approved by FDA in 2014. There are several journals that prove that users wearing CGM have more significant effect in reducing HbA1c than those using BGM, and it can achieve daily life monitoring and allow users to further adjust their lifestyle to produce the effect of continuous blood glucose management.

It is estimated that the turnover of continuous glucose meters (CGM) will reach over USD 20 billion by 2030, far exceeding the highest historical record of BGM. In addition to the insurance coverage market for diabetic patients, CGM has an expected market size in the non-health insurance coverage market, including type 2 diabetic patients without insulin and healthy groups (weight loss, athletes, health checkups, etc.). The development of high quality and affordable continuous glucose meters (CGM) will effectively increase market share and generate significant revenue.

Bionime has obtained a number of patents for the continuous glucose meter (CGM), which has broken through the patent layout of many competing products in the market and gained a ticket to the international market. We have designed and developed our own fully automatic machines with online AOI inspection machines, and integrated all the production data and inspection results into our CIM (Computer Integrated Manufacturing)/MES (Intelligent Manufacturing Control) software system to provide real-time monitoring and real-time adjustment mechanism for the automatic machines to optimize production stability and yield rate, creating high quality and low cost Continuous Glucose Meters (CGM), and greatly improving our competitiveness in the market.

(2). R&D personnel and their academic qualifications/experience

Unit: People

Year / Academic qualifications	2021	2022	2023
Ph. D.	5	5	6
Master	58	60	54
University	73	81	101
College	5	5	7
General and vocational high school	5	5	9
Total	146	156	177

(3). R&D expenses invested in the most recent five fiscal years

Unit: NT$ Thousand

Year	2019	2020	2021	2022	2023
R&D Expense	255,121	247,875	187,860	201,977	242,338
Operating revenue	2,172,923	1,668,586	1,849,924	2,210,589	1,755,567
Percentage of operating revenue for the fiscal year (%)	11.74	14.86	10.16	9.14	13.80

(4). Technology or product development accomplishments

Year of patent application	Technology or product development accomplishments
Jan-2020	Received U.S. invention patent (US 11665238) of " Method of data transmission between sensor and electronic device and its system " was granted in 2023
Mar-2020	Received China invention patent (CN111757274) of " Method of data transmission between sensor and electronic device and its system " was granted in 2023
Mar-2020	Received Europe invention patent (EP 13716582) of " Method of data transmission between sensor and electronic device and its system " was granted in 2023
Jul-2020	Received Canada invention patent (CA 3088599)) for "Miniature Biosensor and Method of Measurement" was granted in 2023
Jul-2020	Received Canada invention patent (CA 3104716) for "Physiological Signal Sensing Device" was granted in 2023
Jul-2020	Received US invention patent (US 11678846) of "Insertion Device For a Biosensor" in 2023
Jul-2020	Received U.S. invention patent (US11707213) for "Physiological Signal Sensing Device" was granted in 2023
Jul-2020	Received U.S. invention patent (US11737689) for "Physiological Signal Sensing Device" was granted in 2023
Jul-2020	Received Taiwan invention patent (TW I799725) for "Physiological Signal Sensing Device" was granted in 2023
Jul-2020	Received China invention patent (CN112305040B) for " Implantable Micro-Biosensor and Method for Operating the Same" in 2023
Jul-2020	Received Korea invention patent (KR 10-2497046) for "Miniature Biosensors and Methods for Reducing Measurement Interference" was granted in 2023
Jul-2020	Received Canada invention patent (CA 3088582) for "Miniature Biosensors and Methods for Reducing Measurement Interference"was granted in 2023
Jul-2020	Received Australia invention patent (AU 2020210301) for "Miniature Biosensors and Methods for Reducing Measurement Interference"was granted in 2023
Jul-2020	Received Korea invention patent (KR 10-2532761) for "Miniature Biosensors and Methods for Reducing Measurement Interference" was granted in 2023
Jul-2020	Received Australia invention patent (AU 2020327164) for "Miniature Biosensors and Methods for Reducing Measurement Interference" wasgranted in 2023
Jul-2020	Received Australia invention patent (AU 2020210303) for "Miniature Biosensors and Methods for Reducing Measurement Interference" was granted in 2023
Jul-2020	Received U.S. invention patent (US 11737686) for "Physiological Signal Sensing Device" was granted in 2023
Jul-2020	Received U.S. invention patent (US 11717192) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Taiwan invention patent (TW I805938) for "Miniature Biosensor and Method of Measurement" was granted in 2023
Aug-2020	Received U.S. invention patent (US 11766193) for "Miniature Biosensor and Method of Measurement"was granted in 2023
Aug-2020	Received Korea invention patent (KR 10-2540381) for " Insertion Device for a Biosensor and Insertion Method Thereof" in 2023

Year of patent application	Technology or product development accomplishments
Aug-2020	Received US invention patent (US 11633128) for "Physiological Signal Monitoring System for Fast Assembly" in 2023
Aug-2020	Received Korea invention patent (KR 10-2582305) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received U.S. invention patent (US11717198) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Canada invention patent (CA 3088595) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Europe invention patent (EP 3771398) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Europe invention patent (EP 3771413) for "Implantable Miniature Biosensor and its Manufacturing Method" was granted in 2023
Aug-2020	Received Taiwan invention patent (TW I818185) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Europe invention patent (EP 3771418) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Korea invention patent (KR 10-2509849) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Europe invention patent (EP 3777658) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2020	Received Europe invention patent (EP 3777658) for "Physiological Signal Sensing Device" was granted in 2023
Dec-2020	Received Canada invention patent (CA 3121317) for "Physiological Signal Sensing Device" was granted in 2023
Jan-2021	Received Japan invention patent (JP 7209023) for "Charging Device and Charging Method for Physiological Signal Sensor" was granted in 2023
Jan-2021	Received Taiwan invention patent (TW I820378) for "Charging Device and Charging Method for Physiological Signal Sensor" was granted in 2023
Jan-2021	Received Taiwan invention patent (TW I817072) for "Moisture-Proof Assembly for Preventing the Physiological Signal Transmitter from Being Damp" in 2023
Jan-2021	Received Taiwan invention patent (TW I820378) for "Charging Device and Charging Method for Physiological Signal Sensor" was granted in 2023
Jan-2021	Received Taiwan invention patent (TW I801793) for "Charging Device and Charging Method for Physiological Signal Sensor" was granted in 2023
Sep-2021	Received Taiwan invention patent (TW I824719) for "Physiological Signal Monitoring Device and Method for Enhancing Adhesion Thereof" in 2023
Oct-2021	Received Taiwan invention patent (TW I793800) for "Insertion Needle Structure and Inserter" in 2023
Jun-2022	Received US invention patent (US 11786154) for "Biosensing Device and Activation Method of Biosensing Device" in 2023
Aug-2022	Received China design patent (CN 307846375) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2022	Received Taiwan design patent (TW D226583) for "Physiological Signal Sensing Device" was granted in 2023

Year of patent application	Technology or product development accomplishments
Aug-2022	Received Taiwan design patent (TW D226582) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2022	Received China design patent (CN 307846376) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2022	Received Taiwan design patent (TW D226584) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2022	Received China design patent (CN 307852863) for "Physiological Signal Sensing Device" was granted in 2023
Jan-2023	Received Taiwan invention patent (TW 1822564) for "Insertion Needle Structure and Inserter" in 2023
Mar-2023	Received Taiwan design patent (TW D229010) for "Physiological Signal Sensing Device" was granted in 2023
Mar-2023	Received Taiwan design patent (TW D229011) for "Physiological Signal Sensing Device" was granted in 2023
Mar-2023	Received China design patent (CN 308172499) for "Physiological Signal Sensing Device" was granted in 2023
Mar-2023	Received Taiwan design patent (TW D229012) for "Physiological Signal Sensing Device" was granted in 2023
Mar-2023	Received China design patent (CN 308172498) for "Physiological Signal Sensing Device" was granted in 2023
Aug-2023	Received China design patent (CN 308166555) for "Physiological Signal Sensing Device" was granted in 2023

(5). The Company's intellectual property management plan and its implementation in the year.

(a). The company's intellectual property management plan is linked to its operational objectives:

i. To safeguard the hard-earned advanced technological achievements, the Company plans to develop an intellectual property strategy that integrates with the company's operational goals and R resources. By leveraging intellectual property rights to create company value, we not only protect the Company's operational freedom but also strengthen our competitive advantage to help create profits. Furthermore, as part of the employee remuneration allocated by the Company's profits that year, 5% of the allocated amount will be set aside as a patent bonus. When patents are commercialized, this bonus will be distributed as patent dividends.

Patent commercialization dividend distributed in 2023 = employee remuneration in 2022, \$11,850,000 × 5% = 592,500 TWD

ii. In each Board Meeting convened by the Company in 2023, reports were presented on the progress of new products. (including research and development achievements, clinical trial and certification schedules in various countries, patent application status, and patent achievements)

(b). The Company introduced the TIPS intellectual property management system in 2013. In recent years, here are its major executions:

i. In 2020, updates were made to the intellectual property management system, particularly in enhancing the management of trade secrets and mechanisms for protecting confidential documents, to strengthen the protection of company intellectual property. Additionally, annual training sessions on trade secret protection were conducted to reinforce awareness and understanding of intellectual property protection within the company.

ii. List of obtained intellectual property and achievements:

1). Patents: As of 31st December 2023, there were a total of 397 CGM patent applications, of which 189 have been approved.

2). Trademark: As of 31st December 2023, there were a total of 33 CGM trademark applications, of which 13 have been approved.

(4) Long-term and short-term business development plans

(a). Short-term business development plans of the Company

i. Marketing strategies

1).Conducting brand-related marketing and publicity activities to promote the launch of CGM and marketing promotions.

2). Increasing the marketing resource budget, strengthening brand image, and developing new markets to attract new customers.

3). Expanding the customer base of CGM users, discovering new uses for CGM, breaking through the existing diabetic customer base, and expanding it to be utilized for different purposes such as health checkups, healthcare, weight management, and sports and fitness.

4). Establishing a new international brand official website group to build international brand image and multinational marketing capabilities.

5). Building a charity image of the brand, actively participating in social services, and engaging in various caring organizations to promote Bionime among patients and social welfare groups, thereby increasing brand favorability and reputation.

ii. Research and development (R&D) aspect

1).Introduction of medical cholesterol and uric acid test strips.

2).Development of a new wireless interconnected model BGM.

3). Introduce the home ketone test strips.

4). Develop new models with high specifications and low cost. Upgrade the new generation of POCT hospital glucose testers.

iii. Production aspect

1). Introduce automation equipment and MES system to save costs and increase production efficiency.

2). Maintain close partnership with domestic and foreign suppliers to ensure product delivery.

3). Strictly implement the quality policy of designing and manufacturing world-class quality and high accuracy glucose testers and strips at low cost to achieve the quality goal of 99.9% product yield.

4). Actively adopt advanced manufacturing process, expand R&D for highly accurate biotechnology detecting instruments, and expand market share with its technology and cost advantages.

iv. Operational and financial aspects

1). Introduce KPI and OKR management systems, clearly define the objectives and more active long-term development goals of each department. Through organizational cooperation and competition, it further enhances the overall execution of the Company and strengthens the operating efficiency and effectiveness.

2). Increase capital by cash at the appropriate time and make proper use of financial leverage to issue bonds or apply for bank loans based on the capital requirements of the Company's business development and R&D technology improvement without affecting the profitability.

(b). Long-term business development plans

(i). Sales and marketing aspects

1). Establish the brand image of Rightest blood glucose meter and Rightest iFree CGM.

2). Develop a remote blood glucose monitoring and care platform and transform the Company into a data-based enterprise by applying Internet technology.

3). Use the CDMO model to expand the customer base, enhance its brand recognition and establish a market protection mechanism.

4). Develop e-commerce models in America, Europe, Mainland China and Southeast Asia.

(ii). R&D aspect

1). Continue to develop home use blood ketone, uric acid, and cholesterol test kits to expand our complete product line.

2). Continuously expand IoT functions to achieve Ecosystem by connecting users, medical staff, and on line/off line connection.

3). Actively cultivate R&D talents, establish a strong R&D team, and make good knowledge overlap and experience transmission to enhance the efficiency and effectiveness of R&D.

(iii). Production aspect:

1) Establish a lean supply chain and operating procedures in response to the changes in the medium and long-term market structure and corporate strategy.

2) More than 90% of the production line is automated to improve efficiency, product quality and profit.

(iv). Operational and financial aspects:

1) Actively develop globally, develop international talents, and continue to expand the scale of operations to become a world-class company.

2) Acquire stable and low-cost global cost of capital as a capital support of the Company's rapid expansion of business scale to reduce operating costs and reduce operating risks

2. Market and Sales Overview

(1) Market analysis

A. Sales regions of main products

Unit: NT$ Thousand

Year / Region	2022		2023	
	Amount	Percentage (%)	Amount	Percentage (%)

Europe	441,439	20%	519,499	31%
Asia	658,092	30%	552,791	31%
America	180,486	8%	280,941	12%
Others	930,572	42%	402,335	26%
Total	2,210,589	100%	1,755,566	100%

B. Product market share

Currently, the Company's Blood Glucose Meters (BGM) and test strips are sold in over 100 countries worldwide, yet our market share remains relatively low, accounting for only 1% of the global market share. The local market share in Taiwan is approximately 15%. In the future, CGM will be launched in various countries through current sales channels and CDMO business cooperation models. It is expected that in the next five years, the Company's CGM global market share could reach 10%.

C. The future supply and demand situation and growth of the market

According to the research report from Precedence Research, the global market of Continuous Glucose Monitoring (CGM) systems was estimated to be US$6 billion in 2022 and was projected to reach over US$14.14 billion by 2032. During the forecast period from 2023 to 2032, the market is expected to grow at a compound annual growth rate (CAGR) of 9%. In 2022, the market value of Continuous Glucose Monitoring (CGM) devices in the United States was US$1.33 billion. It is projected to grow to approximately US$3.17 billion by 2032, accounting for 41% of the CGM market share, making it the largest CGM market currently.

The Asia-Pacific region will be the market with the greatest growth potential in the next 10 years. The Asia-Pacific region provides ample growth opportunities for the CGM market. A huge population, continuously growing urban population, rising healthcare expenditure, increased awareness about diabetes, and unhealthy eating habits are major factors boosting the growth opportunities of the continuous glucose monitoring euqipment market.

D. Competitive Niches

(i). Product and R&D technology are competitive:

The Company has mastered the whole process of technology from R&D to production. The structure and shape of the test strip are different from the existing commercial products. The product has the advantage of product differentiation of nanometer-grade precious metal electrodes, and the developed products have been patented. In addition, the rapid development of new products of the Company, and continuous improvement on quality, yield, manufacturing processes, cost, and active supply chain integration to enhance the technology of the third-party manufacturers.

According to the latest report published by the German diabetes authority IDT in 2019, based on the ISO 15197 standard, out of the 18 world-renowned blood glucose meters evaluated, only 3 meters achieved a 10/10 accuracy range. The Bionime GM700S Blood Glucose Meter is one of them. In the future, Bionime will apply this production technology to prevent cardiovascular diseases, which includes lipid profile testing such as cholesterol and triglycerides, thereby enhancing Bionime's competitive advantage.

Our technically developed Continuous Glucose Monitoring (CGM) device has also met the requirements of the U.S. FDA's iCGM special control regulations in clinical trials conducted in Taiwan. The newly developed next-generation miniaturized CGM, with a size that falls between the two major competitors in the market, demonstrates significant competitiveness. Upon obtaining international clinical reports, it will be eligible to enter the two major CGM markets, which are the United States and Europe respectively.

(ii). Global e-medical are and application of telemedical technologies

In order to allow diabetic patients to get better disease management, assisting medical institutions in introducing "digital solutions" will be an important trend for medical care in the future. Bionime takes the lead in developing an overall glucose care management ecosystem. With an IoT platform and a connected glucose monitoring instrument, Bionime has built an innovative model of overall glucose management in and out of hospitals in many countries. Faced with the requirements for product interconnection under the global digital transformation trend, this competitive niche is conducive to the promotion of Company’s businesses further increases our market share.

(iii). The management team is expertise in integration of systems across chemistry, electronics, software, institutions, precision manufacturing, IoT, industrial management, etc. All employees are highly competent, and the organizational response is efficient.

(iv). Government incentives and promotion:

Because of the surge in the diabetes population, the government aims to reduce the financial burden of families suffering from type 1 diabetes (IDDM) and increase patients' willingness to measure blood sugar. Patients suffering from type 1 diabetes have certain congenital reasons that stop the pancreas from secreting insulin on its own. Patients must inject insulin for life and must use a blood sugar monitoring system in the long term to assist in diagnosis and treatment.

On 1st June 2010, the National Health Insurance Administration included the blood glucose test strips, which are needed by patients with type 1 diabetes, into the health insurance benefits, providing a subsidy of four tablets per day to help patients control blood sugar and reduce complications.Starting from 1st December 2021, the National Health Insurance provides pregnant women, who are diagnosed with gestational diabetes at 28 weeks or more of pregnancy, with a maximum of 5 blood glucose test strips (BGM) per day, under the principle of giving one month's supply at a time, until delivery. This policy helps pregnant women with gestational diabetes.

Since 2017, the National Health Insurance Department has provided "Continuous Glucose Monitoring (CGM)" testing for patients with type 1 diabetes, neonatal diabetes, or more severe diabetes caused by pancreatectomy. Through an under-the-skin blood glucose sensing needle, long-term blood sugar fluctuation values for 3 to 5 days can be recorded. Starting from 1st November 2023, regulations on continuous glucose monitoring (CGM) have been relaxed. The interval for type 1 diabetes testing is relaxed from 3 months to 1 month. Pregnant women with type 2 diabetes or gestational diabetes who have to receive insulin injections are also included in the scope of benefits.

(v). High strength of global marketing

Bionime has a robust international marketing team with footsteps in over 100 countries worldwide. With Taiwan as its marketing strategy and design center, we have established a globally consistent professional brand image. The Company participates in over ten global exhibitions annually, actively expanding brand visibility and reaching out to customers. Furthermore, it has successfully built a global distribution network.Through publications in professional academic journals and clinical evidence-based reports from renowned hospitals or diabetes centers in Europe and America, Bionime has successfully marketed its own brand, Rightest Blood Glucose Meters and Rightest iFree CGM worldwide, establishing itself as a Taiwanese enterprise specializing in the technological manufacturing of blood glucose measurement devices.

E.Development outlook - favorable and unfavorable factors

Item	Favorable factors	Unfavorable factors	Countermeasures
Production technology	The unique test strip production technology has been protected by patents.	Biotechnology belongs to the high-tech industry, and related production technologies are strictly protected by patents regulations. The competitors of the Company are all large foreign manufacturers, which investing considerable capital and manpower for improvement and R&D in production technology. Therefore, the Company needs to conduct a comprehensive investigation or take an approach entirely different from them to	Training is provided to the relevant technical personnel to enhance product competition and responsiveness, and seek other alternative technologies for production, and develop higher quality products. And actively seek and train upstream and downstream suppliers in order to produce products that are better than the quality of international manufacturers at lower cost. It actively invests in product development and production of continuous glucose monitors, gaining a place in this market with

		develop its own production technology when developing new technologies to avoid patent infringement.	high-tech requirements and highly explosive growth.
R & D capabilities	The company has been leading the world's advanced countries by using unique technology to develop products with outstanding performance in accuracy and precision.	There is a lack of communication in relevant domestic industry information, and the transfer of outsourcing technology is not smooth; the training environment for R&D personnel needs to be improved, resulting in a slower transmission of experience.	Keep abreast of the development of international technology information, actively participate in international exhibitions, understand global market trends and used them as a reference for R&D, and actively arrange training courses for R&D personnel to acquire the latest knowledge. And the Company continues to develop new products as its research and development goals every year to improve the morale of R&D personnel.
Marketing capabilities	Our company's BGM products have been established in the international market for 20 years. The self-developed Continuous Glucose Monitor (CGM) received TFDA approval for manufacturing and sales	Competing manufacturers are all major international companies with abundant funds.Competition in the mainland Chinese market is even fiercer, using low-priced blood glucose test strips to	We will gradually obtain licenses in Europe and the United States, and gain market shares with high-quality and affordable CGM. We also cooperate with major international manufacturers through CDMO to enhance brand

	in October 2023. We have applied for hundreds of international patents and commissioned a global renowned patent firm to conduct a 2-year analysis and comparison. All patents have received Freedom To Operate (FTO) analysis reports, confirming no patent infringement. This will be a significant asset in expanding into the international market.	seize the market.Whether it is BGM or CGM products, in the future, they will face major price challenges in the market.	competitiveness.
Raw material supply	The main raw material of the Company's products is the plastic substrate of the test strip. The plastic substrate manufacturer and the Company has signed a contract, and the Company has maintained a long-term partnership with the supplier. 95% of the core raw materials are supplied by domestic manufacturers, and all of them have more than 2-3 suppliers as	The biotechnology industry is an emerging industry of two trillion and twin star in Taiwan. At present, the entire industry development is only in its infancy stage, and the satellite system has not yet been completed. Suppliers are not yet aware of the quality specifications of the biotechnology industry, but the quality requirements of the biotechnology industry have reached the	1.The core materials are self-made by the Company’s production line. 2.Establish a professional supplier coaching team, and seek suppliers with the capabilities to manufacture high quality materials 3.The supplier coaching team actively invested in engineering resources to cultivate the concept of one of the Company’s

	substitutable, therefore the satellite system in the supply chain is in a stable state.	nanometer specifications. General suppliers need a longer period of time to gear in, and learn from each other, and Bionime is responsible to coach the suppliers in order to lead its supply chain system into a highly competitive market.	production lines, strengthen the guidance of existing suppliers, improve their manufacturing process capability and management capabilities, and bring greater opportunities for the Company to create a win-win situation.
Regulatory standards	The blood glucose test strips of GM101 and GM300 of Bionime were evaluated in 2009 by the IDT, Germany diabetes authoritative organization for the evaluation of 27 blood glucose test strips. If the result of the evaluation is changed to the range of ±15% of the error, it still conforms to the ISO 15197 specification, hence, its quality is well-recognized. At the same time, the IoT platform conforms to ISO 27001, HIPAA, and GDPR specifications, and is certified by TFDA and CE. It is recognized in the	As the quality of medical device is critical to human safety, governments have established strict regulations to manage them. Medical device manufacturers need to pass production quality certification or clinical trials in order to obtain relevant quality certifications in each country prior to the product selling. At present, the specification of blood glucose testing according to ISO 15197 will change the error range of current blood glucose test results	In the production process of its blood glucose meters and test strips, Bionime adopts high-standard manufacturing processes, quality control and stable accuracy requirements to meet the product requirements of medical device worldwide. And it continues to invest in R&D of product improvement to continuously improve its precision, accuracy and stability.

	IoT medical device, personal privacy and information security.	above 75 mg/dL (inclusive) from ±20% to ±15%, which will improve the accuracy of blood glucose testing.	
Foreign exchange risk	The financial situation of Bionime is healthy, the cash position on the account is sufficient, and it has good relationship with financial institutions such as banks, etc., and there are sufficient resources to hedge the exchange rates. In the past, due to the Euro- and US dollar-denominated sales are equivalent, which imposed a natural hedging effect. However, in recent years, the international exchange market is dynamic, the Company has begun to adopt the asset and liability hedging methods by this year, and continued to review in response to fluctuations in the international exchange market.	The dependence on export is high, and it is vulnerable to exchange rate fluctuations and thereby affecting the level of profitability.	Continue to strengthen the concept of currency hedging of financial personnel, and strengthen the interaction with financial institutions in order to assess the trend of changes in exchange rates, and used as a reference for hedging. At the same time, try to pay the purchase expenses in the same currency with the sales revenues in order to achieve natural hedging effect. In addition, the Company also will consider the future exchange rate trend before provide quotation for new orders.

(2) Important use and production process of main products

(a). Important use of main products

Name of product	Important uses and functions
Blood glucose meter	The main function of the Company's blood glucose meter is to measure the glucose concentration in the blood (referred to as blood glucose concentration) of users quickly and accurately. It provides a complete information to the users and the medical personnel, and further control the blood glucose changes in the body by measuring the level of blood glucose.
Blood glucose test strips	In addition to the blood glucose meter, it needs to pair with the blood glucose test strip in order it can measure the blood glucose concentration normally and correctly. Blood glucose test strip looks like a thin piece, and usually has an enzyme in biochemical sensor, such as glucose oxidase (GOD) in the blood area. This type of enzyme substance plays an important role in the blood glucose test strip by generating a specific biochemical reaction with blood glucose, and further generating a current that can be measured by the blood glucose meter, and thereby converting to the concentration value that can be interpreted by user.
Continuous Glucose Monitoring System	The Continuous Glucose Monitoring System (CGM) can continuously monitor the user's interstitial fluid glucose concentration, helping the user observe glucose trends and potentially replacing fingertip blood sampling for blood glucose measurement.It also assists in the detection of hyperglycemia and hypoglycemia events and serves as a reference for acute and long-term treatment. When judging CGM results, it should be based on both the trend of glucose changes and continuous readings.

(b). Production process

(i)Blood glucose meter

The blood glucose meter is an electronic product, which is divided into the following major production processes:

1)PCBA processing process

Includes IC version processing and LCD screen processing.

2)Pre-assembly process

Includes the assembly procedures of components like PCBA, upper and lower cover modules, LCD, button, etc., and the calibration check of the tester.

3)Functional verification

Includes warm-up verification, current measurement verification, actual verification and reliability verification.

4)Final-assembly process

Includes serial number printing, appearance parts assembly, appearance wiping, date and unit setting adjustment, test strip insertion and removal test, etc.

(ii) Blood glucose test strips

The manufacturing process of blood glucose test strip needs to cover the following three major production processes:

1) Manufacturing process of overlay

Includes raw material processing, rubberize, printing, and exterior punching.

2) Manufacturing process of precious metal electrodes

Includes exterior stamping and surface treatment.

3) Manufacturing process of plastic film

Includes exterior stamping and plastic injection.

4) Test piece assembly production process

Includes electrode assembly, reagent coating, and placement of overlay.

5) Test piece stability quality control

Includes setting test piece formula, measurement precision, and balance stability.

(iii) Continuous Glucose Monitoring System

The main electrode modules for continuous blood glucose monitoring are:

1). Die manufacturing process

2). Electrode manufacturing process

3). Coating process

4). Test strips packaging process

Implant manufaturing process

1). Cleaning/laser engraving process

2). Implant assembly

3). Sterilization packaging

(3)Supply situation of main raw materials

Name of raw material	Supplier	Supply situation
Gold salt	Company F	Good
Test piece container	Company C	Good

(4) Details of suppliers (customers) accounted for more than 10% of total procurement (sales) amount in either of the most recent two fiscal years

1) List of suppliers for procurement in the most recent two fiscal years

Unit: NT$ Thousand

	2022				2023				Current fiscal year up to previous quarter (Note 2			
Item	Name	Amount	Percentage of annual net purchase (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchase (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchase (%)	Relationship with the issuer
1	Company F	63,931	10.8	-	Company F	64,350	11.47	-	Company F	12,975	9.05	-
	Others	624,148	89.2	-	Others	496,781	88.53	-	Others	130,333	90.95	-
	Net purchase	688,079	100		Net purchase	561,131	100		Net purchase	143,308	100	

Note 1: Details of suppliers accounted for more than 10% of total procurement amount in the most recent two fiscal years, where the company is prohibited by contract from revealing the name of a supplier, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: As of the date of publication of the annual report, if there is any financial data for the most recent period audited and attested or reviewed by a CPA for a company whose stock is listed on the stock exchange or traded over the counter, it shall also be disclosed therewith.

Description: Company F mainly supplies gold salts for test strip electrodes. Because the test strips are the main products sold by the company, Company F is the main supplier of the company's purchases.

2) List of customers for sales in the most recent two fiscal years

Unit: NT$ Thousand

	2022				2023				Current fiscal year up to previous quarter (Note 2)			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Company E	728,548	32.96	-	Company E	340,847	19.42	-	Company E	129,153	27.57	-
	Others	1,482,041	67.04	-	Others	1,414,719	80.58	-	Others	339,320	72.43	-
	Net sales	2,210,589	100		Net sales	1,755,566	100		Net sales	468,473	100	

Note 1: Details of customers accounted for more than 10% of total sales amount in the most recent two fiscal years, where the company is prohibited by contract from revealing the name of a customer, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.
Note 2: As of the date of publication of the annual report, if there is any financial data for the most recent period audited and attested or reviewed by a CPA for a company whose stock is listed on the stock exchange or traded over the counter, it shall also be disclosed therewith.

Description: Company E is a customer of the Company in North Africa, as the customer has set up a factory there, the sales have grown significantly in 2022.

(5) Production volume for the most recent two fiscal years

Unit: Thousand groups; thousand pieces; NT$ thousand

Year Production volume Main product	2022			2023		
	Capacity	Output	Output value	Capacity	Output	Output value
Blood glucose meter kit	1,200	1,144	416,760	1,000	915	344,832
Blood glucose test strips	550,000	530,988	619,825	350,000	338,897	485,382
Total	551,200	532,132	1036,585	351,000	339,812	830,214

(6) Sales volume for the most recent two fiscal years

Unit: Thousand groups; thousand pieces; NT$ thousand

Year Sales volume Main product	2022				2023			
	Domestic		Foreign		Domestic		Foreign	
	Output	Output value	Output	Output value	Output	Output value	Output	Output value
Blood glucose meter kit	46	13,418	1,178	255,666	56	21,449	892	190,284
Blood glucose test strips	22,450	140,191	512,476	1,515,006	23,232	145,840	338,516	1,078,700
Others	-	10,215	-	276,093	-	8,971	-	310,322
Total	-	163,824	-	2,046,765	-	176,260	-	1,579,306

3.The number of employees employed for the most recent two fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		2022	2023	2024/3/31
Number of Employee	R&D personnel	156	177	177
	Management and sales personnel	256	348	341
	Manufacturing personnel	699	531	522
	Total	1,111	1,056	1,040
Average age		34.6	36.3	36.4
Average years of service		5.2	5.8	5.8
Academic distribution percentage	Ph. D.	0.63%	0.7%	0.7%
	Master	11.34%	15.0%	14.3%
	College	51.31%	48.5%	48.8%
	High School	34.11%	33.2%	33.6%
	Below high school	2.61%	2.6%	2.6%

Note: The number of people does not include temporary personnel.

4. Information on environmental protection expenditures

The total amount of losses and penalties due to environmental pollution in the past one years and as of the date of publishing the Annual Report(including compensation and environmental protection audit results that violate environmental protection laws and regulations, it shall list the date of punishment, the code of the punishment, the violation provision of the laws and regulations, the content of the provisions, and the content of the punishment), actions to be taken in the future and the possible expenditures: None.

5. Labor relations

(1). All employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

(a) Employee welfare measures: Talents are the most important assets of the Company. We carefully cultivate, treasure and care for each and every colleague in order they can achieve work-life balance. The Company also adheres to the principle of profit sharing and performance-oriented to develop compensation policies in order to provide a comprehensive welfare system and measures.

i. Labor insurance and National Health Insurance.

ii. Annual festival bonus, quarterly performance bonus.

iii. Employee stock ownership plan, Employee stock option certificates.

iv. Regularly organize employee travel and various cultural and recreational and festival activities.

v. Festival gift vouchers, wedding gifts, maternity gifts, condolence gifts, birthday celebrations and birthday vouchers.

vi. Employee overtime meal allowances.

(b) Employee continuing education, training: Based on the corporate culture of integrity, the Company is constantly striving towards the goal of sustainable management and maintaining market competitiveness. With the comprehensive education and training plan, each colleague can continuously improve work performance, develop self-potential, and achieve a win-win goal of enterprise development and self-growth in a working environment of right person in the right place.

i. New employee orientation: There will be an exclusive instructor guides the newcomers to familiarize the working environment, and also strengthen their recognition and understanding of the Company. In addition, all departments have planned new basic training related courses for newcomers to help them to learn work related knowledge.

ii. Professional training: The Company is committed to nurturing challenging chemical and electronic design talents, and encourages colleagues to participate in external professional training courses to enhance personal expertise and skills. In addition, all departments will regularly conduct various professional training courses to achieve the goals of knowledge sharing and improvement of job function.

iii. Management training: The Company arranges various management training program for each level of supervisors to establish their team’s shared vision and operational consensus.

(c). Retirement system and its implementation status:

Since the establishment of the Company, the “Supervisory Committee of Labor Pension” has been established for safeguarding the rights and interests of colleagues, taking care of the retirement life of colleagues and promoting labor relations. In addition, the Company makes a monthly pension to employees’ individual pension fund accounts at the Bureau of Labor Insurance in order to provide greater protection to the retirement life of colleagues according to the Labor Pension Statutes since July 1994.

Pension system	Old system	New system
Applicable source of law	Labor Standards Act	Labor Pension Act
How to contribute	Appropriate 2% of the total monthly salary of the employees, and deposit in the special account of Bank of Taiwan (formerly the Central Trust Bureau) in the name of the company	According to the employee's insurance level, 6% will be allocated to the individual account of the Labor Insurance Bureau
Contribution	Cumulative amount of labor retirement reserve NT$ 2,639 thousand	Contribution of NT$25,788 thousand in 2023

(d). The status of agreements between labor and management:

(i) The establishment of the Employees' Welfare Committee: In addition to improve employee benefits, it also acts as an important channel for colleagues to participate in the development of the Company’s employee welfare policy. Since its establishment, colleagues have been willing to dedicate themselves to the full play of their functions, and create a win-win situation for both colleagues and the Company.

(ii) Regularly monthly meeting: As an important channel for the Company to make public announcement for various information, as well as an important channel for colleagues to express their opinions and two-way communication.

(iii) Mailbox for exchange of views: It is a complaint channel for colleagues which managed by dedicated personnel. It encourages colleagues to express various suggestions, which will be used as a reference for the continuous improvement of corporate policies.

(2). List any loss sustained(including the incident against the Labor Standards Act according to the labor inspection results, and it shall list the date of punishment, the code of the punishment, the violation provision of the laws and regulations, the content of the provisions, and the content of the punishment) as a result of labor disputes in the past two years and as of the Annual Report publication date, disclose the estimated amount of loss incurred to date or likely to be incurred in the future, and indicate mitigation measures being undertaken or to be taken:

The Company has always attached importance to employee welfare and rights, and actively maintains harmonious labor relations. It respects the opinions of employees. Employees can always express their opinions through email, telephone, employee suggestion box or meeting.

With smooth labor communication channels, no major labor disputes occurred in the past two years.

6. Cybersecurity management

(1)Describe the cybersecurity and risk management structure, cybersecurity policies, concrete management plans, and resources invested in cybersecurity management

(A) Information security risk management structure

1). The Company established a cross-departmental information security committee, with the general manager as the general convener and the deputy general manager as the management representative and serving as the chief information security officer and chief personal data protection officer at the same time.

2). Information security management objectives and policies, as well as personal data management policies are established and issued. These policies are also reviewed and revised regularly.

3). Management review meetings are held regularly to assess the implementation of the information security management system and the personal data management system.

(B) Information security control and management measures

1). Information assets and personal data lists are inventoried regularly, and risk management measures are conducted based on information security and personal data risk assessments, implementing various control measures.

2). Information security and personal data protection education, training and publicity work are carried out every year, and new employees are required to sign an information security confidentiality agreement.

3). Outsourced vendors must sign a confidentiality agreement to ensure that those using the information services provided by the Company or performing related information business have the responsibility and obligation to protect the acquired and utilized information assets from the Company, preventing unauthorized access, alteration, destruction, or improper disclosure.

4). Appropriate backup, redundancy, or monitoring mechanisms are established in important information systems or equipment. Also, regular drills are conducted to maintain its availability.

5). Anti-virus software is installed in personal computers with regular checks for virus code updates. Unauthorized software is prohibited.

6). Colleagues are required to keep their accounts, passwords, and permissions secure and use them responsibly. Additionally, passwords should be changed regularly. ◦

7). Standard procedures for responding to and reporting information security incidents have been established. The Information Security Emergency Response Team is responsible for promptly handling these incidents to prevent further damage.

8). Establish a sustainable business management mechanism and conduct regular testing and drills to maintain its applicability.

9). Internal audits are regularly conducted annually to ensure the effectiveness of information security and personal information protection management systems.

(C) Information security risk management and review

1). In December 2023, a third-party accredited certification body verified the Company's transition to the ISO27001:2022 version. Additionally, an audit verification was passed for the three-year review of ISO27701:2019.

2). The introduction of ISO27001 (Information Security Management System) strengthens the ability to respond to information security incidents, thus protecting the Company and customer information assets.

3). Through the introduction of ISO27701 (Personal Information Management System), we can identify the potential risks associated with the personal data held by the Company and comply with the requirements of various national personal data protection laws and regulations to protect the security of the Company and customers' personal data.

4). Inspection and control operations of information security and personal data protection are included as annual audit items. The audit unit conducts audits at least once a year. Additionally, the Company conducts self-inspection operations annually based on the internal control system. The summary of the performance of implementing internal controls is submitted to the Board of Directors for review and confirmation. Furthermore, an internal control system statement is issued based on the evaluation results.

(D) Cloud security management

Based on the development trend of cloud security, to ensure product information security and customer data protection, we plan to broaden the scope of ISO27001 verification in 2024 and pass audit verifications such as ISO27017 (cloud information security) and ISO27018 (cloud personal information protection).

(2) Losses, potential impacts, and countermeasures due to major information security incidents in the most recent year and up to the date of publication of the annual report: None.

7. Important contracts

Nature of Contracts	Contracting parties	Commencement dates and expiration dates of contracts	Major content	Restriction clause
Trademark licensing contract	GE Trademark Licensing, Inc	2020.2.1~2029.12.31	GE Trademark licensing	Exclusive license
Sales contract	AFDZ01	2021.1.1~2030.12.31	Middle East Product Sales	Local production of semi-finished test pieces
Sales contract	B04	2020.12.7~2026.12.31	Italian product ODM contract	Exclusive models and future derivatives

VI. Financial Overview

1. Summary financial data for the most recent five fiscal years
   (1) Condensed balance sheet and consolidated income statement- International Financial Reporting Standards (IFRS)
      (a)Condensed balance sheet (This sheet is prepared in consolidated financial statements)

Unit: NT$ Thousand

Year / Item		Financial data for the most recent five financial years (Note 1)					Current fiscal year and up to March 31, 2024 Financial data (Note 3)
		2019	2020	2021	2022	2023	
Current assets		1,595,432	1,457,309	1,389,717	1,636,615	1,617,238	1,527,488
Property, plant and equipment (Note 2)		2,669,672	2,620,183	2,536,803	2,472,543	2,472,174	2,472,735
Intangible assets		49,503	205,774	342,114	506,846	643,672	674,944
Other assets (Note 2)		89,633	201,786	295,248	367,057	567,491	636,073
Total assets		4,404,240	4,485,052	4,563,882	4,983,061	5,300,575	5,311,240
Current liabilities	Before distribution	1,380,966	1,241,045	1,329,432	1,410,960	1,609,001	1,857,784
	After distribution	1,499,630	1,365,329	1,450,637	1,538,645	1,731,004	-
Non-current liabilities		976,429	1,173,224	1,158,373	1,491,565	1,698,372	1,543,469
Total liabilities	Before distribution	2,357,395	2,414,269	2,487,805	2,902,525	3,307,373	3,401,253
	After distribution	2,476,059	2,538,553	2,609,010	3,030,210	3,429,376	-
Equity attributable to the parent company		2,042,577	2,065,627	2,069,349	2,072,425	1,986,032	1,902,655
Capital stock		596,698	617,558	622,888	606,870	608,202	609,424
Advance receipts for share capital		41,308	9,702	15,083	3,405	6,550	3,570
Capital reserves	Before distribution	1,337,126	1,402,306	1,362,223	1,302,633	1,208,821	1,098,602
	After distribution	1,308,053	1,329,600	1,316,771	1,198,053	1,092,613	-
Retained	Before distribution	216,593	189,752	225,521	163,030	146,071	135,237

earnings	After distribution	127,002	138,174	149,768	139,925	140,276	-
Other Equity		(11,007)	(15,550)	(18,225)	(3,513)	16,388	55,822
Treasury stock		(138,141)	(138,141)	(138,141)	-	-	-
Non-controlling interest		4,268	5,156	6,728	8,111	7,170	7,332
Equity Total	Before distribution	2,046,845	2,070,783	2,076,077	2,080,536	1,993,202	1,909,987
	After distribution	1,928,181	1,946,499	1,954,872	1,952,851	1,871,199	-

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

Note 2: Those who have applied for asset revaluation in the current fiscal year should be listed the date of processing and the reevaluation surplus.

Note 3: The financial data for the first quarter of 2024 is the consolidated financial data prepared in accordance with IFRSs, and is reviewed by a CPA.

(b). Condensed balance sheet (This sheet is prepared in individual financial statement)

Unit: NT$ Thousand

Year / Item		Financial data for the most recent five financial years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		1,439,323	1,274,592	1,202,277	1,436,828	1,386,714
Property, plant and equipment (Note 2)		2,659,787	2,610,332	2,526,673	2,462,556	2,463,225
Intangible assets		49,273	205,569	341,958	506,720	643,560
Other assets (Note 2)		253,009	377,210	481,576	579,187	783,345
Total assets		4,401,392	4,467,703	4,552,484	4,985,291	5,276,844
Current liabilities	Before distribution	1,384,166	1,233,337	1,326,039	1,425,707	1,602,700
	Before distribution	1,502,830	1,357,621	1,447,244	1,553,392	1,724,703
Non-current liabilities		974,649	1,168,739	1,157,096	1,487,159	1,688,112
Total liabilities	Before distribution	2,358,815	2,402,076	2,483,135	2,912,866	3,290,812
	Before distribution	2,477,479	2,526,360	2,604,340	3,040,551	3,412,815
Equity attributable to the parent company		-	-	-	-	-
Capital stock		596,698	617,558	622,888	606,870	608,202
Advance receipts for share capital		41,308	9,702	15,083	3,405	6,550
Capital reserves	Before distribution	1,337,126	1,402,306	1,362,223	1,302,633	1,208,821
	Before distribution	1,308,053	1,329,600	1,316,771	1,198,053	1,092,613
Retained earnings	Before distribution	216,593	189,752	225,521	163,030	146,071
	Before distribution	127,002	138,174	149,768	139,925	140,276
Other Equity		(11,007)	(15,550)	(18,225)	(3,513)	16,388
Treasury stock		(138,141)	(138,141)	(138,141)	0	0

Non-controlling interest		-	-	-	-	-
Equity Total	Before distribution	2,042,577	2,065,627	2,069,349	2,072,425	1,986,032
	Before distribution	1,923,913	1,941,343	1,948,144	1,944,740	1,864,029

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

Note 2: Those who have applied for asset revaluation in the current fiscal year should be listed the date of processing and the reevaluation surplus.

(c). Condensed consolidated income statement (This statement is prepared in consolidated financial statements)

Unit: NT$ Thousand

Item \ Year	Financial data for the most recent five financial years (Note 1)					Current fiscal year up to March 31, 2024 Financial data (Note 2)
	2019	2020	2021	2022	2023	
Operating revenues	2,172,923	1,668,586	1,849,924	2,210,589	1,755,567	468,473
Gross profit	948,418	749,125	783,131	1,004,126	715,650	201,996
Operating income	156,271	21,121	75,294	131,417	(13,339)	(3,452)
Non-Operating revenues and expenditures	(21,704)	9,990	(709)	(44,934)	(18,536)	(9,646)
Net profit before tax	134,567	31,111	74,585	86,483	(31,875)	(13,098)
Net income from continuing operation	106,711	63,520	89,325	91,820	6,531	(4,975)
Loss from discontinued operations	-	-	-	-	-	-
Net profit (loss)	106,711	63,520	89,325	91,820	6,531	(4,975)
Other comprehensive income for the current period (net)	(5,828)	(4,425)	(3,081)	16,423	19,585	39,532
Total comprehensive income	100,883	59,095	86,244	108,243	26,116	34,557
Net income attributable to the parent company	106,258	62,434	87,413	91,025	6,209	(5,039)
Net income attributable to the non-controlling interest	453	1,086	1,912	795	322	64
Total comprehensive income attributable to the owner of the parent company	100,469	58,207	84,672	107,190	26,047	34,395
Total comprehensive income attributable to the non-controlling interest	414	888	1,572	1,053	69	162
Earnings per share	1.85	1.06	1.45	1.50	0.10	(0.08)

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

Note 2: The financial data for the first quarter of 2024 is the consolidated financial data prepared in accordance with IFRSs, and is reviewed by a CPA.

Note 3: The loss from discontinued operations is stated in net amount after the income tax has been deducted.

(d). Condensed consolidated income statement (This statement is prepared in individual financial statements)

Unit: NT$ Thousand

Item \ Year	Financial data for the most recent five financial years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	2,053,362	1,601,953	1,692,350	2,071,747	1,615,749
Gross profit	870,030	664,546	660,602	903,783	617,924
Operating income	125,709	(8,510)	60,898	103,458	(28,438)
Non-Operating revenues and expenditures	4,230	37,669	7,865	(19,089)	(4,241)
Net profit before tax	129,939	29,159	68,763	84,369	(32,679)
Net income from continuing operation	106,258	62,434	87,413	91,025	6,209
Loss from discontinued operations	-	-	-	-	-
Net profit (loss)	106,258	62,434	87,413	91,025	6,209
Other comprehensive income for the current period (net)	(5,789)	(4,227)	(2,741)	16,165	19,838
Total comprehensive income	100,469	58,207	84,672	107,190	26,047

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

(2) The name of the CPAs and the auditor's opinion for the most recent five fiscal years

Year	CPA	Name of accounting firm	Audit opinion
2019	Zi-Xin Zhang, Hai-Ning Huang	KPMG	Unqualified opinion
2020	Zi-Xin Zhang, Jun-Yuan Wu	KPMG	Unqualified opinion
2021	Zi-Xin Zhang, Jun-Yuan Wu	KPMG	Unqualified opinion
2022	Zi-Xin Zhang, Jun-Yuan Wu	KPMG	Unqualified opinion
2023	Chen,Yen- Hui Kuo,Shyh-Huar	KPMG	Unqualified opinion

2.Financial analyses for the most recent five fiscal years

(1) Financial Analyses - IFRS (this statement is prepared in consolidated financial statements)

Analysis item \ Year (Note 1)		Financial analyses for the most recent five fiscal years					Current fiscal year up to March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debts ratio	53.52	53.82	54.51	58.24	62.39	64.03
	Long-term funds to property, plant and equipment ratio	113.08	123.58	127.41	144.2	148.86	139.28
Solvency (%)	Current ratio	115.53	117.42	104.53	115.99	100.51	82.22
	Quick ratio	84.52	71.20	53.38	70.55	62.39	49.06
	Times interest earned	5.23	2.44	4.91	3.82	0.33	0.09
Operating capacity	Accounts receivable turnover ratio (times)	2.73	2.67	4.26	3.97	2.80	3.72
	Average collection days	133.69	136.70	85.68	91.93	130.35	98.11
	Inventory turnover ratio (times)	2.85	1.87	1.79	1.99	1.82	1.91
	Accounts payable turnover ratio (times)	7.85	6.20	7.13	7.26	6.32	7.30
	Days' sales in inventory	128.00	195.18	203.91	183.41	200.54	191.10
	Property, plant and equipment turnover ratio (times)	0.81	0.63	0.71	0.88	0.71	0.75
	Total assets turnover ratio (times)	0.48	0.37	0.40	0.46	0.34	0.35
Profitability Profitability	Return on total assets (%)	2.93	1.81	2.31	2.43	0.87	0.49
	Return on equity (%)	5.28	3.08	4.30	4.41	0.32	-1.01
	Pre-tax net profit to paid-in capital ratio (%) (Note 7)	22.55	5.03	11.97	14.25	-5.24	-8.59
	Profit margin (%)	4.91	3.80	4.82	4.15	0.37	-1.06
	Earnings per share (NT)	1.85	1.06	1.45	1.5	0.10	-0.08
Cash flow	Cash flow ratio (%)	29.36	17.53	20.28	10.08	12.64	3.42
	Cash flow adequacy ratio (%)	96.46	79.02	56.95	66.52	74.36	59.74
	Cash flow reinvestment ratio (%)	7.17	2.24	3.24	0.42	1.46	1.29
Leverage	Degree of operating leverage	6.21	39.92	12.79	7.86	-65.29	-68.06
	Degree of financial leverage	1.25	-49	1.33	1.3	0.21	0.19

Analysis of significant changes in the financial ratio over the last two years. (Not required if the change does not exceed 20%):

1. The times interest earned decreases: This is mainly due to an increase in interest expenses.
2. The turnover rate of receivables decreases, and the average collection period increases: This is mainly due to a decrease in net operating revenue.
3. The total asset turnover rate decreases: This is mainly due to a decrease in net operating revenue.
4. The return on assets and return on equities decrease: This is mainly due to a decrease in net profits.
5. The pre-tax Income to paid-in capital ratio decreases: This is mainly due to a decrease in pre-tax profits.
6. The net profit margin and earnings per share decrease: This is mainly due to a decrease in net profits.
7. Cash flow ratio increases: Because the net cash flow from operating activities increases, the cash flow ratio increases.
8. The cash reinvestment ratio increases: This is mainly due to an increase in net cash flow from operating activities.
9. Operating leverage decreases: This is mainly due to a decrease in operating profits.
10. Financial leverage decreases: This is mainly due to a decrease in operating profits and an increase in interest costs.

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

Note 2: As of the date of publication of the annual report, if there is any financial data for the most recent period audited and attested or reviewed by a CPA for a company whose stock is listed on the stock exchange or traded over the counter, it shall also be analyzed therewith.

(2) Financial Analysis - Enterprise Accounting Standard of R.O.C (this statement is based on the individual financial statements)

Analysis item			Year (Note 1) Financial analyses for the most recent five fiscal years 2019	2020	2021	2022	2023
Financial structure (%)	Debts ratio		53.59	53.76	54.54	58.42	62.36
	Long-term funds to property, plant and equipment ratio		113.34	123.85	127.66	144.46	149.11
Solvency (%)	Current ratio		103.98	103.34	90.66	100.78	86.52
	Quick ratio		74.60	61.99	43.97	60.18	51.79
	Times interest earned		5.21	2.37	4.65	3.76	0.30
Operating capacity	Accounts receivable turnover ratio (times)		2.55	2.55	3.61	3.55	2.54
	Average collection days		143	143	101	102	143
	Inventory turnover ratio (times)		2.96	2.10	1.95	2.16	1.96
	Accounts payable turnover ratio (times)		7.61	6.35	6.99	7.15	6.22
	Days' sales in inventory		123	173	187	168	186
	Property, plant and equipment turnover ratio (times)		0.76	0.60	0.65	0.83	0.65
	Total assets turnover ratio (times)		0.45	0.36	0.37	0.43	0.31
Profitability Profitability	Return on total assets (%)		2.91	1.78	2.27	2.41	0.85
	Return on equity (%)		5.26	3.03	4.22	4.39	0.30
	Percentage of paid-in capital ratio (%)	Operating profit	21.06	-1.37	9.77	17.04	-4.67
		Net profit before tax	21.77	4.72	11.03	13.9	-5.37
	Profit margin (%)		5.17	3.89	5.16	4.39	0.38
	Earnings per share (NT)		1.85	1.06	1.45	1.5	0.10
Cash flow	Cash flow ratio (%)		28.82	15.71	16.89	12.94	8.93
	Cash flow adequacy ratio (%)		100.89	84.84	56.52	65.08	69.79
	Cash flow reinvestment ratio (%)		7.04	1.71	2.23	1.29	0.30
Leverage	Degree of operating leverage		6.94	-89.65	14.05	8.79	-26.54
	Degree of financial leverage		1.32	0.28	1.44	1.41	0.37

Analysis of significant changes in financial ratio over the last two years. (Not required if the change does not exceed 20%):
1. The times interest earned decreases: This is mainly due to an increase in interest expenses.
2. The turnover rate of receivables decreases, and the average collection period increases: This is mainly due to a decrease in net operating revenue.
3. The turnover rate of real estate, plant and equipment decreases: This is mainly due to a decrease in net operating revenue.
4. The total asset turnover rate decreases: This is mainly due to a decrease in net operating revenue.
5. The return on assets and return on equities decrease: This is mainly due to a decrease in net profits.
6. The pre-tax Income to paid-in capital ratio decreases: This is mainly due to a decrease in pre-tax profits.
7. The operating Income to paid-in capital ratio decreases: This is mainly due to a decrease in operating profits.
8. Net profit margin and earnings per share decreases: This is mainly due to a decrease in net profits.
9. Cash flow ratio decreases: This is mainly due to an increase in net cash flow from operating activities and an increase in current liabilities.
10. The cash reinvestment ratio decreases: This is mainly due to a decrease in net cash flow from operating activities.
11. Operating leverage decreases: This is mainly due to a decrease in operating profits.
12. Financial leverage decreases: This is mainly due to a decrease in operating profits and an increase in interest costs.

Note 1: The financial data from 2019-2023 have been audited and attested by a CPA.

Note 2: As of the date of publication of the annual report, if there is any financial data for the most recent period audited and attested or reviewed by a CPA for a company whose stock is listed on the stock exchange or traded over the counter, it shall also be analyzed therewith.

3. The Audit Committee’s Review Roprot (see page 139)

4. Annual financial statements of 2023 (refer to page 140-205)

5. A Parent Company only Financial Statement for the most Recent Fiscal Year, Certified by a CPA: (refer to page206-282)

6. If the company or its affiliates have experienced financial difficulties during the most recent fiscal year or the current fiscal year and up to the date of publication of annual report, the annual report shall explain how said difficulties will affect the company’s financial situation: None.

Bionime Corporation

Audit Committee’s Review Report

Appropriate

The Board of Directors made the Company’s 2023 business report, consolidated financial statements, parent company only financial statements and appropriation of earnings, among which the consolidated financial statements and the parent company only financial statements were certified by the accountants who are KPMG International Cooperative Chen,Yen-Hui and Kuo,Shyh-Huar issued a verification report. The above-mentioned business report, financial statements and appropriation of earnings are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 220 of the Company Act made a report, please review it.

Chairman of the Audit Committee: Zeng,Hui-Jin

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March 14, 2024

Representation Letter

The entities that are required to be included in the combined financial statements of Bionime 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, Bionime Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Bionime Corporation and Subsidiaries
Chairman: HUANG, CHUN-MU
Date: March 14, 2024

Independent Auditors’ Report

To the Board of Directors of Bionime Corporation

Opinion

We have audited the consolidated financial statements of Bionime Corporation (“ the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statement 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 significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 Auditor and Aetestation Engagrments 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 the Code. 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. We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   The accounting principle of revenue recognition, refer to consolidated financial statements Note 4 (m); The explanation about revenue recognition, refer to consolidated financial statements Note 6 (u).

Description of key audit matters:

The Group's revenue are from sales of blood glucose meter and test strips to domestic and foreign clients such as hospitals, dealers and pharmacies. Most of them are foreign clients. As industry peculiarities, clients in higher latitude countries tend to purchase more and increase their inventory at the end of the year in order to prevent the risk of paralysis of shipment due to frozen water in the winter. As a result, the revenue at the end of the year is higher causing the transactions before and after the balance sheet date to have material impact on financial reporting.

Therefore, testing whether revenue was recognized in the correct period is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Group's efficacy on the design and operation of internal controls surrounding revenue, which includes confirming the terms in the sales contract to ensure the revenue is being recorded accurately; selecting the sales transaction before and after the balance sheet date on a sample basis, inspecting the related accounting documents, as well as evaluating whether the revenue is recorded in the appropriated period.

2. Assessment of Inventory

The accounting principle of inventory, refer to consolidated financial statements Note 4 (h)"inventories", the assessment of accounting estimate and assumption uncertainty, refer to consolidated financial statements Note 5 (a); the explanation of inventory assessment refers to consolidated financial statements Note 6 (e).

Description of key audit matters:

The Group's inventories are measured at the lower of cost and net realizable value. However, the cost of inventory might exceed its net realizable value due to the rapid advancement in technology and the changes in market demand. Therefore, inventory evaluation is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: assessing the Group's allowance amount of inventory according to its characteristics; including conducting sampling to examine accuracy of inventory aging; assessing the Group's inventory decline or rationality of debt ratio; examine accuracy of allowance amount of inventory past for past years, and comparing with this period, in order to assess whether estimation method for this period is presented fairly.

3. Assessment of Intangible Assets impairment

For the accounting principle of Intangible Assets-Patent, assessment on accounting estimate and assumption uncertainty, and explanation of Intangible Assets assessment, please refers to Note 4 (k) "Intangible Assets", Note 5 (b), and Note 6 (h), respectively.

Description of key audit matters:

Since the Group's Intangible Assets- Patent at fair value amounted to $628,559 thousand, the management assessed the impairment test based on the provisions of International Accounting Standards No. 36 "Assets impairment". As the cash generating units determine the recoverable amount relating to future annual budget estimates, this subjective judgment is an accounting estimate with highly estimated uncertainty. Therefore, the Group's intangible assets have been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included:
Assessing the reasonableness of the evaluation methods and assumptions used by the management and the calculation of the recoverable amount to ensure they are similar to the Company's current situation and the industry to which it belongs, and whether they are re-executed and checked.

Other Matter

The Company 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 unmodified 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 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 the 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 of accounting estimates and related disclosures made by management.

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

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

6. Obtain sufficient 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 Yen-Hui Chen and Shyb-Huar, Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

BIONIME CORPORATION AND SUBSIDIARIES

Consolidated 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:				
Cash and cash equivalents (note 6 (a))	$ 391,821	7	214,489	4
Note receivables, net (note 6 (c))	6,365	-	11,003	-
Trade receivable, net (note 6 (c))	503,322	10	659,406	13
Trade receivable-related parties, net (note 6 (c) and 7)	10,701	-	22,409	2
Other receivables (note 6 (d))	7,357	-	7,157	-
Inventories (note 6 (e))	491,259	9	538,434	11
Prepayments (note 9 (b))	122,056	2	102,725	2
Other curredt assets (note 6 (i))	26,965	1	17,604	2
Other current financial assets (note 6 (i) amd 8)	57,392	1	63,388	1
	1,617,238	30	1,636,615	33
Non-current assets:				
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	55,816	1	36,100	1
Property, plant and equipment (note 6 (f) and 8)	2,472,174	47	2,472,543	50
Right-of-use assets (note 6 (g))	19,358	-	9,431	-
Intangible assets (note 6 (h))	643,672	12	506,846	10
Deferred income tax assets (note 6 (q))	95,381	2	56,360	1
Prepayments for business facilities	357,698	7	218,532	4
Guarantee deposits paid	5,113	-	5,253	-
Defined benefit assets, net (note 6 (p))	2,642	-	2,070	-
Other non-current assets (note 6 (i))	31,483	1	39,311	1
	3,683,337	70	3,346,446	67
Total assets	$ 5,300,575	100	4,983,061	100

Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current liabilities:				
Short-term borrowings (note 6 (k) and 8)	$ 404,872	8	352,027	7
Short-term notes and bills payable (note 6 (j))	99,866	2	-	-
Notes payable	925	-	925	-
Trades payable	147,685	3	179,193	4
Other payables	317,528	6	408,312	8
Other payables related parties(note 7)	518	-	444	-
Payable on machinery and equipment	9,914	-	21,935	-
Current income tax liabilities	5,433	-	6,403	-
Current lease liabilities (note 6 (o))	9,887	-	3,862	-
Other current liabilities(note 6 (m) and (u))	8,072	-	15,128	-
Long-term borrowings, current portion (note 6 (n) and 8)	604,301	11	422,731	9
	1,609,001	30	1,410,960	28
Non-Current liabilities:				
Long-term borrowings (note 6 (n) and 8)	1,686,997	32	1,484,992	30
Deferred income tax liabilities (note 6 (q))	469	-	279	-
Non-current lease liabilities (note 6 (o))	10,348	-	5,664	-
Guarantee deposits received	558	-	630	-
	1,698,372	32	1,491,565	30
Total liabilities	3,307,373	62	2,902,525	58
Equity attributable to owners of parent:(note 6 (r))				
Ordinary share	608,202	12	606,870	12
Advance receipts for share capital	6,550	-	3,405	-
Capital surplus	1,208,821	23	1,302,633	26
Retained earnings	146,071	3	163,030	4
Other equity	16,388	-	(3,513)	-
Total equity attributable to owners of parent:	1,986,032	38	2,072,425	42
Non-controlling interests	7,170	-	8,111	-
Total equity	1,993,202	38	2,080,536	42
Total liabilities and equity	$ 5,300,575	100	4,983,061	100

See accompanying notes to consolidated financial statements.

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

BIONIME 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 Amount	2023 %	2022 Amount	2022 %
Net sales revenue (note 6 (u) and 7)	$ 1,755,567	100	2,210,589	100
Operating costs(note 6 (e), (h), (p) and (v))	1,039,917	59	1,206,463	55
Gross profit from operations	715,650	41	1,004,126	45
Operating expenses (note 6 (c), (n), (o), (p), (v) and 7))				
Selling expenses	279,359	16	399,511	18
Administrative expenses	243,806	14	241,634	11
Research and development expenses	242,338	14	201,977	9
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	(36,514)	(2)	29,587	1
	728,989	42	872,709	39
Net operating income	(13,339)	(1)	131,417	6
Non-operating income and expenses (note 6 (w)) :				
Interest income	4,319	-	943	-
Other income	20,153	1	3,921	-
Other gains and losses	5,226	-	(19,150)	(1)
Finance costs (note 6 (o))	(48,234)	(2)	(30,648)	(1)
	(18,536)	(1)	(44,934)	(2)
(Loss) profit before income tax	(31,875)	(2)	86,483	4
Less: tax income (note 6 (q))	(38,406)	(2)	(5,337)	-
(Loss) profit	6,531	-	91,820	4
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	(63)	-	1,453	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	19,716	1	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	19,653	1	1,453	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(68)	-	14,970	1
Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6 (p))	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(68)	-	14,970	1
Other comprehensive income (after tax)	19,585	1	16,423	1
Comprehensive income	**$ 26,116**	**1**	**108,243**	**5**
Profit attributable to:				
Owners of parent	$ 6,209	-	91,025	4
Non-controlling interests	322	-	795	-
Profit	**$ 6,531**	**-**	**91,820**	**4**
Comprehensive income attributable to:				
Owners of parent	$ 26,047	1	107,190	5
Non-controlling interests	69	-	1,053	-
Comprehensive income	$ 26,116	**1**	108,243	5
Basic per share (NT dollars) (note6 (t))				
Basic earnings per share		**$ 0.10**		**1.50**
Diluted earnings per share		**$ 0.10**		**1.48**

See accompanying notes to consolidated financial statements.

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

BIONIME 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)

	Equity attributable to owners of parent														
	Share capital				Retained earnings				Other equity interest						
	Ordinary shares	Preference share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	$ 622,888	15,083	637,971	1,362,223	126,064	11,757	87,700	225,521	(18,225)	-	(18,225)	(138,141)	2,069,349	6,728	2,076,077
Profit for the year ended December 31, 2022	-	-	-	-	-	-	91,025	91,025	-	-	-	-	91,025	795	91,820
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	1,453	1,453	14,712	-	14,712	-	16,165	258	16,423
Comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	92,478	92,478	14,712	-	14,712	-	107,190	1,053	108,243
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	-	-	8,735	-	(8,735)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	3,030	(3,030)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(75,753)	(75,753)	-	-	-	-	(75,753)	-	(75,753)
Retirement of treasury share	(20,000)	-	(20,000)	(38,991)	-	-	(79,150)	(79,150)	-	-	-	138,141	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	-	-	(15)	-	-	(66)	(66)	-	-	-	-	(81)	-	(81)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	330	330
Employee stock options compensation costs	-	-	-	7,852	-	-	-	-	-	-	-	-	7,852	-	7,852
Employee stock options exercised	3,982	(20,997)	(17,015)	17,015	-	-	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	9,319	9,319	-	-	-	-	-	-	-	-	-	9,319	-	9,319
Cash dividends of capital surplus	-	-	-	(45,451)	-	-	-	-	-	-	-	-	(45,451)	-	(45,451)
Balance at December 31, 2022	**$ 606,870**	**3,405**	**610,275**	**1,302,633**	**134,799**	**14,787**	**13,444**	**163,030**	**(3,513)**	**-**	**(3,513)**	**-**	**2,072,425**	**8,111**	**2,080,536**
Balance at January 1,2023	$ 606,870	3,405	610,275	1,302,633	134,799	14,787	13,444	163,030	(3,513)	-	(3,513)	-	2,072,425	8,111	2,080,536
Profit for the year ended December 31, 2023	-	-	-	-	-	-	6,209	6,209	-	-	-	-	6,209	322	6,531
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(63)	(63)	185	19,716	19,901	-	19,838	(253)	19,585
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	6,146	6,146	185	19,716	19,901	-	26,047	69	26,116
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	-	-	1,326	-	(1,326)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	(11,274)	11,274	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(23,105)	(23,105)	-	-	-	-	(23,105)	-	(23,105)
Subsidiaries cash dividends on ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,010)	(1,010)
Employee stock options compensation costs	-	-	-	4,781	-	-	-	-	-	-	-	-	4,781	-	4,781
Employee stock options exercised	1,332	(7,319)	(5,987)	5,987	-	-	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	10,464	10,464	-	-	-	-	-	-	-	-	-	10,464	-	10,464
Cash dividends of capital surplus	-	-	-	(104,580)	-	-	-	-	-	-	-	-	(104,580)	-	(104,580)
Balance at December 31, 2023	**$ 608,202**	**6,550**	**614,752**	**1,208,821**	**136,125**	**3,513**	**6,433**	**146,071**	**(3,328)**	**19,716**	**16,388**	**-**	**1,986,032**	**7,170**	**1,993,202**

See accompanying notes to consolidated financial statements.

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

BIONIME 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 from (used in) operating activities:		
Profit before tax	$ (31,875)	86,483
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	151,327	142,162
Amortization expense	12,095	11,070
Expected credit (gain) loss	(36,514)	29,587
Interest expense	48,234	30,648
Interest revenue	(4,319)	(943)
Share-based payments transactions	4,781	7,852
Loss from disposal of property, plant and equipment	12	4,173
Gain on disposal of investments	-	13
Total adjustments to reconcile profit	175,616	224,562
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	4,638	5,770
Trade receivable	192,598	(332,136)
Trade receivable due from related parties	11,708	(22,409)
Other receivables	(200)	(2,166)
Inventories	47,175	49,772
Other operating assets	(21,499)	(5,140)
	234,420	(306,309)
Changes in operating liabilities:		
Notes payable	-	71
Trade payable	(31,508)	28,060
Other payable due from related parties	(91,185)	136,202
Other payables due from related parties	74	(3,685)
Other operating liabilities	(7,056)	7,165
	(129,675)	167,813
Total changes in operating assets and liabilities	104,745	(138,496)
Total adjustments	280,361	86,066
Cash inflow generated from operations	248,486	172,549
Interest received	4,319	1,055
Interest paid	(47,967)	(29,457)
Income taxes returned (paid)	(1,395)	(1,855)
Net cash flows from (used in) operating activities	203,443	142,292
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(81,416)	(45,159)
Proceeds from disposal of property, plant and equipment	-	4,485
Increase (Decrease) in refundable deposits	140	(257)
Acquisition of intangible assets	(148,316)	(175,246)
Decrease in other financial assets	5,996	(3,563)
Increase in prepayments for business facilities	(211,665)	(92,516)
Net cash flows from (used in) investing activities	(435,261)	(312,256)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,776,731	2,358,152
Decrease in short-term borrowings	(1,712,530)	(2,516,840)
Increase in short-term notes and bills payable	1,400,000	1,100,000
Decrease in short-term notes and bills payable	(1,300,000)	(1,100,000)
Proceeds from long-term borrowings	1,200,000	1,000,000
Repayments of long-term borrowings	(816,425)	(609,568)
Decrease in guarantee deposits received	(72)	(320)
Payment of lease liabilities	(9,068)	(6,153)
Cash dividends paid	(127,685)	(121,204)
Proceeds from exercise of employee share options	10,464	9,319
Proceeds from exercise of employee share options	(1,010)	249
Net cash flows from (used in) financing activities	420,405	113,635
Effect of exchange rate changes on cash and cash equivalents	(11,255)	17,733
Net decrease in cash and cash equivalents	177,332	(38,596)
Cash and cash equivalents at beginning of period	214,489	253,085
Cash and cash equivalents at end of period	$ **391,821**	**214,489**

See accompanying notes to consolidated financial statements.

(1) Company history

Bionime Corporation (the "Company") was incorporated in April 14, 2003 as a Company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in December 2010. The address of the Company registered office is No.100, Sec. 2, Daqing St., South Dist., Taichung City, Taiwan. The Group primarily is involved in the manufacturing and selling medical instruments, providing biotechnology services, examining pharmaceuticals, and selling precision instruments.

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 14, 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"

(b) The impact of IFRS endorsed 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"

(Continued)

(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 IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, 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 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 assets at fair value through profit or loss (Available-for-sale financial assets) are measured at fair value.

2) The defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(Continued)

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprised of the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is 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 the 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 attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Primary business	
Investor	**Subsidiary**	**Primary Business**	**December 31, 2023**	**December 31, 2022**
The Company	Bionime Incorporated (B.V.I.)	Investing and holding	100 %	100 %
	Bionime GmbH	Merchandise trading	100 %	100 %
〃	Bionime USA Corporation	Merchandise trading	100 %	100 %
〃	Bionime Australia Pty Limited	Merchandise trading	100 %	100 %
〃	Bionime (Malaysia) Sdn Bnd	Merchandise trading	65.09 %	65.09 %
Bionime Incorporated (B.V.I.)	Bionime (Shenzhen) Limited Company	Merchandise trading	100 %	100 %
Bionime(Shenzhen) Limited Company	Bionime (Pingtan) Limited Company	Manufacturing	100 %	100 %

(iii) Subsidiaries excluded from the consolidation financial statements: None.

(Continued)

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Group at 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 translation.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(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 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 a 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 interest. When the Group disposes of only a part of its investment in an associate of joint venture that includes a foreign operation while retaining significant 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.

(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

(Continued)

(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 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 cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. 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 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) – financial assets; or FVTPL.

(Continued)

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 other comprehensive income (FVOCI)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. 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.

4) Impairment of financial assets

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

(Continued)

The Group measures its loss allowances at an amount equal to lifetime expected credit loss (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 the credit risk (e.g. the risk of default occurs beyond 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 361 days past due or the debtor is unlikely to fully pay its credit obligations to the Group in full.

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

12-month ECL are the portion of ECL that resulting from default events that are possible within the 12 months 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.

ECL 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). ECL 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 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 assets 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 1 year past due；

(Continued)

- 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.

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.

5) 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 agreements 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.

(Continued)

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation are discharged or cancelled, or expired. 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 removed and the consideration paid (including any non-cash assets transferred or extinguished assumed) is recognized in profit or loss.

6) 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 the 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.

(Continued)

(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 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 for the current and comparative years of significant items of property, plant and equipment are as follows:

1) buildings and structures:5~50 years

2) machinery and equipment:2~8 years

3) molding equipment:2~3 years

4) transportation equipment:5 years

5) leasehold improvements:2~8 years

6) office and other equipment:3~5 years

Buildings and structures constitute mainly of building, wastewater treatment plant, and others. Each such part depreciates based on its useful life of 50 years, 30 years, and 5 years, respectively.

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.

(Continued)

(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 an extension or termination option; or
- there is any lease modification

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.

(Continued)

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.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of the offices and other sporadic leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(Continued)

(k) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Except for Patent, amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

1) Computer software: 1~5 years

The amortization expertise is recognized as profit or loss based on the estimated total production quantity using the units of production amortization method.

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

(l) 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 cash generating unit (CGU)s.

(Continued)

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.

For other assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue

(i) Revenue from contracts with customers

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.

1) Sale of goods

The Group manufactures and sells blood glucose meter and test strips to medical equipment companies, pharmacies and hospitals. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

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.

2) 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.

(Continued)

(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. The Group determines the net interest expense (income) on the net defined benefit liability (asset) 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 (asset). 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) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(Continued)

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or those recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

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. 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 expect 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) at the time of the transaction 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

(Continued)

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.

(r) 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 potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(s) 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

In preparing these consolidated financial statements, management has made 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.

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:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6 (e) for further description of the valuation of inventories.

(Continued)

(b) Assessment of Intangible Assets impairment

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group's management is required to make subjective judgments in determining the independent cash flows, expected future income and expenses related to the specific asset of the Group, taking into account the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to note 6 (h) for key assumptions used in the recoverable amount.

(6) Explanation of significant accounts

(a) Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	$ 658	774
Demand deposits	391,163	213,715
Cash and cash equivalents in the consolidated statement of cash flows	**$ 391,821**	**428,204**

Please refer to Note 6 (x) for the exchange rate risk, interest rate risk, sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through other comprehensive income－non-current

Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income		
Domestic unlisted common share- Bonraybio Co., Ltd.	**$ 55,816**	**36,100**

On January 1, 2023 and 2022, the Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of December 31, 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For market risk, please refer to note 6(x).

None of the above financial assets had been pledged as collateral for borrowings.

(Continued)

(c) Note and trade receivables(including related parties)

	December 31, 2023	December 31, 2022
Note receivables from operating activities	$ 6,365	11,003
Trade receivables-measured as amortized cost	$ 503,977	696,575
Trade receivables from related parties-measured as amortized cost	10,701	22,409
Less：Loss allowance	(655)	(37,169)
	$ 514,023	681,815

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and trade receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 374,431	- %	-
1 to 90 days past due	144,514	- %	-
91 to 180 days past due	3	- %	-
181 to 360 days past due	2,095	31.29 %	655
More than 361 days past due	-	100.00 %	-
	$ 521,043		655

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 315,961	- %	-
1 to 90 days past due	368,984	3.58 %	13,214
91 to 180 days past due	25,726	18.03 %	4,639
181 to 360 days past due	19,316	100.00 %	19,316
More than 361 days past due	-	100.00 %	-
	$ 729,987		37,169

(Continued)

The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31	
	2023	2022
Balance at January 1	$ 37,169	7,587
Impairment losses recognized	-	29,587
Impairment losses reversed	(36,514)	-
Amounts written off	-	(61)
Effect of movements exchange rates	-	56
Balance at December 31	**$ 655**	**37,169**

None of the receivables was discounted or pledged as collateral as of December 31, 2023 and 2022.

(d) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	**$ 7,357**	**7,157**

For further credit risk information, please refer to note 6 (x).

(e) Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 97,325	126,932
Work in progress	283,852	300,138
Raw materials	110,082	111,364
	$ 491,259	**538,434**

The details of the cost of sales were as follows:

	For the years ended December 31	
	2023	2022
Cost of goods sold	$ 1,014,050	1,179,343
Provisions for inventory valuation and obsolescence	19,995	11,622
Losses on disposal of scrap	9,131	18,301
Gains on disposal of leftover bits and pieces	(2,987)	(2,644)
Gains on physical inventory	(272)	(159)
Operating costs recognized	**$ 1,039,917**	**1,206,463**

As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral for its loans.

(Continued)

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Cost or deemed cost:								
Balance on January 1, 2023	$ 1,420,840	883,604	848,621	154,104	1,588	19,291	531,929	3,859,977
Additions	-	19,126	32,187	6,614	-	219	11,249	69,395
Disposal	-	-	(2,481)	-	-	-	(3,364)	(5,845)
Reclassification	-	-	54,781	16,098	-	-	1,013	71,892
Effect of movements in exchange rates	-	(145)	(81)	3	-	(41)	118	(146)
Balance on December 31,2023	**$ 1,420,840**	**902,585**	**933,027**	**176,819**	**1,588**	**19,469**	**540,945**	**3,995,273**
Balance on January 1, 2022	$ 1,420,840	881,205	801,778	169,536	1,588	18,314	526,914	3,820,175
Additions	$ -	2,268	39,086	5,508	-	922	6,158	53,942
Disposal	-	-	(11,687)	(26,637)	-	-	(3,522)	(41,846)
Reclassification	-	-	19,217	5,179	-	-	1,949	26,345
Effect of movements in exchange rates	-	131	227	518	-	55	430	1,361
Balance on December 31, 2022	**$ 1,420,840**	**883,604**	**848,621**	**154,104**	**1,588**	**19,291**	**531,929**	**3,859,977**
Depreciation and impairment loss：								
Balance on January 1, 2023	$ -	194,959	674,935	139,710	1,564	17,565	358,701	1,387,434
Depreciation for the year	-	24,776	68,672	11,834	24	460	35,702	141,468
Disposals	-	-	(2,481)	-	-	-	(3,352)	(5,833)
Effect of movements in exchange rates	-	(38)	(54)	3	-	(12)	131	30
Balance on December 31,2023	**$ -**	**219,697**	**741,072**	**151,547**	**1,588**	**18,013**	**391,182**	**1,523,099**
Balance on January1, 2022	$ -	171,303	610,854	156,598	1,420	17,303	325,894	1,283,372
Depreciation for the year	-	23,630	66,926	9,230	144	240	35,950	136,120
Disposal	-	-	(3,029)	(26,637)	-	-	(3,522)	(33,188)
Effect of movements in exchange rates	-	26	184	519	-	22	379	1,130
Balance on December 31,2022	**$ -**	**194,959**	**674,935**	**139,710**	**1,564**	**17,565**	**358,701**	**1,387,434**
Carrying amounts:								
Balance on December 31, 2023	**$ 1,420,840**	**682,888**	**191,955**	**25,272**	**-**	**1,456**	**149,763**	**2,472,174**
Balance on January 1, 2022	**$ 1,420,840**	**709,902**	**190,924**	**12,938**	**168**	**1,011**	**201,020**	**2,536,803**
Balance on December 31, 2022	**$ 1,420,840**	**688,645**	**173,686**	**14,394**	**24**	**1,726**	**173,228**	**2,472,543**

(i) Disclosures on pledges

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.

(ii) Property, plant and equipment under construction

For the years ended December 31, 2023 and 2022, capitalized borrowing costs related to the construction of the new plant amounted to $7,680 thousand and $3,039 thousand, with a capitalization rate of 3.6712%~4.1250% and 0.9173%~2.9093% respectively.

(Continued)

(g) Right-of-use assets

The Group leases many assets including buildings, vehicles, and machinery and equipment. Information about leases for which the Group as a lessee was presented below:

	Buildings	Transportation Equipment	Machinery and equipment	Total
Costs:				
Balance at January 1, 2023	$ 26,073	469	1,048	27,590
Additions	20,044	-	-	20,044
Effects of retrospective application	(447)	-	-	(447)
Balance at December 31, 2023	**$ 45,670**	**469**	**1,048**	**47,187**
Balance at January 1, 2022	$ 15,258	469	1,048	16,775
Additions	9,824	-	-	9,824
Effects of retrospective application	991	-	-	991
Balance at December 31, 2022	**$ 26,073**	**469**	**1,048**	**27,590**
Accumulated depreciation and impairment losses:				
Balance at January 1, 2023	$ 17,100	274	785	18,159
Depreciation for the year	9,493	157	209	9,859
Effects of retrospective application	(189)	-	-	(189)
Balance at December 31, 2023	**$ 26,404**	**431**	**994**	**27,829**
Balance at January 1, 2022	$ 10,686	117	576	11,379
Depreciation for the year	5,676	157	209	6,042
Effects of retrospective application	738	-	-	738
Balance at December 31, 2022	**$ 17,100**	**274**	**785**	**18,159**
Carrying amount:				
Balance at December 31, 2023	**$ 19,266**	**38**	**54**	**19,358**
Balance at January 1, 2022	**$ 4,572**	**352**	**472**	**5,396**
Balance at December 31, 2022	**$ 8,973**	**195**	**263**	**9,431**

(Continued)

(h) Intangible Assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2023 and 2022, were as follows:

	Computer software	Development cost	Patent	Total
Costs:				
Balance at January 1, 2023	$ 39,805	493,037	-	532,842
Additions	12,794	-	-	12,794
Acquisition-internally developed	-	135,522	-	135,522
Reclassification	607	(628,559)	628,559	607
Disposal	(7,436)	-	-	(7,436)
Effect of movements in exchange rates	(12)	-	-	(12)
Balance on December 31, 2023	**$ 45,758**	**-**	**628,559**	**674,317**
Balance on January1, 2022	$ 34,803	327,708	-	362,511
Additions	9,917	-	-	9,917
Acquisition-internally developed	-	165,329	-	165,329
Reclassification	552	-	-	552
Disposal	(5,479)	-	-	(5,479)
Effects of movements in exchange rates	12	-	-	12
Balance at December 31, 2022	**$ 39,805**	**493,037**	**-**	**532,842**
Amortization and Impairment Loss:				
Balance at January 1, 2023	$ 25,996	-	-	25,996
Amortization for the year	12,095	-	-	12,095
Disposal	(7,436)	-	-	(7,436)
Effects of movements in exchange rates	(10)	-	-	(10)
Effects of movements in exchange rates	-	-	-	-
Effects of movements in exchange rates	-	-	-	-
Balance at December 31, 2023	**$ 30,645**	**-**	**-**	**30,645**
Balance at January 1, 2022	$ 20,397	-	-	20,397
Amortization for the year	11,070	-	-	11,070
Disposal	(5,479)	-	-	(5,479)
Effects of movements in exchange rates	8	-	-	8
Balance at December 31, 2022	**$ 25,996**	**-**	**-**	**25,996**
Carrying amounts:				
Balance on December 31, 2023	**$ 15,113**	**-**	**628,559**	**643,672**
Balance on January 1, 2022	**$ 14,406**	**327,708**	**-**	**342,114**
Balance on December 31, 2022	**$ 13,809**	**493,037**	**-**	**506,846**

(Continued)

The Group is dedicated to developing its new product called Continuous Glucose Monitoring (CGM). For the year ended December 31, 2019, the product has met the criteria for capitalization. The CGM developed by the Group received the second-level medical device license approval notice issued by Taiwan Food and Drug Administration on October 13, 2023, resulting in the Group's capitalized cost of $628,559 thousand to be reclassified to Patent and amortized using the units of production amortization method.

(i) Amortization

The amortization of intangible assets are included in the statement of comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Operating costs	$ 1,312	1,025
Operating expenses	$ 10,783	10,045

(ii) Impairment loss

The amount of recoverable future cash flows from the combined Company's expertise is based on the estimates of financial budgets approved by the management, wherein the appropriate valuation methods and assumptions are used to calculate the recoverable amount of the cash generating units. The discount rate used on December 31, 2023 was 14%. According to the impairment test results of the Group, the recoverable amount of the Patent is greater than its carrying amount; hence, no impairment loss was recognized in 2023.

(iii) Disclosures on pledges

As of December 31, 2023 and 2022, none of the intangible assets of the Group had been pledged as collateral.

(i) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	December 31, 2023	December 31, 2022
Other financial assets		
Other current financial assets	$ 57,392	63,388
Other current assets		
Overpaid sales tax	$ 14,935	7,188
Temporary payments	10,416	5,695
Others	1,614	4,721
	$ 26,965	17,604
Other non-current assets		
Other non-current assets-other	$ 31,483	39,311

(Continued)

(i) Other financial assets-current are the time deposits which are over three months of original expiry date. For the collateral pledged status, please refer to note 8.

(ii) For further credit risk information, please refer to note 6(x).

(iii) Other non-current assets-other mainly consist of prepayment of royalties to GE company.

(j) Short-term notes and bills payable

The short-term notes and bills payable were summarized as follows:

	December 31, 2023		
	Guarantee or acceptance institution	**Range of interest rate (%)**	**Amounts**
Commercial paper payable	TAIWAN COOPERATIVE BILLS FINANCE CORPORATION	1.752%	$ 100,000
Less: Discount on short-term notes and bills payable			(134)
Total			**$ 99,866**

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	**December 31, 2022**
Unsecured bank loans	$ 306,765	229,399
Secured bank loans	98,107	122,628
	$ 404,872	**352,027**
Unused credit line	**$ 1,003,852**	**655,176**
Range of Interest rates	**3.8000%~6.5008%**	**0.6846%~5.7703%**

For the collateral pledged for short-term borrowings, please refer to note 8.

(l) Other payables (including related parties)

The other payables (including related parties) were as follows:

	December 31, 2023	**December 31, 2022**
Accrued expenses	$ 312,922	389,597
Other payables related parties	518	444
Others	4,606	18,715
	$ 318,046	**408,756**

(Continued)

(m) Other current liabilities

The other current liabilities were as follows:

	December 31, 2023	December 31, 2022
Contract liability	$ 1,923	10,712
Temporary receipts	2,050	1,136
Others	4,099	3,280
	$ 8,072	**15,128**

(n) Long-term borrowings

The details were as follows:

	December 31, 2023			
	Currency	**Interest rates**	**Maturity year**	**Amount**
Secured bank loans	NTD	1.75%~1.77%	2025~2030	$ 2,191,298
Unsecured bank loans	NTD	2.09%	2024	100,000
Less: current portion				(604,301)
Total				**$ 1,686,997**
Unused credit line				**$ -**

	December 31, 2022			
	Currency	**Interest rates**	**Maturity year**	**Amount**
Secured bank loans	NTD	1.50%~1.65%	2025~2030	$ 1,807,723
Unsecured bank loans	NTD	1.74%	2024	100,000
Less: current portion				(422,731)
Total				**$ 1,484,992**
Unused credit line				**$ 231,440**

Property, plant and equipment are pledged as collateral for long-term borrowings, please refer to note 8.

(o) Lease liabilities

The lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	**$ 9,887**	**3,862**
Non-current	**$ 10,348**	**5,664**

For the maturity analysis, please refer to note 6(x).

(Continued)

The amounts recognized in profit or loss was as follows:

	For the years ended December 31	
	2023	**2022**
Interest on lease liabilities	$ **1,186**	**209**
Expenses relating to short-term leases	$ **9,401**	**11,228**

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the years ended December 31	
	2023	**2022**
Total cash outflow for leases	$ **19,655**	**17,590**

(i) Real estate leases

The Group leases buildings for its office space and warehouses. The leases typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension or cancellation options exercisable by the Group before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group have some office and rivial leases with contract terms of one to three years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee Benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value are as follows:

	December 31, 2023	**December 31, 2022**
Present value of the defined benefit obligations	$ 9	2,992
Fair value of plan assets	(2,639)	(5,050)
Suspend appropriation	(12)	(12)
Net defined benefit liabilities (assets)	$ **(2,642)**	**(2,070)**

(Continued)

The Group's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term vacation liability	**$ 9,391**	**9,271**

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 the 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 $2,599 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 movement in present value of the defined benefit obligations of the Group were as follows:

	2023	2022
Defined benefit obligation at January 1	$ 2,992	4,060
Current service costs and interest cost	37	24
Remeasurements loss (gain):		
Actuarial loss (gain) arising from:	85	(1,092)
─financial assumptions		
Past service credit	(609)	-
Benefit paid	(2,496)	-
Defined benefit obligation at December 31	**$ 9**	**2,992**

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets of the Group were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 5,050	4,599
Interest income	63	28
Contributions paid by the employer	-	62
Remeasurements loss (gain):		
—Return on plan assets excluding interest income	22	361
Benefit paid	(2,496)	-
Fair value of plan assets at December 31	**$ 2,639**	**5,050**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2023	2022
Net interest of net liabilities for the defined benefit obligations	$ (26)	(4)
Past service credit	(609)	-
	$ (635)	**(4)**
Administration expenses	**$ (635)**	**(4)**

5) Actuarial assumptions

The Group's principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25 %	1.25 %
Future salary increase rate	3.00 %	3.00 %

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 $0 thousand.

The weighted average lifetime of the defined benefit plans is 40.4 years.

(Continued)

6) Sensitivity analysis

As of December 31, 2023 and 2022 the impact on the present value of the defined benefit obligation, due to the change in actuarial assumption, was as follows:

		Influences of defined benefit obligation	
		Increase 1.00%	**Decrease1.00%**
December 31, 2023			
Discount rate	$	(3)	5
		Increase 1.00%	**Decrease1.00%**
Future salary increases rate		5	(3)

		Influences of defined benefit obligation	
		Increase 0.25%	**Decrease0.25%**
December 31, 2022			
Discount rate	$	(139)	146
		Increase 1.00%	**Decrease1.00%**
Future salary increases rate		619	(514)

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 were no changes in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022,.

(ii) Defined benefit plans

The Group allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the defined contribution plan have been contributed to the Bureau of the Labor Insurance. The amounts of $2,159 thousand and $2,184 tthousand for the years ended December 31, 2023 and 2022, respectively were transferred to intangible assets as they were eligible for capitalization, please refer to note 6(h), and the remaining pension costs are $23,556 thousand and $21,669 thousand separately.

Other subsidiaries established their retirement plans in accordance with each local regulation. The Group recognized the pension costs of $9,650 thousand and $9,222 thousand in 2023 and 2022,, respectively.

(Continued)

(q) Income Taxes

(i) Income Tax Income

The components of income tax in the years 2023 and 2022, were as follows:

		2023	2022
Current income tax (income) expense			
Current period	$	620	1,592
Adjustment for prior periods		(201)	(893)
5% surtax on un-distributed earnings		6	-
		425	699
Deferred tax expense (income)			
Origination and reversal of temporary differences		(38,831)	(6,036)
Tax income	**$**	**(38,406)**	**(5,337)**

None of the amount of income tax recognized in other comprehensive income for 2023 and 2022.

Reconciliation of income tax and profit before tax for 2023 and 2022, is as follows.

		2023	2022
Profit excluding income tax	**$**	**(31,875)**	**86,483**
Income tax using the Company's domestic tax rate	$	(6,375)	17,297
Effect of tax rates in foreign jurisdiction		409	478
Non-deductible expenses		2,025	4,710
Book-tax income differences of the revenue and expense		(29,136)	(33,014)
Recognition of previously unrecognized tax losses		(1,030)	(1,860)
Changes in unrecognized temporary differences		(4,104)	6,540
Prior years income tax adjustment		(201)	(893)
Adjustment of deferred tax assets for prior years		-	1,405
5% surtax on undistributed earnings		6	-
	$	**(38,406)**	**(5,337)**

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	**December 31, 2022**
Tax effect of deductible temporary differences	$ 8,148	12,252
The carry-forward of unused tax losses	46,034	47,835
	$ 54,182	**60,087**

As the profitability of its subsidiaries is yet to stabilize, the tax losses are not recognized as deferred tax assets since it is not probable that it will be realized.

As of December 31 2023, the information of the group unused tax losses, for which no deferred tax assets were recognized, are as follows:

Subsidiaries	**Year of loss**	**Unused tax loss**	**Remark**
Bionime USA Corporation	2011	$ 30,513	Number of declarations
Bionime USA Corporation	2012	140,649	Number of declarations
Bionime USA Corporation	2013	39,788	Number of declarations
Bionime USA Corporation	2014	8,259	Number of declarations
		$ 219,209	

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with the investments in subsidiaries as at December 31, 2023 and 2022. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax assets. Details are as follows:

	December 31, 2023	**December 31, 2022**
Aggregated amount of temporary differences related to investments in subsidiaries	**$ 248,237**	**253,079**
Unrecognized deferred tax assets	**$ 49,647**	**50,616**

(Continued)

2) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the temporary differences associated with its investments in subsidiaries as at December 31, 2023 and 2022. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ 44,444	33,414
Unrecognized deferred tax liabilities	$ 8,889	6,683

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022, were as follows:

Deferred Tax Assets:

	Unrealized loss on inventory obsolescence	Unrealized foreign exchange loss	Unrealized inter-company profits resulting from sales to affiliated companies	Operating loss carry forward	Reserve liability	Total
Balance at January 1, 2023	$ 4,038	2,050	3,968	46,304	-	56,360
Recognized in profit or loss	1,709	(1,719)	(73)	39,104	-	39,021
Balance at December 31, 2023	**$ 5,747**	**331**	**3,895**	**85,408**	**-**	**95,381**
Balance at January 1,2022	$ 2,801	-	4,021	43,657	57	50,536
Recognized in profit or loss	1,237	2,050	(53)	2,647	(57)	5,824
Balance at December 31 ,2022	**$ 4,038**	**2,050**	**3,968**	**46,304**	**-**	**56,360**

Deferred Tax Liabilities:

	Unrealized foreign exchange gain	Others	Total
Balance at January 1, 2023	$ -	279	279
Recognized in profit or loss	-	190	190
Balance at December 31, 2023	**$ -**	**469**	**469**
Balance at January 1, 2022	$ 262	229	491
Recognized in profit or loss	-	-	-
Recognized in profit or loss	(262)	50	(212)
Balance at December 31, 2022	**$ -**	**279**	**279**

(Continued)

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Subsidiaries	Year of loss	Unused tax loss	Last deduction year	Remark
Parent Company	2020	$ 107,675	2030	Number of approval
Parent Company	2021	103,874	2031	Number of declarations
Parent Company	2022	19,970	2032	Number of declarations
Parent Company	2023	195,518	2033	Number of declarations
		$ 427,037		

(iii) Assessment of tax

The Group's tax returns for the years through 2020 were assessed by the Tax Authority.

(r) Capital and Other Equity

As of December 31 2023 and 2022 the numbers of authorized ordinary shares were 100,000 thousand shares, with par value of $10 per share. The total value of authorized ordinary shares amounted to $1,000,000 thousand (and of which $90,000 thousand was reserved for the exercising of employee share options for each year). As of the date, 60,820 thousand (2022: 60,687 thousand) of ordinary thousand shares amounted to $608,202 thousand (2022: $606,870 thousand) were issued.

Reconciliation of shares outstanding for 2023 and 2022 was as follows:

(in thousands of shares)

	Ordinary Shares	
	2023	**2022**
Balance on January1	60,687	62,289
Exercise of share options	133	398
Decrease in treasury stock	-	(2,000)
Balance on December 31	**60,820**	**60,687**

(i) Ordinary shares

As of December 31, 2023 and 2022, the Group issued 133.2 thousand and 398.2 thousand new shares for employee stock options, with a par value of $10 per share, totaling $7,320 thousand and $20,997 thousand, respectively, which were paid upon issuance. All relevant statutory registration procedures had since been completed, except for the remaining 122.2 thousand and 61.8 thousand shares, amounting to $6,550 thousand and $3,405 thousand, respectively, which have yet to be registered for the years then ended..

(Continued)

(ii) Capital surplus

The balance of capital surplus as of December 31, 2023 and 2022, were as follows:

		December 31, 2023	December 31, 2022
Share capital	$	911,782	1,016,362
Share capital for employee share options exercised		130,084	124,097
Employee share options		63,612	61,060
Expired options		103,343	101,114
	$	**1,208,821**	**1,302,633**

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, the capital increase by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

The company has determined to distribute $104,580 thousand and $45,451 thousand as cash dividends out of APIC (Additional Paid-In Capital) on May 10 ,2023 and Marcht 22, 2022 with approval subjected to the stockholders' meeting, respectively.

(iii) Retained Earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

According to the Company Act, the distribution of dividends and bonus, or all or part, of legal reserve and capital reserve, distributed by way of cash, shall be decided during the board meeting approved by more than half of the directors, with two thirds of directors in attendance;thereafter, to be reported at the shareholders' meeting.

The Company's dividend policy depends on the Company's capital expenditure budget and required working capital. The remaining earnings will be distributed either in cash or in stock dividends, or both. However, the cash dividend cannot be less than 5% of the total dividends distributed.

(Continued)

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

During the earnings of distribution, the amount to be reclassified as a special reserve (which does not qualify for earnings distribution) should be equal to the total net current-period reduction of other shareholders' equity in accordance with the regulation of Taiwan Stock Exchange Authority. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2022 and 2021 had been approved during the board meeting on May 10, 2023 and March 22, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 0.38	23,105	1.25	75,753

The amounts of cash dividends on the appropriations of earnings for 2023 had been approved during the board meeting on March 14, 2024. The relevant dividend distributions to shareholders were as follows:

	2023	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	$ 2.00	122,003 (Note)

Note: Of the total amount, $116,208 thousand was used as capital reserve to distribute cash dividends.

(iv) Treasury shares

The Company failed to transfer to its employees the 2,000 thousand treasury shares it repurchased in 2017. According to the Securities Exchange Act, the shares should be retired if they were not transferred within five years after repurchasing.

The Company reduced its capital by repurchasing shares based on a resolution approved during the board meeting held on March 22, 2022. All relevant registration procedures had been completed on May 17, 2022.

(Continued)

(v) Other equity interests (net-of-taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ (3,513)	-	(3,513)
Exchange differences on translation of foreign financial statements	185	-	185
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	19,716	19,716
Balance at December 31, 2023	**$ (3,328)**	**19,716**	**16,388**
Balance at January 1, 2022	$ (18,225)	-	(18,225)
Exchange differences on translation of foreign financial statements	14,712	-	14,712
Balance at December 31, 2022	**$ (3,513)**	**-**	**(3,513)**

(s) Share-Based Payment

(i) Employee stock options

As of December 31, 2023, details of the Employee Stock Option Plans ("ESOP") issued by the Company were as follows:

	2019 ESOP
Grant date	2019.11.5
Units issued	2,930,000
Term of grant	2019.11.5~2024.11.4
Grant object	Full-time employeesof the Company andits subsidiaries
Vesting conditions	Services of the next two years

(Continued)

1) Determining the fair value of equity instruments granted

The Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2019 ESOP	
	2023	**2022**
Fair value at grant date	$22.53~25.83	22.53~25.83
Share price at grant date	60.2	60.2
Exercise price	53.6~55.1	55.1~56.7
Expected volatility(%)	38.50%	38.50%
Expected life (years)	10 years	10 years
Expected dividend	-	-
Risk-free interest rate(%)	0.54%	0.54%

Expected volatility is based on the weighted average of historical volatility, and it is adjusted when there is additional market information about the volatility. The Group determined the expected dividends and risk-free rate during the life of the option. These rates are determined based on government bonds, and they are in accordance with the regulations. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

2) Description of share-based payment arrangements

Details of the employee stock options are as follows:

	2023		**2022**	
(in dollars)	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**	**Number of options**
Outstanding at January 1 (number)	$ 55.10	1,821,200	56.70	2,270,800
Forfeited during the year (number)		(111,400)		(143,000)
Exercised during the year (number)		(193,600)		(167,800)
Expired during the year (number)		(34,400)		(138,800)
Outstanding at December 31 (number)	53.60	**1,481,800**	55.10	**1,821,200**
Exercisable at December 31 (number)		**1,481,800**		**1,821,200**

3) Employee recognized in profit or loss

The Group incurred expenses and liabilities of share-based arrangements in 2023 and 2022 were as follows:

	2023	**2022**
Expenses resulting from granted employee share options	**$ 4,781**	**7,852**

(Continued)

(t) Earnings per Share

The basic earnings per share and diluted earnings per share of the group are calculated as follows:

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2023 and 2022 were based on the profit attributable to ordinary shareholders of the Company amounting to $6,209 thousand and $91,025 thousand, respectively; and the weighted average number of ordinary shares outstanding of 60,757 thousand shares and 60,533 thousand shares, respectively, were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

		2023	2022
Profit attributable to ordinary shareholders of the Company	$	**6,209**	**91,025**

2) Weighted average number of ordinary shares

		2023	2022
Weighted-average number of ordinary shares at December 31		**60,757**	**60,533**
Basic earnings per share	$	**0.10**	**1.50**

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 were based on profit attributable to ordinary shareholders of the Company amounting to $6,209 thousand and $91,025 thousand, respectively; and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 61,252 thousand shares and 61,424 thousand shares were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

		2023	2022
Profit attributable to ordinary shareholders of the Company (diluted)	$	**6,209**	**91,025**

2) Weight-average number of ordinary shares (diluted)

		2023	2022
Weighted-average number of ordinary shares (basic)	$	60,757	60,533
Effect of dilutive potential ordinary shares			
Effect of issuance of employee share options		465	705
Effect of employee share bonus		30	186
Weighted-average number of ordinary shares (diluted)		**61,252**	**61,424**
Diluted earnings per share	$	**0.10**	**1.48**

(Continued)

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets			
Algeria	$	340,847	728,548
China		251,850	299,289
United State		204,375	177,302
Switzerland		101,643	136,449
United Arab Emirates		88,883	26,983
Egypt		18,630	31,308
Other		749,339	810,710
	$	**1,755,567**	**2,210,589**
Major products			
Meter and Strips	$	**1,755,567**	**2,210,589**

(ii) Contract balance

		December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities(under other current liabilities)	$	**1,923**	**10,712**	**2,285**

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contact liability balance at the beginning of the period were $10,693 thousand and $2,285 thousand, respectively.

(v) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1.5% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2023 is the net loss before tax, so the remuneration of employee and directors was not estimated.

(Continued)

For the year ended December 31, 2022, the Company estimated its employee remuneration amounting to $11,850 thousand and directors remuneration amounting to $2,790 thousand respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(w) Non-operating Income and Expenses

(i) Interest income

The details of interest income for the years 2023 and 2022 were as follows:

	2023	2022
Interest income from bank deposits	**$ 4,319**	**943**

(ii) Other income

The details of other income for the years 2023 and 2022 were as follows:

	2023	2022
Rent income	$ 535	583
Other income, others	19,618	3,338
	$ 20,153	**3,921**

(iii) Other gains and losses

The details of other gains and losses for the years 2023 and 2022 were as follows:

	2023	2022
Foreign exchange gains	$ 5,238	(14,964)
Losses on disposals of property, plant and equipment	(12)	(4,173)
Losses on disposals of investment	-	(13)
	$ 5,226	**(19,150)**

(iv) Finance costs

The details of financial costs for the years 2023 and 2022 were as follows:

	2023	2022
Interest expenses-bank loans	$ 47,048	30,439
Interest of lease liabilities	1,186	209
	$ 48,234	**30,648**

(Continued)

(x) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial represents the maximum exposure to credit risk assets recognized in the consolidated balance sheet.

2) Concentration of credit risk

The major clients of Group are concentrated in medical instruments market. To minimize credit risk, the Group periodically evaluates their financial positions and requests collateral if deemed necessary. It also periodically assesses the recoverability of the trade receivable and recognizes an allowance for impairment. The impairment loss is within management' s expectation. As of December 31, 2023 and 2022, 63% and 71%, respectively, of trade receivables were comprised of five major customers. Thus, credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6 (c).

Other financial assets at amortized cost includes other receivables and time deposits. For the details on loss allowance, please refer to note 6(d) and note 6 (i).

All of these financial assets are considered to have low risk, and thus, 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 (g).

(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						
Secured bank loans	$2,289,405	2,332,939	616,160	590,391	1,036,156	90,232
Unsecured bank loans	406,765	421,142	421,142	-	-	-
Short-term notes and bills payble	99,866	100,000	100,000	-	-	-
Notes and trade payables	148,610	148,610	148,610	-	-	-
Other payables (including related parties)	318,046	318,046	318,046	-	-	-
Payable on machinery and equipment	9,914	9,914	9,914	-	-	-
Guarantee deposits received	558	558	558	-	-	-
Lease liabilities (Current and Non-Current)	20,235	21,309	10,683	9,681	945	-
	$3,293,399	**3,352,518**	**1,625,113**	**600,072**	**1,037,101**	**90,232**

(Continued)

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Secured bank loans	$1,930,351	1,957,161	553,474	433,716	828,757	141,214
Unsecured bank loans	329,399	334,938	233,543	101,395	-	-
Notes and trade payables	180,118	180,118	180,118	-	-	-
Other payables (including related parties)	408,756	408,756	408,756	-	-	-
Payable on machinery and equipment	21,935	21,935	21,935	-	-	-
Guarantee deposits received	630	630	630	-	-	-
Lease liabilities (Current and Non-Current)	9,526	9,912	4,101	5,811	-	-
	$2,880,715	2,913,450	1,402,557	540,922	828,757	141,214

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(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	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets						
Monetary items						
USD	USD13,021	30.76	400,526	USD21,255	30.74	653,379
EUR	EUR 2,635	34.04	89,695	EUR 2,402	32.76	78,690
Financial liabilities						
Monetary items						
USD	USD13,219	30.76	406,616	USD14,379	30.74	442,010
EUR	EUR 1,767	34.04	60,149	EUR 1,804	32.76	59,099

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 0.5% of the NTD against the USD and the EUR as of December 31, 2023 and 2022, would have (decreased) increased the net profit after tax by $92 thousand and $924 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

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 2023 and 2022, the foreign exchange gain (including realized and unrealized portions) amounted to $5,238 thousand and $(14,964) thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets a nd liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and 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 0.5% 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 0.5%, the Group's net income would have increased / decreased by $10,785 thousand and $9,039 thousand for the year ended December 31, 2023 and 2022, respectively with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets financial assets at fair value through other comprehensive income is measured on a recurring basis. 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 other comprehensive income					
Stocks unlisted companies	$ 55,816	-	-	55,816	55,816
Financial assets measured at amortized cost					
Cash and cash equivalents	391,821	-	-	-	-
Notes and trade receivables (including related parties)	520,388	-	-	-	-
Other receivables	7,357	-	-	-	-
Other financial assets-current	57,392	-	-	-	-
Guarantee deposits paid	5,113	-	-	-	-
Subtotal	982,071	-	-	-	-
Total	**$ 1,037,887**	**-**	**-**	**55,816**	**55,816**

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Short-term borrowings	$ 404,872	-	-	-	-
Short-term notes and bills payable	99,866	-	-	-	-
Notes and trade payables, and other payables (including related parties)	466,656	-	-	-	-
Payable on machine and equipment	9,914	-	-	-	-
Lease liabilities (Current and Non-current)	20,235	-	-	-	-
Guarantee deposits received	558	-	-	-	-
Long-term borrowings, including current portion	2,291,298	-	-	-	-
	$ 3,293,399	-	-	-	-

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks unlisted companies	$ 36,100	-	-	36,100	36,100
Financial assets measured at amortized cost					
Cash and cash equivalents	214,489	-	-	-	-
Notes and trade receivables (including related parties)	692,818	-	-	-	-
Other receivables	7,157	-	-	-	-
Other financial assets-current	63,388	-	-	-	-
Guarantee deposits paid	5,253	-	-	-	-
Subtotal	983,105	-	-	-	-
Total	$ 1,019,205	-	-	36,100	36,100
Financial liabilities					
Financial liabilities at amortized cost					
Short-term borrowings	$ 352,027	-	-	-	-
Notes and trade payables, and other payables (including related parties)	588,874	-	-	-	-
Payable on machine and equipment	21,935	-	-	-	-
Lease liabilities (Current and Non-current)	9,526	-	-	-	-
Guarantee deposits received	630	-	-	-	-
Long-term borrowings, including current portion	1,907,723	-	-	-	-
	$ 2,880,715	-	-	-	-

(Continued)

2) Valuation techniques for financial instruments not measured at fair value :

The Group' s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

If there is quoted price generated by transactions for financial liabilities at amortized cost, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2023 and 2022.

4) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
		Unquoted equity instruments
Opening balance, January 1, 2023	$	36,100
Inother comprehensive in come		19,716
Ending balance, December 31, 2023	**$**	**55,816**
Opening balance, January 1, 2022 (i.e. December 31, 2022)	**$**	**36,100**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	• Forecast annual revenue growth rate（December 31, 2023 and 2022 ; 25%~100%） • Weight average capital cost（December 31, 2023 and 2022 ; 9.92% abd 9.33%）	• the annual revenue growth rate was higher, the fair value was higher • the weight average capital cost was higher, the fair value was lower

(Continued)

(y) Financial Risk Management

(i) Overview

The Group is exposed to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's Planning Department, which is responsible for developing and controlling the Group's risk management policies, periodically reports to the Board of Directors on its operation. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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 Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arise principally from the Group's receivables from customers and investment in debt securities.

1) Trade and other receivables

The Group has established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Group reviews external ratings, customers' general information, and other information. The Group grants credit line for each customer and carries out periodical reviews thereafter. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. The Group has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

(Continued)

2) Investments

The exposure to credit risk for 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) Guarantee

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2023, no guarantees were outstanding (2022: none).

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group's unused credit lines were amounted to $1,003,852 thousand and $655,176 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of in addition to keeping abreast of the trends and changes in major currencies in the international foreign exchange market, the Group flexibly adjusts its export quotations, and maintains a considerable position in foreign currency accounts receivable and payable to avoid currency risk.

2) Interest rate risk

The borrowing rate of the Group is agreed in accordance with the contract, and financing decisions are all approved by the Board of Directors.

3) Other market price risk

The Group is not exposed to equity price risk from its investments in equity securities.

(Continued)

(z) Capital Management

The Group’s objectives for managing capital to safeguard its capacity to continue to operate, to continue provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry 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 plus net debt.

As of December 31, 2023, the Group’s capital management strategy is consistent with that of the prior year as of December 31, 2022 and the gearing ratio is maintained within 30% to 75% to ensure financing at reasonable cost. The Group’s debt to equity ratio at the end of the reporting period was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 3,307,373	2,902,525
Less: cash and cash equivalents	391,821	(214,489)
Net debt	**$ 2,915,552**	**2,688,036**
Total equity	**$ 1,993,202**	**2,080,536**
Total capital	**$ 4,908,754**	**4,768,572**
Debt-to-equity ratio at 31 December	**59.39%**	**56.37%**

(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows：

(i) For right-of-assets under leases, please refer to note 6(n).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes				
	January 1, 2023	**Cash flows**	**Additions**	**Foreign exchange movement**	**Interest expenses**	**(Profit) loss of lease modification**	**December 31, 2023**
Long-term borrowings	$ 1,907,723	383,575	-	-	-	-	2,291,298
Short-term borrowings	352,027	64,201	-	(11,356)	-	-	404,872
Short-term notes and bills payable	-	100,000	-	-	(134)	-	99,866
Lease liabilities (current and non-current)	9,526	(9,068)	20,044	(267)	-	-	20,235
Total liabilities from financing activities	**$ 2,269,276**	**538,708**	**20,044**	**(11,623)**	**(134)**	**-**	**2,816,271**

(Continued)

	January 1, 2022	Cash flows	Non-cash changes: Additions	Foreign exchange movement	Release the lease	(Profit) loss of lease modification	December 31, 2022
Long-term borrowings	$ 1,517,291	390,432	-	-	-	-	1,907,723
Short-term borrowings	507,778	(158,688)	-	2,937	-	-	352,027
Lease liabilities (current and non-current)	5,584	(6,153)	9,824	271	-	-	9,526
Total liabilities from financing activities	$ 2,030,653	225,591	9,824	3,208	-	-	2,269,276

(7) Related-party transactions

(a) Parent company and ultimate controlling company

The Company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with a related party during the periods covered in the consolidated financial statements.

Name of related Party	Relationship with the Group
Tonghua Dongbao Pharmaceutical Co., Ltd. (Tonghua Dongbao)	Key management personnel
HUANG, CHUN-MU	Key management personnel

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to its related party were as follows:

	2023	2022
Substantial related parties	$ 54,223	109,143

The price given to the related-party is lower than general customers. The general customer's collection term is about 45 to 120 days or advance sales receipts, for the related-party personnel of the Group, the collection conditions is advance sales receipts or 45 days from the end of the month of when the invoice is issued.

(ii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Trade receivables	Substantial related parties	$ 10,701	22,409

(Continued)

(iii) Payables to Related Parties

Account	Relationship	December 31, 2023	December 31, 2022
Other payables	Substantial related parties	$ 518	444

(iv) Others

1) The sales expense of $74 thousand and $0 in 2023 and 2022, respectively, which caused by signing contract with key management personnel of the Group-Tonghua Dongbao was under selling expenses.

2) The Group entered into a patent license agreement with the key management. The agreement is from June 30, 2004, to April 17, 2023, and entitles the Company to use U.S. patent No. 10/354684 and No. 10/462904 without any charges.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 25,218	26,411
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term employee benefits	-	-
Share-based payments	344	565
	$ 25,562	26,976

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Property, plant and equipment	Guarantee for bank loans	$ 2,098,039	2,103,416
Other financial assets-current	Purchase deposit	200	200
		$ 2,098,239	2,103,616

(9) Significant commitments and contingencies

(a) Unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 34,779	21,515

(Continued)

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:

(12) Other:

(a) A summary of employee benefits, depreciation, depletion, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Operating Costs	**Operating Expenses**	**Total**	**Operating Costs**	**Operating Expenses**	**Total**
Employee benefits						
Salary	325,691	264,479	590,170	350,474	272,623	623,097
Labor and health insurance	37,182	25,480	62,662	34,234	22,691	56,925
Pension	15,086	17,485	32,571	14,121	16,754	30,875
Remuneration of directors	-	2,600	2,600	-	4,951	4,951
Others	19,303	13,626	32,929	18,863	13,389	32,252
Depreciation	106,756	44,571	151,327	105,554	36,269	142,162
Amortization	1,312	10,783	12,095	1,025	10,045	11,070

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions, required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2023 (excluding those investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
The company	Ordinary-Bonraybio Corporation	None	Financial assets measured at fair value through other comprehensive gains and losses-non-current	960	55,816	5.62%	55,816	960	5.62%	

(Continued)

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD 300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with an amount exceeding the lower of NTD 300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD 100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Trade receivables (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	Note
The Company	Bionime (Pingtan) Limited Company	Subsidiary	Sale	(161,674)	(9.21)%	Net 90 days from the end of the month of when the invoice issued	No comparison	Net 90 days from the end of the month of when the invoice issued	33,836	6.50%	

(viii) Receivables from related parties with amounts exceeding the lower of NTD 100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions, 2023			
				Account name	**Amount**	**Trading terms**	**Percentage of the consolidated net revenue or total assets**
0	The company	Bionime (Pingtan) Limited Company	1	Sales	161,674	90 days	9.21 %
0	The company	Bionime USA Corporation	1	Sales	42,782	120 days	2.44 %
0	The company	Bionime (Malaysia) Sdn Bnd	1	Sales	32,528	100 days	1.85 %
1	Bionime (Pingtan) Limited Company	Bionime (Shenzhen) Limited Company	3	Sales	922	90 days	0.05 %
0	The company	Bionime (Pingtan) Limited Company	1	Trade Receivables	33,836	90 days	0.64 %
0	The company	Bionime USA Corporation	1	Trade Receivables	5,910	120 days	0.11 %
0	The company	Bionime (Malaysia) Sdn Bnd	1	Trade Receivables	12,159	100 days	0.23 %
2	Bionime (Shenzhen) Limited Company	Bionime (Pingtan) Limited Company	3	Trade Receivables	1,347	90 days	0.03 %
0	The company	Bionime GmbH	1	Professional service fees	24,072	No Comparison	1.37 %
0	The company	Bionime (Shenzhen) Limited Company	1	Professional service fees	40,054	No Comparison	2.87 %
1	Bionime (Pingtan) Limited Company	Bionime (Shenzhen) Limited Company	3	Professional service fees	10,179	No Comparison	0.58 %

(Continued)

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions, 2023			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Bionime (Pingtan) Limited Company	1	Temporary payments	209	No Comparison	0.00 %
0	The company	Bionime (Pingtan) Limited Company	1	Other payables	1,689	No Comparison	0.02 %
0	The company	Bionime (Shenzhen) Limited Company	1	Other payables	33	No Comparison	0.00 %
0	The company	Bionime GmbH	1	Other payables	28,208	No Comparison	0.53 %
0	The company	Bionime USA Corporation	1	Other receivables	108	No Comparison	0.00 %

Note 1: The number filled in as follows:

1) Zero represents the parent company.

2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1) 1 represents the transactions between parent company and subsidiaries.

2) 2 represents the transactions between subsidiaries and parent company.

3) 3 represents the transactions between subsidiary and subsidiary.

Note 3: The transactions mentioned above have been eliminated upon consolidation.

(b) Information on investees:

The following is the information on investees for the year 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			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
The company	Bionime GmbH	Switzerland	Merchandise trading	CHF300	CHF300	Note1	100 %	27,818	1,165	1,165	Note 2
The company	Bionime Incorporated (B.V.I)	British Virgin Islands	Investing and holding	USD3,090	USD3,090	3.09	100 %	98,121	9,265	9,265	Note 2
The company	Bionime USA Corporation	America	Merchandise trading	USD11,150	USD11,150	1,115	100 %	99,239	4,878	4,878	Note 2
The company	Bionime Australia Pty Limited	Australia	Merchandise trading	AUD350	AUD350	Note2	100 %	(135)	(35)	(35)	Note 2
The company	Bionime (Malaysia) Sdn.Bhd	Malaysia	Merchandise trading	MYR1,046	MYR1,046	Note3	65.09 %	10,891	922	599	Note 2

Note1: A company is establish.

Note2: The transactions mentioned above have been eliminated upon consolidation.

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, their main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Bionime (Shenzhen) Limited Company	Merchandise trading	USD2,300	Note 1	USD850	-	-	USD850	(5,452) (Note3)	100%	8,802	99,314	USD2,087 (NTD63,084)
Bionime (Pingtan) Limited Company	Merchandise trading and manufacturing	RMB20,000	Note 2	-	-	-	-	6,240 (Note3)	100%	5,760	97,815	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD850 (NTD 27,520)	USD 2,300 (NTD 70,863)	NTD1,191,619

Note 1: Indirectly investment in Mainland China through an existing company registered in the third region.

Note 2: Which is invested by Shenzhen subsidiary.

Note 3: Amount was recognized based on the audited financial statement.

Note 4: The transactions have been eliminated upon consolidation.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the “Information on significant transactions”.

(Continued)

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Tonghua Dongbao Pharmaceutical Co., Ltd	12,000,000	19.69 %
Hua Eng Wire And Cable Co., Ltd.	7,014,900	11.51 %

(14) Disclosures required for securities firm investing in countries or regions without securities authority:

(a) General information

The Group has one reportable segment, the biotechnology segment. This segment is mainly involved in the manufacturing and selling of medical instruments, providing biotechnology services, examining pharmaceuticals products, and selling precision instruments.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine the resource allocation and make a performance evaluation. The internal management report includes profit before taxation.

The profit or loss of the reportable segment of the Group includes depreciation and amortization expenses, income tax expense (income), any extraordinary activity, and other material non-cash items. The reportable amount is similar to that of the report used by the chief operating decision maker.

Accounting policies for the operating segments correspond to those stated in note 4.

The reportable segment profit and loss, segment assets and segment liabilities of the Group are in accordance with the financial report, please refer to the Consolidated Balance sheet and Consolidated Statement of Comprehensive Income.

(c) Production and service information

Since the main industrial department of Group is the optical lens department, and its operating income, operating interests and the identifiable assets account for more than 90% of operating income and total assets, therefore, the Group is classified as a single product.

(Continued)

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and the segment non-current assets are based on the geographical location of the assets.

Revenue from external customers, please refer to note 6(u).

Region		**2023**	**2022**
Non-current assets：			
Taiwan	$	3,497,284	3,229,603
Other countries		27,101	17,060
Total	**$**	**3,524,385**	**3,246,663**

Non-current assets include property, plant and equipment, intangible assets, and other assets, excluding financial instruments and deferred tax assets.

(e) Major customers' information

		2023	**2022**
Customer A of biotechnology division	$	340,847	728,548
Customer B of biotechnology division		101,643	136,449
	$	**442,490**	**864,997**

Independent Auditors' Report

To the Board of Directors of Bionime Corporation:

Opinion

We have audited the financial statements of Bionime Corporation ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant 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 Statements Audit and Attestation Engagement 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 Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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. We have determined the matter described below to be the key audit matters to be communicated in our report.

We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

   The accounting principle of revenue recognition, refer to financial statements Note 4 (m); The explanation about revenue recognition, refer to financial statements Note 6 (u).

Description of key audit matters:

The Company's revenue are from sales of blood glucose meter and test strips to domestic and foreign clients such as hospitals, dealers and pharmacies. Most of them are foreign clients. As industry peculiarities, clients in higher latitude countries tend to purchase more and increase their inventory at the end of the year in order to prevent the risk of paralysis of shipment due to frozen water in the winter. As a result, the revenue at the end of the year is higher causing the transactions before and after the balance sheet date to have material impact on financial reporting.

Therefore, testing whether revenue was recognized in the correct period is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's efficacy on the design and operation of internal controls surrounding revenue, which includes confirming the terms in the sales contract to ensure the revenue is being recorded accurately; selecting the sales transaction before and after the balance sheet date on a sample basis, inspecting the related accounting documents, as well as evaluating whether the revenue is recorded in the appropriated period.

2. Assessment of Inventory

The accounting principle of inventory, refer to financial statements Note 4 (g) "inventories", the assessment of accounting estimate and assumption uncertainty, refer to financial statements Note 5 (a); the explanation of inventory assessment refers to financial statements Note 6 (e).

Description of key audit matters:

The Company's inventories are measured at the lower of cost and net realizable value. However, the cost of inventory might exceed its net realizable value due to the rapid advancement in technology and the changes in market demand. Therefore, inventory evaluation is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: assessing the Company's allowance amount of inventory according to its characteristics, including conducting sampling test to examine accuracy of inventory aging; assessing the Company's inventory decline or rationality of debt ratio; examining accuracy of allowance amount of inventory for past years, and comparing with this period, in order to assess whether estimation method for this period is presented fairly.

3. Assessment of Intangible Assets impairment

For the accounting principle of Intangible Assets-Patent, assessment on accounting estimate and assumption uncertainty, and explanation of Intangible Assets assessment, please refers to Note 4 (k) "Intangible Assets", Note 5 (b), and Note 6 (i), respectively.

Description of key audit matters:

Since the Company's Intangible Assets- Patent at fair value amounted to $628,559 thousand, the management assessed the impairment test based on the provisions of International Accounting Standards No. 36 "Assets impairment". As the cash generating units determine the recoverable amount relating to future annual budget estimates, this subjective judgment is an accounting estimate with highly estimated uncertainty. Therefore, the Company's intangible assets have been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included:
Assessing the reasonableness of the evaluation methods and assumptions used by the management and the calculation of the recoverable amount to ensure they are similar to the Company's current situation and the industry to which it belongs, and whether they are re-executed and checked.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the 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 on the investment in other entities accounted for using the equity method to express an opinion on this financial statement. 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 Yen-Hui Chen and Shyh-Huar, Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIME 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:				
Cash and cash equivalents (note 6 (a))	$ 261,807	5	139,821	3
Notes receivable, net (note 6 (c))	6,365	-	11,003	-
Trade receivable, net (note 6 (c))	479,789	9	631,637	13
Trade receivables-related parties, net (note (c) and 7)	51,905	1	54,472	1
Other receivables (note 6 (d) and 7)	5,993	-	6,662	-
Other receivables-related parties (note 6 (d) and 7)	108	-	135	-
Inventories (note 6 (e))	437,487	8	478,321	10
Prepayments (note 9 (b))	119,091	2	100,385	2
Other current assets (note 6 (j))	23,969	-	14,192	-
Other current financial assets (note 6 (j) and 8)	200	-	200	-
	1,386,714	25	1,436,828	29
Non-current assets:				
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	55,816	1	36,100	1
Investments accounted for using equity method (note 6 (f))	235,933	5	221,466	4
Property, plant and equipment (note 6 (g) and 8)	2,463,225	47	2,462,556	50
Right-of-use assets (note 6 (h))	1,983	-	3,430	-
Intangible assets (note 6 (i))	643,560	12	506,720	10
Deferred income tax assets (note 6 (q))	95,381	2	56,360	1
Prepayments for business facilities	357,697	7	218,532	4
Guarantee deposits paid	3,074	-	2,864	-
Defined benefit asset, net (note 6 (p))	2,642	-	2,070	-
Other non-current assets (note 6 (j))	30,819	1	38,365	1
	3,890,130	75	3,548,463	71
Total assets	$ 5,276,844	100	4,985,291	100

Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current liabilities:				
Short-term borrowings (note 6 (I) and 8)	$ 404,872	8	352,027	7
Short-term notes and bills payable (note 6 (k))	99,866	2	-	-
Notes payables	925		925	
Trade payables	142,877	3	175,951	4
Other payables(note 6 (p))	297,294	5	392,100	8
Other payables-related parties (note 7)	30,448	1	39,948	1
Payables on machinery and equipment	9,914		21,935	
Current income tax liabilities	6,514	-	6,627	-
Current lease liabilities (note 6 (o))	1,178	-	1,441	-
Other current liabilities (note 6 (m)、(u) and 7)	4,511	-	12,022	-
Long-term borrowings, current portion (note 6 (n) and 8)	604,301	11	422,731	9
	1,602,700	30	1,425,707	29
Non-Current liabilities:				
Long-term borrowings (note 6 (n) and 8)	1,686,997	32	1,484,992	30
Deferred income tax liabilities (note 6 (q))	287	-	160	-
Non-current lease liabilities (note 6 (o))	824	-	2,003	-
Guarantee deposits received	4	-	4	-
	1,688,112	32	1,487,159	30
Total liabilities	3,290,812	62	2,912,866	59
Equity (note 6 (r))				
Ordinary shares	608,202	12	606,870	12
Advance receipts for share capital	6,550	-	3,405	-
Capital surplus	1,208,821	23	1,302,633	26
Retained earnings	146,071	3	163,030	3
Other equity interest	16,388	-	(3,513)	-
Total equity	1,986,032	38	2,072,425	41
Total liabilities and equity	$ 5,276,844	100	4,985,291	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIME 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**	**%**
Net operating revenues (note 6 (u) and 7)	$ 1,615,749	100	2,071,747	100
Operating costs (note 6 (e), (i), (p)) and (v))	997,825	62	1,167,964	56
Gross profit from operations	617,924	38	903,783	44
Less: Net unrealized (losses) gains between affiliates	269	-	82	-
Net Gross profit from operations	618,193	38	903,865	44
Operating expenses (note 6 (c), (i) (p), (s), (v) and 7)):				
Selling expenses	239,311	15	371,977	18
Administrative expenses	201,496	12	196,866	10
Research and development expenses	242,338	15	201,977	10
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(36,514)	(2)	29,587	1
	646,631	40	800,407	39
Net operating income	(28,438)	(2)	103,458	5
Non-operating income and expenses (note 6 (w)):				
Interest income	1,491	-	316	-
Other income	20,180	1	3,231	-
Other gains and losses	5,302	-	(5,168)	-
Finance costs(note 6 (o))	(47,086)	(3)	(30,460)	(1)
Share of profit of associates accounted for using equity method	15,872	1	12,992	1
	(4,241)	(1)	(19,089)	-
Profit before income tax	(32,679)	(3)	84,369	5
Less: tax income (note 6 (q))	(38,888)	(2)	(6,656)	-
Profit	6,209	(1)	91,025	5
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	(63)	-	1,453	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	19,716	1	-	-
	19,653	1	1,453	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	185	-	14,712	1
Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6 (q))	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	185	-	14,712	1
Other comprehensive income (after tax)	19,838	1	16,165	1
Comprehensive income	$ **26,047**	**-**	**107,190**	**6**
Earnings per share (NT dollars) (note 6 (t))				
Basic earnings per share	$ **0.10**		**1.50**	
Diluted earnings per share	$ **0.10**		**1.48**	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIME CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital				Retained earnings				Other equity interest				
	Ordinary shares	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
Balance on January 1, 2022	$ 622,888	15,083	637,971	1,362,223	126,064	11,757	87,700	225,521	(18,225)	-	(18,225)	(138,141)	2,069,349
Profit for the year ended December 31, 2022	-	-	-	-	-	-	91,025	91,025	-	-	-	-	91,025
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	1,453	1,453	14,712	-	14,712	-	16,165
Comprehensive income for the year ended December 31,2022	-	-	-	-	-	-	92,478	92,478	14,712	-	14,712	-	107,190
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	-	8,735	-	(8,735)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	3,030	(3,030)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	-	(75,753)	(75,753)	-	-	-	-	(75,753)
Retirement of treasury stocks	(20,000)	-	(20,000)	(38,991)	-	-	(79,150)	(79,150)	-	-	-	138,141	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	-	-	(15)	-	-	(66)	(66)	-	-	-	-	(81)
Employee stock options compensation costs	-	-	-	7,852	-	-	-	-	-	-	-	-	7,852
Employee stock options exercised	3,982	(20,997)	(17,015)	17,015	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	9,319	9,319	-	-	-	-	-	-	-	-	-	9,319
Cash dividends of capital surplus	-	-	-	(45,451)	-	-	-	-	-	-	-	-	(45,451)
Balance on December 31, 2022	**$ 606,870**	**3,405**	**610,275**	**1,302,633**	**134,799**	**14,787**	**13,444**	**163,030**	**(3,513)**	**-**	**(3,513)**	**-**	**2,072,425**
Balance on January 1, 2023	$ 606,870	3,405	610,275	1,302,633	134,799	14,787	13,444	163,030	(3,513)	-	(3,513)	-	2,072,425
Profit for the year ended December 31, 2023	-	-	-	-	-	-	6,209	6,209	-	-	-	-	6,209
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(63)	(63)	185	19,716	19,901	-	19,838
Comprehensive income for the year months ended December 31, 2023	-	-	-	-	-	-	6,146	6,146	185	19,716	19,901	-	26,047
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	-	1,326	-	(1,326)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(11,274)	11,274	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	-	(23,105)	(23,105)	-	-	-	-	(23,105)
Employee stock options compensation costs	-	-	-	4,781	-	-	-	-	-	-	-	-	4,781
Employee stock options exercised	1,332	(7,319)	(5,987)	5,987	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	10,464	10,464	-	-	-	-	-	-	-	-	-	10,464
Cash dividends of capital surplus	-	-	-	(104,580)	-	-	-	-	-	-	-	-	(104,580)
Balance on December 31, 2023	**$ 608,202**	**6,550**	**614,752**	**1,208,821**	**136,125**	**3,513**	**6,433**	**146,071**	**(3,328)**	**19,716**	**16,388**	**-**	**1,986,032**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIOTIME 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 from (used in) operating activities:		
Profit before tax	$ (32,679)	84,369
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	141,422	136,347
Amortization expense	12,067	11,036
Expected credit loss (gain)	(36,514)	29,587
Interest expense	47,086	30,460
Interest revenue	(1,491)	(316)
Share-based payments transactions	4,781	7,852
Share of loss (profit) of subsidiaries,associates and joint ventures accounted for using equity method	(15,872)	(12,992)
Loss (gain) on disposal of property, plant and equipment	(94)	3,994
Gain on disposal of investments	-	13
Net unrealized gains between affiliates	(269)	(82)
Total adjustments to reconcile profit	151,116	205,899
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivables	4,638	5,770
Trade receivables	188,362	(325,234)
Trade receivables due from related parties	2,567	16,150
Other receivables	669	(2,048)
Other receivables due from related parties	27	(135)
Inventories	40,834	50,471
Other operating assets	(21,572)	(5,858)
Total changes in operating assets	215,525	(260,884)
Changes in operating liabilities:		
Notes payables	-	71
Trade payables	(33,074)	27,000
Other payables	(95,207)	135,718
Other payables due from related parties	(9,500)	14,905
Other operating liabilities	(7,511)	6,386
Total changes in operating liabilities	(145,292)	184,080
Total changes in operating assets and liabilities	70,233	(76,804)
Total adjustments	221,349	129,095
Cash inflow generated from operations	188,670	213,464
Interest received	1,491	316
Interest paid	(46,819)	(29,269)
Income taxes (paid) returned	(119)	(23)
Net cash flows from operating activities	143,223	184,488
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(80,776)	(44,370)
Proceeds from disposal of property, plant and equipment	-	4,485
Increase in refundable deposits	(210)	(689)
Acquisition of intangible assets	(148,300)	(175,246)
Increase in prepayments for business facilities	(211,664)	(92,516)
Dividends received	1,956	-
Net cash used in investing activities	(438,994)	(308,336)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,776,731	2,358,152
Decrease in short-term borrowings	(1,712,530)	(2,516,840)
Decrease in short-term notes and bills payable	1,400,000	1,100,000
Decrease in short-term notes and bills payable	(1,300,000)	(1,100,000)
Proceeds from long-term borrowings	1,200,000	1,000,000
Repayments of long-term borrowings	(816,425)	(609,568)
Payment of lease liabilities	(1,442)	(1,390)
Cash dividends paid	(127,685)	(121,204)
Proceeds from exercise of employee stock options	10,464	9,319
Net cash flows from (used in) financing activities	429,113	118,469
Effect of exchange rate changes on cash and cash equivalents	(11,356)	2,937
Net decrease in cash and cash equivalents	121,986	(2,442)
Cash and cash equivalents at beginning of period	139,821	142,263
Cash and cash equivalents at end of period	**$ 261,807**	**139,821**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

BIONIME CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

Bionime Corporation (the "Company") was incorporated in April 14, 2003 as a Company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in December 2010. The address of the Company's registered office is No.100, Sec. 2, Daqing St., South Dist., Taichung City, Taiwan. The Company primarily is involved in the manufacturing and selling medical instruments, providing biotechnology services, examining pharmaceuticals, and selling precision instruments.

(2) Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on March 14, 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 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"

(Continued)

(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 IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The 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

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

1) Fair value through profit or loss (Available-for-sale financial assets) are measured at fair value.

2) The defined benefit asset is recognized as the fair value of the plan assets, less, the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The 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.

(Continued)

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company 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 investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(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 non controlling 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 noncurrent.

(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.

(Continued)

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 date.

(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 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 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) 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.

(Continued)

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 other comprehensive income (FVOCI)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. 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.

4) 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 trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (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

(Continued)

- 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 361 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months 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 ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECL 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is 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 assets 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 1 year 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；

(Continued)

- 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.

5) 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.

(Continued)

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) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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.

5) 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.

6) 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.

(Continued)

(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 the 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) Investment in subsidiaries

The subsidiaries in which the Company holds a controlling interest are accounted for under the equity method in the non-consolidated financial statements. Under equity method, net income, other comprehensive income, and equity in the non-consolidated financial statements are the same as those attributable to the owners of the parent in the consolidated financial statements.

Changes in ownership of the subsidiaries are recognized as equity transaction.

(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 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 for the current and comparative years of significant items of property, plant and equipment are as follows:

1) buildings and structures: 5~50 years

2) machinery and equipment: 2~8 years

(Continued)

3) molding equipment: 2~3 years

4) transportation equipment: 5 years

5) leasehold improvements: 2~8 years

6) office and other equipment: 3~5 years

Buildings and structures constitute mainly of building, wastewater treatment plant, and others. Each such part depreciates based on its useful life of 50 years, 30 years, and 5 years, respectively.

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 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

(Continued)

- 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 an extension or termination option; or
- there is any lease modification

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.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of the offices and other sporadic leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

(Continued)

- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(k) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1. Computer Software: 1-5 years

(Continued)

The amortization expertise is recognized as profit or loss based on the estimated total production quantity using the units of production amortization method.

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

(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 cash-generating units（CGUs）.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to disposal. 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.

For other assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue

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 blood glucose mater and test strips to medical equipment companies, pharmacies and hospitals. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

(Continued)

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.

(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. The Company determines the net interest expense (income) on the net defined benefit liability (asset) 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 (asset). 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.

(Continued)

(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) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(p) 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.

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. 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.

(Continued)

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 reverse, 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.

(q) 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 dilutive potential ordinary shares, such as employee bonus and employee stock options.

(r) Operating segments

Please refer to the consolidated financial statements of Bionime Corporation for the years ended December 31, 2023 and 2022.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made 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.

(Continued)

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:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6 (e) for further description of the valuation of inventories.

(b) Assessment of Intangible Assets impairment

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company's management is required to make subjective judgments in determining the independent cash flows, expected future income and expenses related to the specific asset of the Company, taking into account the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to note 6 (i) for key assumptions used in the recoverable amount.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	$ 542	635
Demand deposits	261,265	139,186
Cash and cash equivalents in the statement of cash flow	**$ 261,807**	**139,821**

Please refer to Note 6 (x) for the exchange rate risk, interest rate risk, sensitivity analysis of the financial assets and liabilities of the Company.

(b) Financial assets at fair value through other comprehensive income－non-current

Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income：		
Domestic unlisted common share- Bonraybio Co., Ltd.	**$ 55,816**	**36,100**

(Continued)

On January 1, 2023 and 2022, the Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of December 31, 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For market risk, please refer to note 6 (x).

None of the financial assets of the Company had been pledged as collateral for borrowings.

(c) Notes and trade receivables (including related parties)

	December 31, 2023	December 31, 2022
Notes receivables from operating activities	$ 6,365	11,003
Trade receivables-measured as amortized cost	$ 479,894	668,256
Trade receivables-related parties-measured as amortized cost	51,905	54,472
Less：Loss allowance	(105)	(36,619)
	$ 531,694	686,109

The Company applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all notes and trade receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 398,341	-%	-
1 to 90 days past due	137,744	-%	-
91 to 180 days past due	3	-%	-
181 to 360 days past due	2,076	5.06%	105
More than 361 days	-	100.00%	-
Total	$ 538,164		105

(Continued)

	December 31, 2022			
	Gross carrying amount		Weighted-average loss rate	Loss allowance provision
Current	$	322,254	-%	-
1 to 90 days past due		366,831	3.54%	12,977
91 to 180 days past due		25,643	18.09%	4,639
181 to 360 days past due		19,003	100.00%	19,003
More than 361 days		-	100.00%	-
Total	$	733,731		36,619

The movement in the allowance for notes and trade receivable was as follows:

	For the years ended December 31,		
	2023		2022
Balance on January 1	$	36,619	7,093
Impairment losses recognized		-	29,587
Amounts written off		(36,514)	-
Impairment losses reversed		-	(61)
Balance on December 31	$	105	36,619

None of the receivables was discounted or pledged as collateral as of December 31, 2023 and 2022.

(d) Other receivables (including related parties)

	December 31, 2023		December 31, 2022
Other receivables	$	5,993	6,662
Other receivables-related parties		108	135
	$	6,101	6,797

For further credit risk information, please refer to note 6 (x).

(e) Inventories

	December 31, 2023		December 31, 2022
Finished goods	$	41,618	66,724
Work in progress		284,847	299,541
Raw materials		111,022	112,056
	$	437,487	478,321

(Continued)

The details of the cost of sales were as follows:

	For the years ended December 31,	
	2023	**2022**
Cost of goods sold	$ 978,323	1,143,097
Provisions for inventory valuation and obsolescence	17,090	12,370
Losses on disposal of scrap	5,655	15,286
Gains on disposal of leftover bits and pieces	(2,987)	(2,644)
Gains on physical inventory	(256)	(145)
Operating costs recognized	**$ 997,825**	**1,167,964**

As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral for its loans.

(f) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

(i) Subsidiary

	December 31, 2023	**December 31, 2022**
Subsidiaries	**$ 235,933**	**221,466**

Please refer to 2023 consolidated statement report.

(ii) As of December 31, 2023 and 2022, the Company did not provide any investment accounted for using equity method as collateral for its loans.

(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022 were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Cost or deemed cost:								
Balance at January 1, 2023	$ 1,420,840	875,651	844,304	148,910	1,588	17,847	524,457	3,833,597
Additions	-	19,125	32,187	6,613	-	-	10,830	68,755
Disposal	-	-	(2,481)	-	-	-	(3,316)	(5,797)
Reclassification	-	-	54,781	16,098	-	-	1,013	71,892
Balance at December 31, 2023	**$ 1,420,840**	**894,776**	**928,791**	**171,621**	**1,588**	**17,847**	**532,984**	**3,968,447**
Balance at January 1, 2022	$ 1,420,840	873,383	798,056	164,860	1,588	17,066	520,152	3,795,945
Additions	-	2,268	38,718	5,508	-	781	5,878	53,153
Disposal	-	-	(11,687)	(26,637)	-	-	(3,522)	(41,846)
Reclassification	-	-	19,217	5,179	-	-	1,949	26,345
Balance at December 31, 2022	**$ 1,420,840**	**875,651**	**844,304**	**148,910**	**1,588**	**17,847**	**524,457**	**3,833,597**

(Continued)

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Depreciation and impairment loss:								
Balance at January1, 2023	$ -	193,075	672,026	134,516	1,564	17,090	352,770	1,371,041
Depreciation for the year	-	24,502	68,391	11,833	24	301	34,924	139,975
Disposal	-	-	(2,481)	-	-	-	(3,313)	(5,794)
Balance at December 31, 2023	**$ -**	**217,577**	**737,936**	**146,349**	**1,588**	**17,391**	**384,381**	**1,505,222**
Balance at January1, 2022	$ -	169,728	608,448	151,923	1,420	16,980	320,773	1,269,272
Depreciation for the year	-	23,347	66,607	9,230	144	110	35,519	134,957
Disposal	-	-	(3,029)	(26,637)	-	-	(3,522)	(33,188)
Balance at December 31,2022	**$ -**	**193,075**	**672,026**	**134,516**	**1,564**	**17,090**	**352,770**	**1,371,041**
Carrying amounts:								
Balance at December 31, 2023	**$ 1,420,840**	**677,199**	**190,855**	**25,272**	**-**	**456**	**148,603**	**2,463,225**
Balance at January 1, 2022	**$ 1,420,840**	**703,655**	**189,608**	**12,937**	**168**	**86**	**199,379**	**2,526,673**
Balance at December 31, 2022	**$ 1,420,840**	**682,576**	**172,278**	**14,394**	**24**	**757**	**171,687**	**2,462,556**

(i) Disclosures on pledges

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.

(ii) Property, plant and equipment under construction

For the years ended December 31, 2023 and 2022, capitalized borrowing costs related to the construction of the new plant amounted to $7,680 thousand and $3,039 thousand, with a capitalization rate of 3.6712% to 4.1250% and respectively 0.9173% to 2.9093%.

(h) Right-of-use assets

The Company leases many assets including buildings, vehicles, machinery and equipment. Information about leases for which the Company as a lessee was presented below:

	Buildings	Transportation Equipment	Machinery and Equipment	Total
Costs:				
Balance at January 1, 2023				
(i.e. Balance at December 31, 2023)	**$ 6,230**	**469**	**1,048**	**7,747**
Balance at January 1, 2022	$ 2,987	469	1,048	4,504
Additions	3,243	-	-	3,243
Balance at December 31, 2022	**$ 6,230**	**469**	**1,048**	**7,747**

(Continued)

		Buildings	Transportation Equipment	Machinery and Equipment	Total
Accumulated depreciation and impairment losses:					
Balance at January 1, 2023	$	3,258	274	785	4,317
Depreciation for the year		1,081	157	209	1,447
Balance at December 31, 2023	**$**	**4,339**	**431**	**994**	**5,764**
Balance at January 1, 2022	$	2,234	117	576	2,927
Depreciation for the year		1,024	157	209	1,390
Balance at December 31, 2022	**$**	**3,258**	**274**	**785**	**4,317**
Carrying amount:					
Balance at December 31, 2023	**$**	**1,891**	**38**	**54**	**1,983**
Balance at January 1, 2022	**$**	**753**	**352**	**472**	**1,577**
Balance at December 31, 2022	**$**	**2,972**	**195**	**263**	**3,430**

(i) Intangible assets

The costs of intangible assets and amortization of the Company for the years ended December 31, 2023 and 2022 were as follows:

		Computer software	Development cost	Patent	Total
Costs:					
Balance at January 1, 2023	$	39,123	493,037	-	532,160
Additions		12,778	-	-	12,778
Acquisition internally developed		-	135,522	-	135,522
Reclassification		607	(628,559)	628,559	607
Disposal		(7,436)	-	-	(7,436)
Balance at December 31, 2023	**$**	**45,072**	**-**	**628,559**	**673,631**
Balance at January 1, 2022	$	34,133	327,708	-	361,841
Additions		9,917	-	-	9,917
Acquisition internally developed		-	165,329	-	165,329
Reclassification		552	-	-	552
Disposal		(5,479)	-	-	(5,479)
Balance at December 31, 2022	**$**	**39,123**	**493,037**	**-**	**532,160**

(Continued)

	Computer software	Development cost	Patent	Total
Amortization and Impairment Loss:				
Balance at January 1, 2023	$ 25,440	-	-	25,440
Amortization for the year	12,067	-	-	12,067
Disposal	(7,436)	-	-	(7,436)
Balance at December 31, 2023	**$ 30,071**	**-**	**-**	**30,071**
Balance at January1, 2022	$ 19,883	-	-	19,883
Amortization for the year	11,036	-	-	11,036
Disposal	(5,479)	-	-	(5,479)
Balance at December 31, 2022	**$ 25,440**	**-**	**-**	**25,440**
Carrying amounts:				
Balance at December 31, 2023	**$ 15,001**	**-**	**628,559**	**643,560**
Balance at January 1, 2022	**$ 14,250**	**327,708**	**-**	**341,958**
Balance at December 31, 2022	**$ 13,683**	**493,037**	**-**	**506,720**

The Company is dedicated to developing its new product called Continuous Glucose Monitoring (CGM). For the year ended December 31, 2019, the product has met the criteria for capitalization. The CGM developed by the Company received the second-level medical device license approval notice issued by Taiwan Food and Drug Administration on October 13, 2023, resulting in the Company's capitalized cost of $628,559 thousand to be reclassified to Patent and amortized using the units of production amortization method.

(i) Amortization

The amortizations of intangible assets were included in the statement of comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Operating costs	**$ 1,285**	**1,001**
Operating expenses	**$ 10,782**	**10,035**

(ii) Impairment loss

The amount of recoverable future cash flows from the combined Company's expertise is based on the estimates of financial budgets approved by the management, wherein the appropriate valuation methods and assumptions are used to calculate the recoverable amount of the cash generating units. The discount rate used on December 31, 2023 was 14%. According to the impairment test results of the Company, the recoverable amount of the Patent is greater than its carrying amount; hence, no impairment loss was recognized in 2023.

(iii) Disclosures on pledges

As of December 31, 2023 and 2022, none of the intangible assets of the Company had been pledged as collateral.

(Continued)

(j) Other current assets and other non-current assets

The other current assets and other non-current assets of the Company were as follows:

		December 31, 2023	December 31, 2022
Other financial assets:			
Other current financial assets	$	**200**	**200**
Other Current assets:			
Overpaid sales tax	$	13,902	7,055
Temporary payments		8,453	4,063
Others		1,614	3,074
	$	**23,969**	**14,192**
Other non-current assets:			
Other non-current assets－other	$	**30,819**	**38,365**

(i) Other financial assets-current are the time deposits which are over three months of original expiry date. For the collateral pledged status, please refer to note 8.

(ii) For further credit risk information, please refer to note 6(x).

(iii)Other non-current assets-other mainly consist of prepayment of royalties to GE company.

(k) Short-term notes and bills payable

The short-term notes and bills payable were summarized as follows:

	December 31, 2023		
	Guarantee or acceptance institution	**Range of interest rate (%)**	**Amounts**
Commercial paper payable	TAIWAN COOPERATIVE BILLS FINANCE CORPORATION	1.752%	$ 100,000
Less: Discount on short-term notes and bills payable			(134)
Total			**$ 99,866**

(l) Short-term borrowings

The short-term borrowings were summarized as follows:

		December 31, 2023	December 31, 2022
Unsecured bank loans	$	306,765	229,399
Secured bank loans		98,107	122,628
	$	**404,872**	**352,027**
Unused credit line	**$**	**1,003,852**	**655,176**
Range of Interest rates		**3.8000%~6.5008%**	**0.6846%~5.7703%**

(Continued)

For the collateral pledged for short-term borrowings, please refer to note 8.

(m) Other current liabilities

The details were as follows:

	December 31, 2023	December 31, 2022
Contract liability	$ 1,676	10,202
Temporary receipts	2,246	1,332
Others	589	488
	$ 4,511	**12,022**

(n) Long-term borrowings

The details were as follows:

	December 31, 2023			
	Currency	**Interest rates**	**Maturity year**	**Amount**
Secured bank loans	NTD	1.75%~1.77%	2025~2030	$ 2,191,298
Unsecured bank loans	NTD	2.09%	2024	100,000
Less: current portion				(604,301)
Total				**$ 1,686,997**
Unused credit line				**$ -**

	December 31, 2022			
	Currency	**Interest rates**	**Maturity year**	**Amount**
Secured bank loans	NTD	1.50%~1.65%	2023~2030	$ 1,807,723
Unsecured bank loans	NTD	1.74%	2023	100,000
Less: current portion				(422,731)
Total				**$ 1,484,992**
Unused credit line				**$ 231,440**

Property, plant and equipment are pledged as collateral for long-term borrowings, please refer to note 8.

(o) Lease liabilities

The lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	**$ 1,178**	**1,441**
Non-current	**$ 824**	**2,003**

For the maturity analysis, please refer to note 6(x).

(Continued)

The amounts recognized in profit or loss was as follows:

	For the years ended December 31, 2023	2022
Interest on lease liabilities	$ 37	21
Expenses relating to short-term leases	$ 4,037	4,667

The amounts recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31, 2023	2022
Total cash outflow for leases	$ 5,516	6,078

(i) Real estate leases

The Company leases warehouses, machinery and vehicles. The leases typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension or cancellation options exercisable by the Company before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company has some office and trivial leases with contract terms of one year. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value are as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 9	2,992
Fair value of plan assets	(2,639)	(5,050)
Suspension of Appropriation	(12)	(12)
Net defined benefit liabilities (assets)	$ (2,642)	(2,070)

(Continued)

The Company's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term vacation liability	$ 9,391	9,271

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 the six months prior to retirement.

1) Composition of plan assets

The Company 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 Company's Bank of Taiwan labor pension reserve account balance amounted to $2,599 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 movement in present value of defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligation at January 1	$ 2,992	4,060
Current service costs and interest cost	37	24
Remeasurements loss (gain):		
Actuarial loss (gain) arising from:		
－financial assumptions	85	(1,092)
Past service credit	(609)	-
Benefit paid	(2,496)	-
Defined benefit obligations at December 31	$ 9	2,992

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	5,050	4,599
Interest income		63	28
Contributions paid by the employer		-	62
Remeasurements loss (gain):			
－Return on plan assets excluding interest income		22	361
Benefit paid		(2,496)	-
Fair value of plan assets at December 31	**$**	**2,639**	**5,050**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2023	2022
Net interest of net liabilities for the defined benefit obligations	$	(26)	(4)
Pait service credit		(609)	-
Administration expenses	**$**	**(635)**	**(4)**

5) Actuarial assumptions

The Company's principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25 %	1.25 %
Future salary increase rate	3.00 %	3.00 %

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 $0 thousand.

The weighted average lifetime of the defined benefit plans is 40.4 years.

(Continued)

6) Sensitivity analysis

As of December 31, 2023 and 2022, the impact on the present value of the defined benefit obligation, due to the change in actuarial assumption, was as follows:

	Influences of defined benefit obligation	
	Increase 1.00%	**Decrease 1.00%**
December 31, 2023		
Discount rate	$ (3)	5
	Increase 1.00%	**Decrease 1.00%**
Future salary increasing rate	$ 5	(3)

	Influences of defined benefit obligation	
	Increase 0.25%	**Decrease 0.25%**
December 31, 2022		
Discount rate	$ (139)	146
	Increase 1.00%	**Decrease 1.00%**
Future salary increasing rate	$ 619	(514)

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 benefit plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company paid a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the defined contribution plan have been contributed to the Bureau of the Labor Insurance. The amounts of $2,159 thousand and $2,184 thousand for the years ended December 31, 2023 and 2022, respectively, were transferred to intangible assets as they were eligible for capitalization, please refer to note 6 (i), and the remaining pension costs are $23,556 thousand and $21,669 thousand separately.

(Continued)

(q) Income taxes

(i) Income tax income

The Company of income tax in the years 2023 and 2022 were as follows:

		2023	2022
Current income tax (income) expense			
Adjustment for prior periods	$	-	(573)
5% surtax on un-distributed earnings		6	-
		6	(573)
Deferred tax expense (income)			
Origination and reversal of temporary differences		(38,894)	(6,083)
Tax income	$	**(38,888)**	**(6,656)**

None of the amount of income tax recognized in other comprehensive income for 2023 and 2022.

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows.

		2023	2022
Profit excluding income tax	$	**(32,679)**	**84,369**
Income tax using the Company's domestic tax rate	$	(6,536)	16,874
Non-deductible expenses		2,025	4,710
Book-tax income differences of the revenue and expense		(27,104)	(33,014)
Investment income recognized under equity method		(3,175)	(2,598)
Changes in unrecognized temporary differences		(4,104)	6,540
Prior years income tax adjustment		-	(573)
Adjustment of deferred tax assets for prior years		-	1,405
5% surtax on undistributed earnings		6	-
	$	**(38,888)**	**(6,656)**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

		December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	$	**8,148**	**12,252**

(Continued)

The entity is able to control the timing of the reversal of the temporary differences associated with the investments in subsidiaries as of December 31, 2023 and 2022. Also, the management considers it is possible that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax assets. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ 248,237	253,079
Unrecognized deferred tax assets	$ 49,647	50,616

2) Unrecognized deferred tax liabilities

The entity is able to control the timing of the temporary differences associated with its investments in subsidiaries as of December 31, 2023 and 2022. Also the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ 44,444	33,414
Unrecognized deferred tax liabilities	$ 8,889	6,683

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred Tax Assets:

	Unrealized loss on inventory obsolescence	Unrealized foreign exchange loss	Unrealized inter-company profits resulting from sales to affiliated companies	Operating loss carry forward	Reserve liability	Total
Balance at January 1, 2023	$ 4,038	2,050	3,968	46,304	-	56,360
Recognized in profit or loss	1,709	(1,719)	(73)	39,104	-	39,021
Balance at December 31,2023	**$ 5,747**	**331**	**3,895**	**85,408**	**-**	**95,381**
Balance at January 1,2022	$ 2,801	-	4,021	43,657	57	50,536
Recognized in profit or loss	1,237	2,050	(53)	2,647	(57)	5,824
Balance at December 31, 2022	**$ 4,038**	**2,050**	**3,968**	**46,304**	**-**	**56,360**

(Continued)

Deferred Tax Liabilities:

		Unrealized foreign exchange loss	Others	Total
Balance at January 1, 2023	$	-	160	160
Recognized in profit or loss		-	127	127
Balance at December 31, 2023	**$**		**287**	**287**
Balance at January 1, 2022	$	262	157	419
Recognized in profit or loss		(262)	3	(259)
Balance at December 31, 2022	**$**	**-**	**160**	**160**

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2023, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss		Unused tax loss	Expiry date	Remark
2020	$	107,675	2030	Number of approved
2021		103,874	2031	Number of declarations
2022		19,970	2032	Number of declarations
2023		195,518	2033	Number of declarations
	$	**427,037**		

(iii) Assessment of tax

The Company’s tax returns for the years through 2020 were assessed by the Tax Authority.

(r) Capital and other equity

As of December 31 2023 and 2022, the numbers of authorized ordinary shares were 100,000 thousand shares, with par value of $10 per share. The total value of authorized ordinary shares amounted to $1,000,000 thousand (and of which $90,000 thousand was reserved for the exercising of employee share options for each year). As of the date, 60,820 thousand (2022: 60,687 thousand) of ordinary thousand shares amounted to $608,202 thousand (2022: $606,870 thousand) were issued.

(Continued)

Reconciliation of shares outstanding for 2023 and 2022 was as follows:

(in thousands of shares)

	Ordinary Shares	
	2023	**2022**
Balance on January1	60,687	62,289
Exercise of share options	133	398
Retirement of treasury stocks	-	(2,000)
Balance on December 31	**60,820**	**60,687**

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company issued 133.2 thousand and 398.2 thousand new shares for employee stock options, with a par value of $10 per share, totaling $7,320 thousand and $20,997 thousand, respectively, which were paid upon issuance. All relevant statutory registration procedures had since been completed, except for the remaining 122.2 thousand and 61.8 thousand shares, amounting to $6,550 thousand and $3,405 thousand, respectively, which have yet to be registered for the years then ended.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	**December 31, 2022**
Share capital	$ 911,782	1,016,362
Share capital of Employee share options	130,084	124,097
Employee share options	63,612	61,060
Expired options	103,343	101,114
	$ 1,208,821	**1,302,633**

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, the capital increase by transferring the capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

The Company has determined to distribute $104,580 thousand and $45,451 thousand as cash dividends out of APIC (Additional Paid-In Capital) on May 10,2023 and March 22, 2022 with approval subjected to the stockholders' meeting, respectively.

(Continued)

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the Company Act, the distribution of dividends and bonus, or all or part, of legal reserve and capital reserve, distributed by way of cash, shall be decided during the board meeting approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be reported at the shareholders' meeting.

The Company's dividend policy depends on the Company's capital expenditure budget and required working capital. The remaining earnings will be distributed either in cash or in stock dividends, or both. However, the cash dividend cannot be less than 5% of the total dividends distributed.

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

During the earnings of distribution, the amount to be reclassified as a special reserve (which does not qualify for earnings distribution) should be equal to the total net current-period reduction of other shareholders' equity in accordance with the regulation of Taiwan Stock Exchange Authority. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2022 and 2021 had been approved during the board meeting on May 10, 2023 and March 22, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 0.38	23,105	1.25	75,753

(Continued)

The amounts of cash dividends on the appropriations of earnings for 2023 had been approved during the board meeting on March 14, 2024, as follows:

	2023	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	**$ 2.00**	**122,003(Note)**

Note: Of the total amount, $116,208 thousand was used as capital reserve to distribute cash dividends.

(iv) Treasury shares

The Company failed to transfer to its employees the 2,000 thousand treasury shares it repurchased in 2017. According to the Securities Exchange Act, the shares should be retired if they were not transferred within five years after repurchasing.

The Company reduced its capital by repurchasing shares based on a resolution approved during the board meeting held on March 22, 2022. All relevant registration procedures had been completed on May 17, 2022.

(v) Other equity interests (net-of-taxes)

	Exchange differences on translation of foreign financial statements	**Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income**	**Total**
Balance at January 1, 2023	$ (3,513)	-	(3,513)
Exchange differences on translation of foreign financial statements	185	-	185
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	19,716	19,716
Balance at December 31, 2023	**$ (3,328)**	**19,716**	**16,388**

(Continued)

	Exchange differences on translation of foreign financial statements	Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2022	$ (18,225)	-	(18,225)
Exchange differences on translation of foreign financial statements	14,712	-	14,712
Balance at December 31, 2022	**$ (3,513)**	**-**	**(3,513)**

(s) Share-Based payment

(i) Employee stock options

As of December 31, 2023, details of the Employee Stock Option Plans ("ESOP") issued by the company were as follows:

	2019 ESOP
Grant date	2019.11.5
Units issued	2,930,000
Term of grant	2019.11.5~2024.11.4
Grant object	Full-time employeesof the Company andits subsidiaries
Vesting conditions	Services of the next two years

1) Determining the fair value of equity instruments granted

The Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2019 ESOP	
	2023	**2022**
Fair value at grant date	$22.53~25.83	22.53~25.83
Share price at grant date	60.2	60.2
Exercise price	53.6~55.1	55.1~56.7
Expected volatility(%)	38.50%	38.50%
Expected life (years)	10 years	10 years
Expected dividend	-	-
Risk-free interest rate(%)	0.54%	0.54%

(Continued)

Expected volatility is based on the weighted average of historical volatility, and it is adjusted when there is additional market information about the volatility. The Company determined the expected dividends and risk-free rate during the life of the option. These rates are determined based on government bonds, which are in accordance with the regulations. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

2) Description of share-based payment arrangements

Details of the employee stock options are as follows:

	2023		2022	
(in dollars)	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**	**Number of options**
Outstanding at January 1 (number)	55.10	1,821,200	56.70	2,270,800
Forfeited during the year (number)		(111,400)		(143,000)
Exercised during the year (number)		(193,600)		(167,800)
Expired during the year (number)		(34,400)		(138,800)
Outstanding at December 31 (number)	53.60	**1,481,800**	55.10	**1,821,200**
Exercisable at December 31 (number)		**1,481,800**		**1,821,200**

(ii) Employee recognized in profit or loss

The Company incurred expenses and liabilities of share-based arrangements in 2023 and 2022 were as follows:

	2023	2022
Expenses resulting from granted employee share options	$ **4,781**	**7,852**

(t) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31 2023 and 2022 were based on the profit attributable to ordinary shareholders of the Company amounting to $6,209 thousand and $91,025 thousand, respectively; and the weighted average number of ordinary shares outstanding of 60,757 thousand shares and 60,533 thousand shares, respectively, were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ **6,209**	**91,025**

(Continued)

2) Weighted average number of ordinary shares

		2023	2022
Weighted-average number of ordinary shares at December 31		**60,757**	**60,533**
Basic earnings per share	**$**	**0.10**	**1.50**

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 were based on profit attributable to ordinary shareholders of the Company amounting to $6,209 thousand and $91,025 thousand, respectively; and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 61,252 thousand shares and 61,424 thousand shares were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

		2023	2022
Profit attributable to ordinary shareholders of the Company (diluted)	**$**	**6,209**	**91,025**

2) Weight-average number of ordinary shares (diluted)

		2023	2022
Weighted-average number of ordinary shares (basic)		60,757	60,533
Effect of dilutive potential ordinary shares			
Effect of issuance of employee share options		465	705
Effect of employee share bonus		30	186
Weighted-average number of ordinary shares (diluted)		**61,252**	**61,424**
Diluted earnings per share	**$**	**0.10**	**1.48**

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets			
Algeria	$	340,847	728,548
China		177,897	230,622
Switzerland		101,643	136,449
United State		158,703	131,854
Egypt		18,630	31,308
United Arab Emirates		88,883	26,983
Other		729,146	785,983
	$	**1,615,749**	**2,071,747**
Major products			
Meter and Strips	**$**	**1,615,749**	**2,071,747**

(Continued)

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities (under other current liabilities)	$ **1,676**	**10,202**	**2,016**

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contact liability balance at the beginning of the period were $10,202 thousand and $2,016 thousand, respectively.

(v) Employee compensation, directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1.5% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2023 is the net loss before tax, so the remuneration of employee and directors was not estimated.

For the years ended December 31, 2022, the Company estimated its employee remuneration amounting to $11,850 thousand and directors remuneration amounting to $2,790 thousand respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website. As stated in the financial statements, are identical to those of the actual distributions for 2023 and 2022.

(w) Non-operating income and expenses

(i) interest income

The details of interest income for the years 2023 and 2022 were as follows:

	2023	2022
Interest income from bank deposits	$ **1,491**	**316**

(ii) Other income

The details of other income for the years 2023 and 2022were as follows:

	2023	2022
Rent income	$ 535	583
Other income－others	19,645	2,648
	$ **20,180**	**3,231**

(Continued)

(iii) Other gains and losses

The details of other gains and losses for the years 2023 and 2022 were as follows:

	2023	2022
Foreign exchange (losses) gains	$ 5,208	(1,161)
(Losses) gains on disposals of property, plant and equipment	94	(3,994)
Losses on disposals of investments	-	(13)
	$ 5,302	**(5,168)**

(iv) Finance costs

The details of financial costs for the years 2023 and 2022 were as follows:

	2023	2022
Interest expenses of bank loans	$ 47,049	30,439
Interest of lease liabilities	37	21
	$ 47,086	**30,460**

(x) 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

The major clients of Company are concentrated in medical instruments market. To minimize credit risk, the Company periodically evaluates their financial positions and requests collateral if deemed necessary. It also periodically assesses the recoverability of the accounts receivable and recognizes an allowance for impairment. The impairment loss is within management's expectation. As of December 31, 2023 and 2022, 61% and 71%, respectively, of trade receivables were comprised of five customers. Thus, the credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6 (c).

Other financial assets at amortized cost includes other receivables and time deposits. For the details on loss allowance, please refer to note 6(d) and note 6 (j).

All of these financial assets are considered to have low risk, and thus, 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).

(Continued)

(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						
Secured bank loans	$ 2,289,405	2,332,939	616,160	590,391	1,036,156	90,232
Unsecured bank loans	406,765	421,142	421,142	-	-	-
Short-term notes and bills payable	99,866	100,000	100,000	-	-	-
Notes and trade payables	143,802	143,802	143,802	-	-	-
Other payables (including related parties)	327,742	327,742	327,742	-	-	-
Payable on machinery and equipment	9,914	9,914	9,914	-	-	-
Guarantee deposits received	4	4	4	-	-	-
Lease liabilities (Current and Non-Current)	2,002	2,024	1,197	827	-	-
	$ 3,279,500	**3,337,567**	**1,619,961**	**591,218**	**1,036,156**	**90,232**
December 31, 2022						
Non-derivative financial liabilities						
Secured bank loans	$ 1,930,351	1,957,161	553,474	433,716	828,757	141,214
Unsecured bank loans	329,399	334,938	233,543	102,395	-	-
Notes and trade payables (including related parties)	176,876	176,876	176,876	-	-	-
Other payables (including related parties)	432,048	432,048	432,048	-	-	-
Payable on machinery and equipment	21,935	21,935	21,935	-	-	-
Guarantee deposits received	4	4	4	-	-	-
Lease liabilities (Current and Non-Current)	3,444	3,505	1,479	2,026	-	-
	$ 2,894,057	**2,926,467**	**1,416,359**	**537,137**	**828,757**	**141,214**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(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	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets						
Monetary items						
USD	USD 13,007	30.76	400,095	USD 21,191	30.74	651,411
EUR	EUR 2,635	34.04	89,695	EUR 2,402	32.76	78,690
Financial liabilities						
Monetary items						
USD	USD 13,017	30.76	40,003	USD 12,887	30.74	396,146
EUR	EUR 1,767	34.04	60,149	EUR 1,804	32.76	59,099

(Continued)

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 0.5% of the NTD against the USD and the EUR as of December 31, 2023 and 2022, would have increased (decreased) the net profit after tax by $117 thousand and $1,099 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2023 and 2022, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to $5,208 thousand and $(1,161)thousand, respectively.

(iv) Interest rate risk

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 derivative and 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 0.5% 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 0.5%, the Company's net income would have increased / decreased by $10,785 thousand and $9,039 thousand for the year ended December 31, 2023 and 2022, respectively with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. 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:

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks unlisted companies	$ 55,816	-	-	55,816	55,816
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 261,807	-	-	-	-
Notes and trade receivables (including related parties)	538,059	-	-	-	-
Other receivables (including related parties)	6,101	-	-	-	-
Other financial assets-current	200	-	-	-	-
Guarantee deposits received	3,074	-	-	-	-
	809,241	-	-	-	-
	$ 865,057	**-**	**-**	**55,816**	**55,816**
Financial liabilities at amortized cost					
Short-term borrowings	$ 404,872	-	-	-	-
Short-term notes and bills payable	99,866	-	-	-	-
Notes and trade payables, and other payables (including related parties)	471,544	-	-	-	-
Payable on machine and equipment	9,914	-	-	-	-
Lease liabilities (Current and Non-current)	2,002	-	-	-	-
Guarantee deposits received	4	-	-	-	-
Long-term borrowings, including current portion	2,291,298	-	-	-	-
	$ 3,279,500	**-**	**-**	**-**	**-**

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks unlisted companies	$ 36,100	-	-	36,100	36,100
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 139,821	-	-	-	-
Notes and trade receivables (including related parties)	697,112	-	-	-	-
Other receivables (including related parties)	6,797	-	-	-	-
Other financial assets-current	200	-	-	-	-
Guarantee deposits received	2,864	-	-	-	-
	846,794	-	-	-	-
	$ 882,894	**-**	**-**	**36,100**	**36,100**
Financial liabilities at amortized					
Short-term borrowings	$ 352,027	-	-	-	-
Notes and trade payables, and other payables (including related parties)	608,924	-	-	-	-
Payable on machine and equipment	21,935	-	-	-	-
Lease liabilities (Current and Non-current)	3,444	-	-	-	-
Guarantee deposits received	4	-	-	-	-
Long-term borrowings, including current portion	1,907,723	-	-	-	-
	$ 2,894,057	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value :

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

If there is quoted price generated by transactions for financial liabilities measured at amortized cost, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2023 and 2022.

4) Reconciliation of Level 3 fair values

	Fair value through other omprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2023	$ 36,100
Inother comprehensive in come	19,716
Ending balance, December 31, 2023	**$ 55,816**
Opening balance, January 1, 2022 (i.e. December 31, 2022)	**$ 36,100**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company' s financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income － equity investments without an active market	Discounted Cash Flow Method	• Forecast annual revenue growth rate（December 31, 2023 and 2022 ; 20%~40%） • Weight average capital cost（December 31,2023 and 2022 ; 9.92% and 9.33%）	• the annual revenue growth rate was higher, the fair value was higher • the weight average capital cost was higher, the fair value was lower

(Continued)

(y) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company' s Planning Department, which is responsible for developing and controlling the Company's risk management policies, periodically reports to the Board of Directors on its operation. The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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 Company Audit Committee oversees how management monitors compliance with the Company' s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arise principally from the Company's receivables from customers and investments in debt securities.

1) Trade and other receivables

The Company has established a credit policy, under which every new customer' s credit rating shall be analyzed before granting delivery and payment terms. The Company reviews external ratings, customers' general information, and other information. The Company grants credit line for each customer and carries out periodical reviews thereafter. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. The Company has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

(Continued)

The Company did not have any collateral or other credit enhancements to avoid credit risk of 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) Guarantee

The Company' s policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2023, no guarantees were outstanding (2022: none).

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company's unused credit lines were amounted to $1,003,852 thousand and $655,176 thousand, respectively.

(v) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affects the Company' s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

In addition to keeping abreast of the trends and changes in major currencies in the international foreign exchange market, the Company flexibly adjusts its export quotations, and maintains a considerable position in foreign currency accounts receivable and payable to avoid currency risk.

2) Interest rate risk

The borrowing rate of the Company is agreed in accordance with the contract, and financing decisions are all approved by the Board of Directors.

3) Other market price risk

The Company is not exposed to equity price risk from its investments in equity securities.

(Continued)

(z) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry 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 plus net debt.

As of December 31, 2023, the Company's capital management strategy is consistent with the prior year as of December 31, 2022, and the gearing ratio is maintained within 30% to 75% to ensure financing at reasonable cost. The Company's debt-to-equity ratio at the end of the reporting period was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 3,290,812	2,912,866
Less: cash and cash equivalents	261,807	139,821
Net debt	**$ 3,029,005**	**2,773,045**
Total equity	**$ 1,986,032**	**2,072,425**
Total capital	**$ 5,015,037**	**4,845,470**
Debt-to-equity ratio at 31 December	**60.40%**	**57.23%**

(aa) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) For right-of-assets under leases, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes				
	January 1, 2023	**Cash flows**	**Additions**	**Foreign exchange movement**	**Interest expenses**	**(Profit) loss of lease modification**	**December 31, 2023**
Long-term borrowings	$ 1,907,723	383,575	-	-	-	-	2,291,298
Short-term borrowings	352,027	64,201	-	(11,356)	-	-	404,872
Short-term notes and bills payable	-	100,000	-	-	(134)	-	99,866
Lease liabilities (current and non-current)	3,444	(1,442)	-	-	-	-	2,002
Total liabilities from financing activities	**$ 2,263,194**	**546,334**	**-**	**(11,356)**	**(134)**	**-**	**2,798,038**

(Continued)

	January 1, 2022	Cash flows	Non-cash changes: Additions	Foreign exchange movement	Release the lease	(Profit) loss of lease modification	December 31, 2022
Long-term borrowings	$ 1,517,291	390,432	-	-	-	-	1,907,723
Short-term borrowings	507,778	(158,688)	-	2,937	-	-	352,027
Lease liabilities (current and non current)	1,591	(1,390)	3,243	-	-	-	3,444
Total liabilities from financing activities	**$ 2,026,660**	**230,354**	**3,243**	**2,937**	**-**	**-**	**2,263,194**

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with a related party during the periods covered in the financial statements.

Name of related Party	Relationship with the Company
Bionime Incorporated (B.V.I)	Subsidiary of the Company
Bionime GmbH	Subsidiary of the Company
Bionime USA Corporation	Subsidiary of the Company
Bionime Australia Pty Limited	Subsidiary of the Company
Bionime (Malaysia) Sdn Bhd	Subsidiary of the Company
Bionime (Shenzhen) Limited Company (Bionime Shenzhen)	Subsidiary of the Company
Bionime (Pingtan) Limited Company (Bionime Pingtan)	Subsidiary of the Company
Tonghua Dongbao Pharmaceutical Co., Ltd. (Tonghua Dongbao)	Director of the Company
HUANG, CHUN-MU	Key management personnel

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to its related party were as follows:

	2023	2022
Subsidiary		
Bionime Pingtan	$ 161,674	206,375
Other subsidiary	75,310	77,922
Other related parties	16,223	24,248
	$ 253,207	**308,545**

(Continued)

The price given to the related-parties is not comparable to other non-related products due to their product characteristics. The general customer's collection term is about 45 to 120 days, or advance sales receipts, and the collection term for Bionime Incorporated (B.V.I), Bionime GmbH, Bionime USA Corporation, Bionime Australia Pty Limited, Bionime (Malaysia) Sdn Bhd, Bionine (Pingtan) Limited Company and Bionime (Shenzhen) Limited Company were approximately 90 days, 60 days, 120 days, 120 days,100 days, 90 days and 90 days, respectively, the other related parties of the Company of the collection conditions is advance sales receipts or 45 days from the end of the month of when the invoice is issued.

(ii) Purchases

The amounts of purchases by the Company from related parties were as follows:

	2023	2022
Subsidiary	**$ -**	**395**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms were 90 days.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Trade receivables	Subsidiary	$ 51,905	50,319
Trade receivables	Other related parties	-	4,153
Other receivables	Subsidiary	108	135
		$ 52,013	**54,607**

(iv) Payables to related parties

Account	Relationship	December 31, 2023	December 31, 2022
Other payables	Subsidiary:		
	Bionime GmbH	$ 28,208	22,987
	Bionime Pingtan	1,689	16,517
	Bionime shenzhen	33	-
	Other related parties	518	444
		$ 30,448	**39,948**

(v) Others (account for other current liabilities)

The others to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Temporary receipts	Subsidiary	**$ 209**	**209**

(Continued)

(vi) Other related parties

1) The service fees paid by the Company were as follows

	2023	2022
Bionime GmbH	$ **24,072**	**21,872**

2) The company sold equipment to subsidiaries in 2015, and disposed of the price and disposal benefits were $2,078 thousand and $1,455 thousand respectively, and deferred recognition of unrealized disposal benefits were $1,455 thousand. In 2023 and 2022, the amortization of assets based on the useful life of the assets was recognized as the realized gain of assets for sale was $179 thousand. For more details information on Property, plant and equipment, please refer to Note 6 (g).

3) The sales expenses were $40,054 thousand and $29,167 thousand in 2023 and 2022 respectively, which caused by signing technical service contract with subsidiary of the Company-Bionime Shenzhen was under selling expenses.

4) The sales expense was $15,113 thousand in 2022, which caused by signing technical service contract with subsidiary of the Company-Bionime Pingtan was under selling expenses.

5) The company entered into a patent license agreement with the key management. The agreement is from June 30, 2004, to April 17, 2023, and entitles the Company to use U.S. patent No. 10/354684 and No. 10/462904 without any charges.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 14,220	17,206
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term employee benefits	-	-
Share-based payments	344	565
	$ **14,564**	**17,771**

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Property, plant and equipment	Guarantee for bank loans	$ 2,098,039	2,103,416
Other financial assets-current	Purchase deposit	200	200
		$ **2,098,239**	**2,103,616**

(Continued)

(9) Significant commitments and contingencies

Unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 34,779	21,515

(10) Losses Due to Major Disasters : None

(11) Subsequent Events : None

(12) Other

(a) A summary of current-period employee benefits, depreciation, depletion, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	321,366	193,895	515,261	345,476	202,762	548,238
Labor and health insurance	37,182	19,971	57,153	34,234	17,880	52,114
Pension	14,343	8,578	22,921	13,399	8,254	21,653
Remuneration of directors	-	2,600	2,600	-	4,951	4,951
Others	19,276	12,812	32,088	18,831	12,945	31,776
Depreciation	106,184	35,238	141,422	104,994	31,353	136,347
Amortization	1,285	10,782	12,067	1,001	10,035	11,036

(Continued)

The additional information of the numbers of employee and employee benefits in 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
The number of employees	1,028	1,006
Directors were not serving as employees	8	8
Average of employee benefits	$ 614	655
Average of employee salary expenses	$ 504	550
Adjustment of the average of employee salary expenses	(6.48)%	1.29%
Remuneration of supervisors	$ -	883

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

(i) Ensure that the Company's salary and remuneration arrangements comply with the relevant laws and regulations and are sufficient to attract the best talent.

(ii) The performance evaluation and salary of directors, supervisors and managers shall be based on the competitors of the same industry standard, taking into account the results of the individual's performance evaluation, the time dedicated to the Company, the responsibilities undertaken, the achievement of personal goals, the performance of other positions, the salary and remuneration of the same peer salary level in recent year, the reasonableness of the connection between individual performance and the Company's operating performance and future risks as assessed by the achievement of the Company's short term and long term business objectives and the Company's financial position.

(iii) Directors and managers should not be induced to engage in conduct that exceeds the Company's risk appetite in pursuit of the salary and remuneration.

(iv) The percentage of remuneration for short term performance of directors and senior managers, and the timing of payment of some variable salary and remuneration, shall be determined by considering the characteristics of the industry and the nature of the Company's business.

(v) The content and amount of remuneration to directors, supervisors and managers should be reasonable, and the determination of remuneration to directors, supervisors and managers should not be materially different from that of the financial performance.

If there is a significant decline in profits or a long term loss, the salary should not be higher than the previous year. Otherwise, an explanation of reasonableness should be disclosed in the annual report and reported in the shareholders' meeting.

(vi) The remuneration to employees is based on their academic qualifications and duties in accordance with the standards of the Company's employee salary grade and additional pay statement of the job title.

(Continued)

(b) The explanation of current asset less than current liability on December 31, 2023 were as follows:

As of December 31, 2023, current assets were less than current liabilities mainly because of the Company's short-term and long-term bank loans due within one year. If the liabilities of bank loans are excluded, the current assets are still greater than the current payables, and the review of bank loans is based on the information from the consolidated financial statements as a reference for whether to approve loans or not.

The Company's cash flow in the coming year, taking into account the amount of bank loans and the extension of bank loans, the Company estimates that the short-term capital income in the coming year will be sufficient to meet the operating expenses.

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
The company	Ordinary-Bonraybio Corporation	None	Financial assets measured at fair value through other comprehensive gains and losses-non-current	960	55,816	5.62%	55,816	-	-%	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None

(Continued)

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Bionime (Pingtan) Limited Company	Subsidiary of B.V.I	Sale	(161,674)	10.00%	net 90 days from the end of the month of when the invoice issued	No comparison	net 90 days from the end of the month of when the invoice issued	33,836	6.50%	

(viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the years 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			Net income (losses) of investee	Share of profits/losses of investee
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value		
The company	Bionime GmbH	Switzerland	Merchandise trading	CHF300	CHF300	Note	100 %	27,818	1,165	1,165
The company	Bionime Incorporated (B.V.I)	British Virgin Islands	Investing and holding	USD3,090	USD3,090	3.09	100 %	98,121	9,265	9,265
The company	Bionime USA Corporation	America	Merchandise trading	USD11,150	USD11,150	1,115	100 %	99,239	4,878	4,878
The company	Bionime Australia Pty Limited	Australia	Merchandise trading	AUD350	AUD350	Note	100 %	(135)	(35)	(35)
The company	Bionime (Malaysia) Sdn.Bhd	Malaysia	Merchandise trading	MYR1,046	MYR1,046	Note	65.09%	10,891	922	599

Note: A company

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Bionime (Shenzhen) Limited Company	Merchandise trading	USD2,300	Note 1	USD850	-	-	USD850	8,802 (Note3)	100%	8,802	99,314	USD2,087 (NTD63,084)
Bionime (Pingtan) Limited Company	Merchandise trading and manufacturing	RMB$20,000	Note 2	-	-	-	-	5,760 (Note3)	100%	5,760	97,815	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD850 (NTD 27,520)	USD 2,300 (NTD70,863)	NTD1,191,619

Note 1: The investment method is to establish a company to invest in mainland companies through investment in the third region.

Note 2: Which is invested by Shenzhen subsidiary.

Note 3: Amount was recognized base on the audited financial statement.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidation financial statements, are disclosed in the "Information on significant transactions" and "Business relationship and major transactions between parent company and subsidiary company".

(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
Tonghua Dongbao Pharmaceutical Co., Ltd.	12,000,000	19.69 %
Hua Eng Wire And Cable Co., Ltd.	7,014,900	11.51 %

(14) Disclosures required for securities firm investing in countries or regions without securities authority:

Please refer to 2023 consolidated financial report.

(Continued)

BIONIME CORPORATION

Statement of Cash and Cash Equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Foreign currency	Exchange rate	Amount
Cash	Petty cash and cash on hand			$ 542
Cash in bank	Demand deposits			220,904
	Foreign currencies－USD	426,688.37	30.76	
	Foreign currencies－EUR	549,072.64	34.04	
	Foreign currencies－CHF	3,659.13	36.47	
	Foreign currencies－AUD	241,865.21	21.04	
	Foreign currencies－JPY	145	0.22	
	Foreign currencies－CNY	759,786.07	4.43	
	Foreign currencies－SGD	1,456.63	23.34	40,361
				$ 261,807

BIONIME CORPORATION

Statement of Notes and Trade Receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount
Notes receivables－Non-Related Parties		
TWGT58	Operating	$ 946
TWGT11	Operating	702
TWGK23A	Operating	412
TWGK14	Operating	348
Others (Note2)	Operating	3,957
		6,365
Trade receivables－Related Parties		
Bionime (Pingtan) Limited Company	Operating	33,836
Bionime (Malaysia) Sdn Bhd.	Operating	12,159
Bionime USA Corporation	Operating	5,910
		51,905
Trade receivables－Non-Related Parties		
AFDZ01	Operating	244,004
Others (Note2)	Operating	235,890
		479,894
Less：Loss allowance		(105)
		479,789
		$ 538,059

Note1：Due to contract agreement, revealed by code.

Note2：If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

BIONIME CORPORATION

Statement of Other Receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other Receivables	Other Receivables	$ 3,173
	Tax Refund Receivables	2,820
		$ 5,993

Statement of Inventories

Item	Amount: Cost	Amount: Net realizable value	Note
Finished goods	$ 53,342	90,106	Price by realizable value
Work in process	302,251	326,803	Price by realizable value
Materials	139,362	114,776	Price by realizable value
	494,955	**531,685**	
Less：Loss allowance	(57,468)		
	$ 437,487		

BIONIME CORPORATION

Statement of Prepayments and other current assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Prepayments to purchases	Prepayments to Suppliers	$ 108,147
	Others	10,944
		119,091
Other current assets	Overpaid sales tax	13,902
	Temporary payments	8,453
	Others (Note)	1,614
		23,969
		$ 143,060

Note：If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

BIONIME 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 of investee	Beginning Balance		Addition		Decrease		Investment gains and losses recognized by the equity method	Translation adjustment	Others (Note1)	Ending Balance (with foreign currency translation adjustment)			Collateral
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Percentage of ownership	Amount	
Bionime GmbH	-	$ 24,276	-	-	-	-	1,165	2,377	-	-	100	27,818	None
Bionime Incorporated(B.V.I)	309	89,371	-	-	-	-	9,265	(1,789)	1,274	309	100	98,121	"
Bionime USA Corporation	1,115	94,060	-	-	-	-	4,878	(3)	303	1,115	100	99,238	"
Bionime Australia Pty Limited	-	(98)	-	-	-	-	(35)	(2)	-	-	100	(135)	"
Bionime (Malaysia) Sdn Bhd	-	13,857	-	-	-	(1,956)	599	(398)	(1,211)	-	65.09	10,891	"
		$ 221,466		**-**		**(1,956)**	**15,872**	**185**	**366**			**235,933**	

Note1：Unrealized Sales income changes.

Note2：Decrease in cash dividends paid.

BIONIME CORPORATION

Statement of Changes in Property, Plant and Equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning Balance	Addition	Decrease	Reclassification (Note)	Ending Balance	Collateral
Cost：						
Land	$ 1,420,840	-	-	-	1,420,840	Please refer to Note 8
Building and structures	875,651	19,125	-	-	894,776	"
Machinery equipment	844,304	32,187	(2,481)	54,781	928,791	-
Molding equipment	148,910	6,613	-	16,098	171,621	-
Transportation equipment	1,588	-	-	-	1,588	-
Leasehold Improvements	17,847	-	-	-	17,847	-
Office and other equipment	524,457	10,830	(3,316)	1,013	532,984	-
	3,833,597	68,755	(5,797)	71,892	3,968,447	
Accumulated Depreciation：						
Building and structures	193,075	24,502	-	-	217,577	
Machinery equipment	672,026	68,391	2,481	-	742,898	
Molding equipment	134,516	11,833	-	-	146,349	
Transportation equipment	1,564	24	-	-	1,588	
Leasehold Improvements	17,090	301	-	-	17,391	
Office and other equipment	352,770	34,924	3,313	-	384,381	
	1,371,041	139,975	(5,794)	-	1,505,222	
	$ 2,462,556	**(71,220)**	**(3)**	**71,892**	**2,463,225**	

Note：Prepayment for equipment reclassification for $71,892 thousand.

BIONIME CORPORATION

Statement of Refundable Deposit

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Refundable Deposit	Rental deposit	**$ 3,074**

Statement of changes in Intangibles Assets

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning Balance	Addition	Reclassification	Internal Development	Amortization	Ending Balance
Computer software	$ 13,683	12,778	607	-	12,067	15,001
Development cost	493,037	-	(628,559)	135,522	-	-
Patent	-	-	628,559	-	-	628,559
	$ 506,720	**12,778**	**607**	**135,522**	**12,067**	**643,560**

BIONIME CORPORATION

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Creditors	Description	Ending Balance	Contract Period	Range of interest rate	Bank of Credit Line	Collateral
Bank A	Unsecored loan	$ 208,495	Less one year	5.7174%~6.0503%	250,000	None
Bank B	Pledge loan	98,107	"	3.8000%~6.5008%	604,924	Land, Building and Structures
Bank C	Unsecored loan	40,911	"	6.4693%	200,000	None
Bank D	"	57,359	"	4.816%~4.8750%	92,280	"
		$ 404,872				

Statement of Notes and Trade Payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Description	Amount
Notes Payables -Non-Related Parties：		
A Company	Operating	$ 869
B Company	〃	56
		925
Trade Payables-Non-Related Parties：		
C Company	Operating	$ 15,085
D Company	〃	14,762
E Company	〃	13,366
F Company	〃	8,606
Others (Note)	〃	91,058
		142,877
		$ 143,802

Note：If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

BIONIME CORPORATION

Statement of Other Payables and Other Current Liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other payables	Payback fees	$ 147,768
	Salary and Wages Payables	70,963
	Others (Note)	78,563
		297,294
Other current liabilities	Temporary receipts	2,246
	Advance Sales Receipts	1,676
	Others (Note)	589
		4,511
		$ 301,805

Note：If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

BIONIME CORPORATION

Statement of Long-term Borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

		Loan amount				
Creditors	Description	Expired within one year	More than one year due	Contract Period	Range of interest rate	Collateral
Bank B	Mortgage loan	$ 54,889	291,333	104.09.30~119.09.30	1.77%	Land, Buildings and Structures
Bank B	〃	25,000	12,500	109.06.16~114.06.16	1.77%	"
Bank B	〃	25,000	12,500	109.06.24~114.06.24	1.77%	"
Bank B	〃	25,000	14,583	109.07.01~114.07.01	1.77%	"
Bank B	〃	25,000	14,583	109.07.06~114.07.06	1.77%	"
Bank B	〃	25,000	16,667	109.08.17~114.08.16	1.77%	"
Bank B	〃	25,000	35,417	110.05.03~115.05.03	1.77%	"
Bank B	〃	27,083	35,417	110.05.31~115.05.03	1.77%	"
Bank B	〃	27,273	38,636	110.09.03~115.09.03	1.77%	"
Bank B	〃	25,000	60,417	111.05.27~116.05.27	1.75%	"
Bank B	〃	27,083	60,417	111.06.01~116.05.27	1.75%	"
Bank B	〃	25,000	62,500	111.06.24~116.05.27	1.75%	"
Bank B	〃	100,000	300,000	111.12.28~116.12.28	1.75%	"
Bank B	〃	18,182	81,818	112.04.06~116.12.28	1.75%	"
Bank B	〃	14,286	85,714	112.06.19~116.12.28	1.75%	"
Bank B	〃	6,250	93,750	112.09.05~117.09.05	1.75%	"
Bank B	〃	12,500	187,500	112.09.11~117.09.05	1.75%	"
Bank B	〃	6,250	93,750	112.09.21~117.09.05	1.75%	"
Bank B	〃	6,250	93,750	112.09.27~117.09.05	1.75%	"
Bank B	〃	4,255	95,745	112.10.03~117.09.05	1.75%	"
Bank E	Unsecured loan	100,000	-	110.10.25~113.05.17	2.09%	None
		$ 604,301	**1,686,997**			

Bionime Corporation

Statement of Operating Revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Unit	Amount
Meter	930	thousand tables	$ 211,549
Strips	348,691	thousand pieces	1,078,255
Others			433,987
			1,723,791
Sales Returns			(3,125)
Sale Discounts and Allowances			(104,917)
Net Operating Revenues			**$ 1,615,749**

BIONIME CORPORATION

Statement of Operating Costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials beginning of year	$ 130,072
Add：Raw materials purchased	541,741
Gain on physical inventory	256
Less：Raw materials end of year	139,362
Raw materials sold	11,075
Raw materials scrapped	2,148
Other	8,099
Raw materials used	511,385
Direct labor	265,794
Manufacturing overhead	376,392
Manufacturing costs	1,153,571
Add：Work in process beginning of year	310,795
Less：Work in process end of year	302,251
Work in process sold	101,601
Work in process scrapped	2,751
Transfer expense and other	133,867
Cost of finished goods	923,896
Add：Finished goods beginning of year	77,832
Less：Finished goods end of year	53,342
Finished goods scrapped	756
Other	4,949
Cost of manufacturing goods sold	942,681
Add：Sold raw materials and work in process cost	112,676
Inventory scrapped	5,655
Provisions for inventory valuation and obsolescence	17,090
Less：Gain on disposal of left over bits and pieces	2,987
Gain on physical inventory	256
Other	77,034
Operating cost	**$ 997,825**

BIONIME CORPORATION

Statement of Operating Expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expense	Administration Expense	Research and Developed Expense
Salary	$ 40,065	82,461	73,969
Professional service fees	25,377	4,877	19,759
Advertisement	53,765	44	7
Depreciation	2,047	22,142	11,049
Research Materials	-	-	76,061
Laboratory fees	-	3,405	14,889
Insurance fees	6,959	13,404	6,629
Shipping fees	14,420	209	602
Others (Note)	96,678	74,954	39,373
	$ 239,311	**201,496**	**242,338**

Note：If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

BIONIME CORPORATION

Statement of Non-Operating income and expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Non-Operating Income		
Interest income	Interest income from bank deposits	$ 1,491
Net of foreign exchange gains	Net of foreign exchange gains	5,208
Gains on disposal and scrapped of fixed assets	Gains on disposal and scrapped of fixed assets	94
Net of other income	Other income and expenses	19,645
Rent income	Rent revenue	535
Investment income	Investment gains recognized by the equity method	15,872
		$ 42,845
Non-Operating Expenses		
Interest expenses	Interest expenses of loan and lease	$ 47,086

VII. A Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

1. Financial Position

(1) Financial Statements Comparison Analysis Table

Unit: NT$ Thousand

Item / Year	2022	2023	Difference	
			Amount	%
Current assets	1,636,615	1,617,238	(19,377)	-1.18%
Property, plant and equipment	2,472,543	2,472,174	(369)	-0.01%
Intangible assets	506,846	643,672	136,826	27.00%
Other assets	367,057	567,491	200,434	54.61%
Total assets	4,983,061	5,300,575	317,514	6.37%
Current liabilities	1,410,960	1,609,001	198,041	14.04%
Non-current liabilities	1,491,565	1,698,372	206,807	13.87%
Total liabilities	2,902,525	3,307,373	404,848	13.95%
Capital stock	610,275	614,752	4,477	0.73%
Capital reserves	1,302,633	1,208,821	(93,812)	-7.20%
Retained earnings	163,030	146,071	(16,959)	-10.40%
Other Equity	4,598	16,388	11,790	256.42%
Total shareholders' equity	2,080,536	1,993,202	(87,334)	-4.20%

Analysis of any significant change: (The change is up to 20%, and amounted to NT$10 million)

(a) The company has developed a new product, a continuous blood glucose monitoring system-CGM, which has reached technical feasibility in 2019 and meets the requirements for recognition of IFRS Intangible assets. Therefore, the relevant expenses of the development stage of NT$628,559 thousand are capitalized and transferred to Intangible assets.

(b) Increase in other assets: Due to the increase in prepayment for equipment.

(c) Decrease in other equity: The profit and loss from financial asset evaluation amounted to NT$ 19,716,000

(2) Where the effect is of material significance, the annual report shall describe the measures to be taken in response: The above-mentioned changes have no material impact on finance and business.

2. Financial performance

(1) Comparison Analysis Table for Results of Operations

Unit: NT$ Thousand

Item \ Year	2022	2023	Increased /decreased Amount	Percentage of change (%)
Operating revenues	2,227,118	1,872,199	(354,919)	-15.94%
Less: Sales return and discount	16,529	116,632	100,103	605.62%
Net operating revenue	2,210,589	1,755,567	(455,022)	-20.58%
Operating cost	1,206,463	1,039,917	(166,546)	-13.80%
Gross profit	1,004,126	715,650	(288,476)	-28.73%
Operating expense	872,709	728,989	(143,720)	-16.47%
Operating profit	131,417	-13,339	(144,756)	-110.15%
Non-Operating revenues and expenditures	-44,934	-18,536	26,398	-58.75%
Net profit before tax	86,483	-31,875	(118,358)	-136.86%
Less: Income tax expense	-5,337	-38,406	(33,069)	619.62%
Net Income	91,820	6,531	(85,289)	-92.89%

Analysis of any significant change: (The change is up to 20%, and amounted to NT$10 million)

(a) Operating revenue decreases: This is due to a decrease in shipments from major customers, so the revenue is lower than expected.

(b) Operating gross profit decreases: This is due to a decrease in net operating revenue and rising costs.

(c) Operating net profit decreases: This is due to a decrease in operating gross profit.

(d) Non-operating income and expenditure increases: This is due to an increase in foreign currency exchange benefits.

(e) Net profit before tax: This is due to a decrease in operating net profit.

(f) Income tax benefit increases: This is due to a decrease in pre-tax profits and losses.

(g) Net profit after tax decreases: This is due to a decrease in net profit before tax.

(2) The expected sales volume and its basis: Not applicable.

(3) The Company’s future financial performance for any possible impact:

According to the company's sustainable development, Bionime is committed to improving the company's competitiveness and fulfilling the corporate social responsibility. In addition to continuously promoting the automation of the production and improving the technology and quality of production based on existing operations, supplemented by the comprehensive promotion of meticulous management, the cost of department can be effectively reduced via measures such as effective improvement of manufacturing processes and operating procedures. The business strategies will continue to innovate Product and IoT development. Bionime will continue to strengthen the development of new markets, new channels, and new customers in the future, and expand the company's future operational growth momentum. Bionime will also improve the company's overall operational performance and expand the competitive advantages.

(4) Measures to be taken in response: Keep abreast of the business and financial position of the invested business in order to provide the necessary resources and assistance in a timely manner.

3. Cash flow analysis

(1) Cash flow change analysis

Unit: NT$ Thousand

Opening balance (December 31, 2022)	The cash flow generated from operating activities (2023)	The cash flow from generated from investment and financing activities (2023)	Cash flow surplus (December 31, 2023)	Cash shortage contingency plan	
				Investment plan	Financing plan
214,489	203,443	-14,856	391,821	-	-

Cash flow change analysis in 2023 is as follow

(i).Cash inflow from operating activities of NT$203,443 thousand: Mainly due to net cash surplus from operating activities.

(ii).Cash inflows from investment activities amounted to NT$435,261 thousand: Mainly due to the increase in prepaid equipment payments.

(iii).The cash inflow from financing activities of NT$420,405 thousand: This is due to the increase in loans.

(2) Remedial measures and liquidity analysis for cash deficit: There is no cash deficit concerns.

(3) Cash flow analysis for the coming year: Not applicable.

4. Major capital expenditures during the most recent fiscal year: None

5. Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year

(1) Re-investment policy of the Company:

The re-investment policies of the Company are followed by the relevant executive departments in accordance with the internal control system - “Investment Cycle” and “Acquisition and Disposal of Assets Procedures”, etc. The above-mentioned regulations or procedures are resolved by the board of directors or shareholders meeting.

(2) The main reasons for the profits or losses, improvement plans and future investment plan of re-investment:

(a) The subsidiary in Swiss is Bionime’s PO service center in Europe without any revenue. Currently, the local employees are helping to develop relevant markets in Europe. The expenses are mainly on the personnel costs and rent, which are positive surpluses every year.

(b) After six years of deployment in retailers, pharmacies, doctors' clinics and diabetes educators in the United States, the subsidiary in the US every year with the stable growth in the demands and sales of test strips.

(c) The Group's subsidiary in Mainland is the production base, brand promotion and customer service center of Bionime in China. Starting from the second half of 2020, the Group’s Mainland subsidiary will gradually take over the exclusive distribution rights in some parts of China from Tonghua Dongbao. Through this approach, we expect to provide customers with more focused and prompt services. Although there was still a loss in 2021, it is expected that through the fermentation of brand benefits, the company will gradually increase its revenue every year and turn losses into profits.

(d) Due to the years of operation at the subsidiary in Malaysia established in 2018, Bionime's blood glucose monitoring device has been highly recognized by many critical opinion leaders in this field in the local market. Through the promotion of clinics, chain pharmacies, individual pharmacies, distributors and other channels. Despite the impact of exchange rate fluctuations between the Malaysian Ringgit and the US Dollar in 2023, the Company still achieved a slight profit.

Also, the Company always keeps abreast of the business and financial position of the invested business in order to provide the necessary resources and assistance in a timely manner.

(3) Investment plans for the coming year:

The Swiss subsidiary will contribute to revenue in Europe through cooperation with renowned pharmaceutical companies and distribution with other medical material suppliers; the Group's mainland subsidiary will continue its strategy in the previous year to maintain its policy support for POCT admissions and pursue market opportunities; and the Malaysian subsidiary will focus on developing comprehensive solutions in the coming year to provide inpatient and outpatient services and gradually increase its market penetration and market share. The US subsidiary will focus on the telemedicine market and strive for revenue.

6. Risk and evaluation in the most recent fiscal year and up to the publication of the annual

(1) The impact of changes in the interest rate, fluctuation of exchange rate, inflation rate on the Company’s profits (losses) and countermeasures to be taken in the future:

(a) The effect upon the Company's profits (losses) of interest rate fluctuations and countermeasures to be taken in the future

Item	2023	2024Q1
Net operating revenue	1,755,567	468,473
Net income	6,531	(4,975)
Net interest income and expenditure	(43,915)	(14,437)
Net operating revenue ratio	(2.50%)	(3.08%)
Net income ratio	(672.41%)	(290.19%)

The net interest income and expenditure of 2023 accounted for approximately (2.50)% and (672.41)% of the Company’s and its subsidiaries’ revenue and net income. The net interest income and expenditure of the first quarter of 2024 accounted for approximately(3.08)% and (290.19)% of the Company’s and its subsidiaries’ revenue and net income. Therefore, the interest rate fluctuations have a significant impact on the revenue and profit of the Company and its subsidiaries.

In response to the risk of interest rate fluctuations, the Company will continue to pay attention to the future trends of the interest rate in the market and collect interest rate information of banks. It timely evaluates the interest rate of the current loans, and continues to establish good relations with banks. By presenting good bank financing credit record, it could obtain a relatively preferential interest rate of loans. When financing is needed, plan appropriate long-term and short-term bank loans depending on the actual capital requirements, to minimize the risks caused by fluctuations in interest rates and capital costs to the Company's operations.

(b) The effect upon the Company's profits (losses) of exchange rate fluctuations and countermeasures to be taken in the future

Unit: NT$ Thousand

Net operating revenue	2023	2024Q1
Net Income	1,755,567	468,473
Net exchange gains and losses	6,531	(4,975)
Net operating revenue ratio	5,238	943
Net income ratio	0.30%	0.20%
Net operating revenue	80.20%	(18.95%)

The operating revenue of the Company and its subsidiaries is mainly denominated in US dollars and Euros. Therefore, the depreciation of US dollar or the Euro against the New Taiwan dollar will result in reduction of the profit of the Company and its subsidiaries. In order to reduce the impact of fluctuation of exchange rate on the profit and loss of the Company and its subsidiaries, the Accounts Department of the Company also collects information on exchange rate at any time, focuses on the trend and changes of major currencies in the international currency market to grasp the exchange rate trend, and maintain a good interactive relationship with the bank in order to get more extensive information on foreign exchange and more favorable exchange rate quotes. In terms of strategy, the balance of foreign currency assets and liabilities should be achieved as much as possible to achieve the effect of natural hedging, and reduce the impact of exchange rate fluctuations on the Company’s profit and loss.

(c)The impact of changes in the inflation rate on the Company’s profits (losses) and countermeasures to be taken in the future

The increase in domestic and international prices will lead to an increase in the Company’s purchasing costs, which may adversely affect the Company's profitability. However, the Company has more than one supplier. In the future, the Company will pay close attention to the inflation situation, and negotiate with different suppliers to reduce the impact of inflation on the Company.

(2)The Company’s policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and countermeasures to be taken in the future: None.

(3)Research and development work to be carried out in the future, and further expenditures expected for research and development work:

For the details of R&D situation, please refer to the detailed explanation in V. Operational Highlights. The R&D expenditures of the Company in 2023 was NT$ 242,338 thousand, and the estimated R&D expenditures in 2024 is NT$688,205 thousand (Among them, CGM International Hospital's clinical expenses account for approximately 60% of the total R&D expenses). The main factors affecting the success of future R&D are the R&D capabilities of R&D personnel and the mastery of software and hardware systems. It is believed that the experience accumulated of the R&D team of the Company will surely competently perform this important task, and continues to develop competitive products.

(4)Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and countermeasures to be taken:

In response to the subsequent revision of the guidelines for various operations by domestic and foreign authorities, the Company has actively cooperated with it, and currently, it has no significant impact on the financial operations.

(5)Effect on the Company’s financial operations of developments in science and technology as well as industrial change, and countermeasures to be taken:

The Company has always attached great importance to the improvement of R&D capabilities, paying attention to the evolution of technology in the industry, and commencing the evaluation and R&D of various products to meet market demand. It is evaluated that the developments in science and technology have no significant impact on the Company's financial operations in the near future.

Assessment analysis of security risk and countermeasures: The Company builds the operational management mechanism by referring to the COSO structure, and measuring the factors such as the control environment, risk assessment, control activities, information and communication, and supervision. Moreover, it summarizes the functions of risk management and internal control based on the "Regulations Governing Establishment of Internal Control Systems by Public Companies".

(6) Effect on the Company's crisis management of changes in the Company's corporate image, and countermeasures to be taken:

As of the publication of the annual report, there is no major events affecting the Company’s corporate image.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and countermeasures being or to be taken: None.

(8) Expected benefits and possible risks associated with any plant expansion, and countermeasures being or to be taken: None.

(9) Risks associated with any consolidation of sales or purchasing operations, and countermeasures being or to be taken:

(a) Purchasing operation: The main purchase items of the Company are the components of blood glucose meter and blood glucose test strip and related raw materials. The procurement amounts of company F in 2022 and 2023 have reached 10.8% and 11.47% of the net procurement amount of the Company. This is because the Company chose to cooperate with company F for a long time under the Company's comprehensive consideration of the supplier’s production technology, quality yield, supply capacity and cost planning. There is no

(b) consolidation of purchases in the most recent two years. Sales operation: the consolidated company sales of Company E in 2022 and 2023 accounted for approximately 32.96% and 19.42% of the consolidated company's net sales. Company E, our North African customer, experienced significant growth in goods distribution after establishing a factory in the region.

The Company’s products are distributed throughout Europe, Americas and Asia, and there is no consolidation of sales operation, hence, there is no risk of consolidation of sales operation.

(10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and countermeasures being or to be taken: None.

(11) Effect upon and risk to Company associated with any change in governance personnel or top management, and countermeasures being or to be taken:

The Company's operations are mostly proposed by the executive units, and then approved by the management, therefore, a complete operation model has been established. If there is a change in governance personnel or top management, the impact on the Company's sustainable operation is limited.

(12) Litigation or non-litigation:

(a) Any have been determined or are including in the litigation, non-litigation or administrative litigation in which the results may have a significant effect on the Company's shareholders' equity and securities price, it should be fully disclosed in detail and include the facts of the dispute, cost of litigation, date of commencement of proceedings, litigants and the current situation regarding handling of litigation of the Company in the most recent two fiscal years and up to the date of publication of the annual report: None.

(b) The Company's directors, supervisors, general manager, de facto person in charge, majority shareholders and subordinate companies with a shareholding ratio of more than 10% have been determined or are including in the litigation, non-litigation or administrative litigation in which the results may have a significant effect on the Company's shareholders' equity and securities price in the most recent two fiscal years and up to the date of publication of the annual report: None.

(c)The Company's directors, supervisors, general manager, de facto person in charge, majority shareholders and subordinate companies with a shareholding ratio of more than 10% have been violated the provisions of Article 157 of the Securities and Exchange Act and the current situation regarding handling of the Company in the most recent two fiscal years and up to the date of publication of the annual report and: None.

(13) Other important risks, and countermeasures being or to be taken: None.

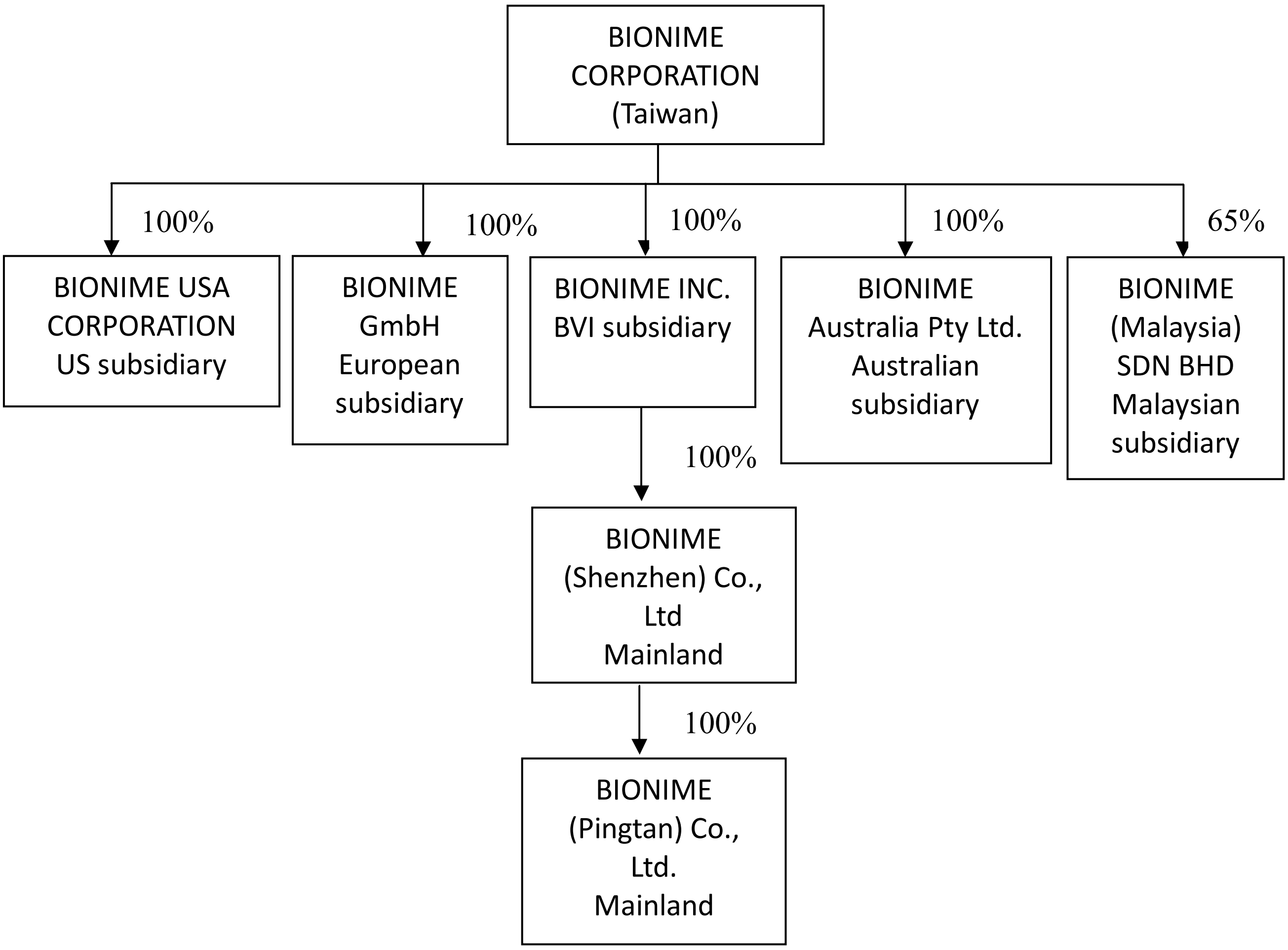
7. **Other important matters:** None.

VIII. Special Disclosure

1. Information related to the Company's affiliates

(1) Consolidated business reports of affiliated companies

(a) Organizational chart of affiliated companies (December 31, 2023)



(b) Basic information of affiliated companies

Name of company	Date of incorporation	Region	Paid-in Capital	Principal business activity
Bionime Inc.	November 2004	OMC Chambers, P.O. Box 3152, Road Town, Tortola, B. V. I.	USD 3,090 thousand	Investment company
Bionime (Shenzhen) Co., Ltd	December 2005	Zone A, 9th Floor, Fukang Technology Building, 8 Fukang Commercial Plaza, 10th Industrial Zone, Yousong, Longhua Office, Bao'an New District, Shenzhen	USD 2,300 thousand	Merchandising-sector company
Bionime GmbH	April 2005	Tramstrasse 16 9442 Berneck / Switzerland	CHF 300 thousand	Merchandising-sector company
Bionime USA Corp.	February 2008	1450 E Spruce Street, Bldg. B	USD 11,150 thousand	Merchandising-sector company

		Ontario CA 91761-8314		
Bionime Australia Pty Ltd	February 2010	Level 7, York Street, Sydney NSW 2000 Australia	AUD 350 thousand	Merchandising-sector company
Bionime (Pingtan) Co., Ltd.	January 2015	Taiwan Pioneer Park, Pingtan Comprehensive Experimental Area, Pingtan County, Fuzhou City, Fujian Province, China	RMB20,000 thousand	Manufacturing company
Bionime (Malaysia) Sdn Bhd	April 2018	C-05-11, iTech Tower, Jalan Impact, Cyber 6, 63000 Cyberjaya, Selangor, Malaysia	RM 1,046 thousand	Merchandising-sector company

(c) Shareholders presumed to have control and subordinate relationship with the same information: None.

(d) The operating activities of affiliated companies and their association

Industry Type	Name of company	Association with the operating activities of affiliated companies
Investment company	Bionime Inc.	The parent company of Bionime (Shenzhen) Co., Ltd.
Merchandising-sector company	Bionime (Shenzhen) Co., Ltd	The re-investment company of Bionime Inc.
Merchandising-sector company	Bionime GmbH	None
Merchandising-sector company	Bionime USA Corp.	None
Merchandising-sector company	Bionime Australia Pty Ltd	None
Manufacturing company	Bionime (Pingtan) Co., Ltd.	The re-investment company of Bionime (Shenzen) Co., Ltd.
Merchandising-sector company	Bionime(Malaysia) Sdn Bhd	None

(e) Directors, supervisors and general managers of affiliated companies:

Name of company	Position tittle	Name or representative	Shareholding	
			Number of shares (1000 shares)	Shareholding percentage
Bionime Inc.	Chairman	Bionime Corporation Representative: Huang,Chun-Mu	3.09	100%
Bionime (Shenzhen) Co., Ltd	Legal representative	Bionime Inc. Representative: Huang,Chun-Mu	- (Note 1)	100%

Bionime GmbH	Chairman	Bionime Corporation Representative: Huang,Chun-Mu	- (Note 2)	100%
Bionime USA Corp.	Chairman	Bionime Corporation Representative: Huang,Chun-Mu	1,150	100%
Bionime Australia Pty Ltd	Chairman	Bionime Corporation Representative: Huang,Chun-Mu	-((Note 3)	100%
	Director	Bionime Corporation Representative: Tang,Wei		
		Huang,Hui Hsuan		
Bionime (Pingtan) Co., Ltd.	Legal representative	Bionime (Shenzhen) Co., Ltd Representative: Huang,Chun-Mu	- (Note 1)	100%
Bionime(Malaysia) Sdn Bhd	Chairman	Bionime Corporation Representative: Huang,Chun-Mu	-(Note4)	65%
	Director	Bionime Corporation Representative: Tang,Wei		
		TING YIIK PUNG		

Note 1: A limited company established in Mainland China

Note 2: A limited company established in Switzerland

Note 3: A limited company established in Australia

Note 4: A limited company established in Malaysia

(f) Operating Overview of Affiliated Companies

Unit: NT$ Thousand

Name of company	Capital	Total assets	Total liabilities	shareholders' equity	Operating revenues	Net profit	Net Income	EPS
Bionime Inc.	98,064	115,813	0	115,813	0	-70	9,265	2,998.32
Bionime (Shenzhen) Co., Ltd	70,748	109,433	10,119	99,314	53,959	3156	8,802	N/A(Note1)
Bionime GmbH	7,529	31,197	3,380	27,817	24,072	1,360	1,165	N/A(Note1)
Bionime USA Corp.	343,193	117,327	18,782	98,545	88,454	2,795	4,878	4.37
Bionime Australia	10,042	315	450	-135	0	-35	-35	N/A(Note1)

Pty Ltd								
Bionime(Pingtan) Co., Ltd.	86,620	152,643	54,828	97,815	233,576	5,897	5,760	N/A(Note1)
Bionime(Malaysia) SDN BHD	12,066	33,016	12,478	20,538	52,721	1,899	922	0.88

Note1: The affiliated company is a limited company, so there is no earnings per share.

(2) Consolidated financial statements of affiliated companies

The companies should be included in the consolidated financial statements of affiliated enterprises of the Company in 2023(from January 1-December 31, 2023) was prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same with the companies should be included in the parent and subsidiary consolidated financial statements in accordance with the IFRS No. 10 approved by the Financial Supervisory Commission, and the relevant information shall disclose in the consolidated financial statements of the affiliated enterprises has been disclosed, therefore, no separate consolidated financial statements of the affiliated enterprises will be presented.

2. Transaction about the Company's private placement of securities during the most recent fiscal year up to the publication of the annual report: None.

3. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year up to the publication of the annual report: None.

4. Other matters for which supplementary explanation is required: None.

IX. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year up to the publication of the annual report: None.

BIONIME CORPORATION 

Chairman: Huang,Chun-Mu