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Perfect Medical Industry Company Limited

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

Company Address：No. 100, Xingong 1st Rd., Beidou Township, Changhua County
Company Tel：(04)888-7998

Independent CPA's Report

To the Board of Directors and Shareholders of Perfect Medical Industry Co., Ltd.:

Audit opinions

We have audited the parent company only balance sheets of Perfect Medical Industry Co., Ltd. and its subsidiaries as of December 31, 2024, and December 31, 2023, along with the parent company only statements of comprehensive income, changes in equity, and cash flows for the period from January 1 to December 31, 2024 and 2023, and the accompanying notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the above parent company only financial statements, in all material respects, have been prepared in accordance with the financial reporting standards for securities issuers. They fairly present the parent company only financial position of Perfect Medical Industry Co., Ltd. as of December 31, 2024 and 2023, as well as their parent company only financial performance and cash flows for the periods from January 1 to December 31, 2024 and 2023.

Basis of Audit opinions

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under these standards will be further explained in the section on the responsibilities of the CPA in auditing the parent company only financial statements. The personnel of the firm to which we belong have maintained independence from Perfect Medical Industry Co., Ltd. in accordance with the independence regulations and have fulfilled other responsibilities as required by the professional ethical standards for CPAs. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in our professional judgment, were of the most significance in our audit of the parent company only financial statements of Perfect Medical Industry Co., Ltd. for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and in forming our audit opinion. We do not express a separate opinion on these matters.

Allowance for losses on accounts receivable

As of December 31, 2024, the net accounts receivable (including related parties) of Perfect Medical Industry Co., Ltd. amounted to NTD 93,010 thousand, representing 9% of the total assets, and is considered significant to the financial statements of Perfect Medical Industry Co., Ltd.. The assessment of the allowance for doubtful accounts to reflect the credit risk of accounts receivable involves significant judgment by management. Therefore, the allowance for doubtful accounts has been determined by the CPA to be a key audit matter. Our audit procedures included (but were not limited to) evaluating the effectiveness of the internal controls established by management for accounts receivable management; assessing the appropriateness of the allowance for doubtful accounts policy, including understanding the relevant data used by management—based on historical experience, current market conditions, and forecasts of future economic conditions—to estimate the expected loss rate; testing the underlying aging information by sampling original vouchers to verify their accuracy; analyzing trends in the allowance for doubtful accounts and the accounts receivable turnover ratio; and selecting samples to perform accounts receivable confirmation procedures and reviewing subsequent receipts on accounts receivable to assess their collectability. We also considered the appropriateness of the disclosure of accounts receivable in Note 5 and Note 6 of the consolidated financial statements.

Inventory valuation

The net inventory of Perfect Medical Industry Co., Ltd. as of December 31, 2024, amounts to NTD 62,261 thousand, accounting for 6% of the total assets. This is considered significant to the financial statements of Perfect Medical Industry Co., Ltd.. Due to the impact of market fluctuations and changes in economic conditions on raw material prices, which may lead to significant fluctuations in inventory prices, and the fact that the inventory provision evaluation involves significant judgment by management, the auditor has determined that inventory valuation is a key audit matter. Our audit procedures include (but are not limited to) evaluating the effectiveness of internal controls established by management for inventory, performing simple tests and understanding the appropriateness of management's accounting policy for assessing obsolete and outdated inventory, selecting significant inventory locations to observe inventory counting procedures, testing the accuracy of inventory aging intervals, recalculating the reasonableness of the provision for obsolete inventory, and obtaining the annual detailed list of purchases, sales, and inventory movements. We also test related purchase and sales documents, recalculate the unit cost of inventory, and evaluate the net realizable value used by management in the inventory valuation. We also considered the appropriateness of the disclosure of inventories in Note 5 and Note 6 of the consolidated financial statements.

Responsibilities of management and governance bodies for the parent company only financial statements

The responsibility of management is to prepare the parent company only financial statements in accordance with the financial reporting standards for securities issuers, Management must ensure that the parent company only financial statements are properly presented and maintain the necessary internal controls related to their preparation to ensure that there are no material misstatements caused by fraud or error.

In the preparation of the parent company only financial statements, management's responsibility also includes evaluating the ability of Perfect Medical Industry Co., Ltd. to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless management intends to liquidate Perfect Medical Industry Co., Ltd. or cease operations, or unless there is no viable alternative to liquidation or cessation of operations.

The governance body of Perfect Medical Industry Co., Ltd. (including the Audit Committee) is responsible for overseeing the financial reporting process.

Responsibilities of CPAs to audit the parent company only financial statements

Our purpose in auditing the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that material misstatements in the parent company only financial statements will be detected. Misstatements may arise from fraud or error. Misstatements, individually or in aggregate, are considered material if it is reasonable to expect that they will influence the economic decisions of users based on the parent company only financial statements.

In conducting the audit in accordance with auditing standards, we, as CPAs, exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identify and assess the risk of material misstatement in the parent company only financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to form the basis for the audit opinion. Fraud may involve collusion, forgery, deliberate omission, misrepresentation, or circumvention of internal controls, thus the risk of failing to detect material misstatements due to fraud is higher than that due to error.

2. To obtain an understanding of the internal controls relevant to the audit in order to design appropriate audit procedures for the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal controls of Perfect Medical Industry Co., Ltd..

3. To evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures made.

4. Based on the audit evidence obtained, to conclude on the appropriateness of the continuation basis of accounting adopted by management and whether events or conditions exist that may raise significant doubt about the ability of Perfect Medical Industry Co., Ltd. to continue as a going concern. If we believe that such events or conditions present significant uncertainty, we must draw the users' attention in the audit report to the relevant disclosures in the parent company only financial statements, or modify our audit opinion if such disclosures are deemed inappropriate. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause the Company and its subsidiaries to no longer have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including the related notes), and whether the parent company only financial statements appropriately reflect the relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the individual entities within the Group to form an opinion on the parent company only financial statements. We are responsible for the guidance, supervision, and execution of the group audit engagement, and for forming the group audit opinion.

We communicate with the governance body regarding matters such as the planned audit scope and timeline, as well as significant audit findings, including any material weaknesses in internal control identified during the audit process.

We determine the key audit matters for the audit of the 2024 parent company only financial statements of Perfect Medical Industry Co., Ltd. based on the matters communicated with the governance body. We outline these matters in the audit report, unless law prohibits the disclosure of specific matters, or in extremely rare circumstances, where we decide not to communicate certain matters in the audit report due to a reasonable expectation that the negative impact of such communication would outweigh the public interest it would serve.

Ernst & Young Joint Accounting Firm

Financial Reports for Publicly Listed Companies Approved by
the Competent Authority

Audit Certification Document Number:
Jin-Guan-Zheng-Shen-Zi No. 1080326041
Jin-Guan-Zheng-Shen-Zi No. 1110348358

Huang Yu-Ting

CPA:

Lo Wen-Chen

March 13, 2025

Perfect Medical Industry Co., Ltd.

Parent company only balance sheet

December 31, 2024 and 2023

Unit: NTD thousands

Assets			December 31, 2024		December 31, 2023	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$75,822	7	$100,195	11
1150	Net notes receivable	4 and 6.15	8,190	1	11,158	1
1170	Net accounts receivable	4, 6.2, and 6.15	74,160	7	75,390	8
1180	accounts receivables - Net amount from related parties	4, 6.2, 6.15, and 7	18,850	2	14,610	2
130X	Inventory	4 and 6.3	62,261	6	67,383	7
1410	Advance payment		2,500	-	3,419	-
1470	Other current assets	7	29,344	3	23,273	2
11XX	Total current assets		271,127	26	295,428	31
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income - non-current	4 and 13	2,091	-	6,134	-
1550	Investments accounted for using the equity method	4 and 6.4	580,954	56	451,305	48
1600	Property, plant and equipment	4, 6.5 and 8	75,428	7	74,623	8
1755	Right-of-use assets	4 and 6.16	3,145	-	1,920	-
1760	Net investment property	4, 6.6 and 8	73,809	7	73,809	8
1840	Deferred income tax assets	4 and 6.20	3,854	1	7,477	1
1900	Other non-current assets	4, 6.7 and 8	32,066	3	36,449	4
15XX	Total non-current assets		771,347	74	651,717	69
1XXX	Total assets		$1,042,474	100	$947,145	100

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi   Manager: Chen Hung-Jen   Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.
Parent company only balance sheet (continued)
December 31, 2024 and 2023

Unit: NTD thousands

Debt and equity			December 31, 2024		December 31, 2023	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.8	$10,000	1	$50,000	5
2110	Short-term notes payable	4 and 12	-	-	40,000	4
2130	Contract liabilities - current	4 and 6.14	-	-	34	-
2150	Notes payable		714	-	3,427	-
2170	Accounts payable		9,595	1	33,328	4
2200	Other accounts payable	6.9	34,999	3	29,107	3
2230	Income tax liabilities in the current period	4	8,132	1	7,898	1
2280	Lease liabilities - current	4 and 6.16	2,862	-	1,786	-
2320	Long-term borrowings due within one year or one business cycle	4 and 6.10	47,354	5	71,520	8
2399	Other current liabilities - others		952	-	1,059	-
21XX	Total current liabilities		114,608	11	238,159	25
	Non-current liabilities					
2540	Long-term borrowings	4 and 6.10	123,438	12	44,971	5
2570	Deferred income tax liabilities	4 and 6.20	169	-	-	-
2580	Lease liabilities - non-current	4 and 6.16	400	-	256	-
25XX	Total non-current liabilities		124,007	12	45,227	5
2XXX	Total liabilities		238,615	23	283,386	30
31XX	Equity attributable to owners of the parent company	4 and 6.12				
3100	Share capital					
3110	Common stock capital		526,627	51	456,627	48
3200	Capital reserve		122,301	12	79,908	8
3300	Retained earnings					
3310	Legal reserve		61,514	6	53,054	6
3320	Special reserve		46,343	4	38,783	4
3350	Undistributed earnings		94,356	9	86,394	9
	Total retained earnings		202,213	19	178,231	19
3400	Other equity					
3410	Exchange difference arising from translation of the financial statements of foreign operations		(43,239)	(4)	(51,007)	(5)
3420	Financial assets measured at fair value through other comprehensive income					
	Unrealized gains/losses on assets		(4,043)	(1)	-	-
34XX	Total other equity		(47,282)	(5)	(51,007)	(5)
3XXX	Total equity		803,859	77	663,759	70
	Total liabilities and equity		$1,042,474	100	$947,145	100

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi Manager: Chen Hung-Jen Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of comprehensive income

January 1 to December 31, 2024

Unit: NTD thousands

Code	Items	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4, 6.14 and 7	$576,605	100	$559,320	100
5000	Operating cost	6.3, 6.11, 6.17 and 7	(416,750)	(72)	(445,068)	(80)
5900	Operating gross profit		159,855	28	114,252	20
5910	Unrealized gains/losses on inventory		(1,847)	-	(1,061)	-
5920	Realized gains/losses from sales		1,061	-	1,130	-
5950	Net operating gross profit		159,069	28	114,321	20
6000	Operating expenses	6.11, 6.13 and 6.17				
6100	Selling expense		(39,412)	(7)	(42,075)	(7)
6200	Administrative expenses		(57,333)	(10)	(39,029)	(7)
6300	R&D expenses		(9,304)	(2)	(7,402)	(1)
6450	Expected credit impairment loss	6.15	(87)	-	(13)	-
	Total operating expenses		(106,136)	(19)	(88,519)	(15)
6900	Operating profit		52,933	9	25,802	5
7000	Non-operating income and expenses					
7100	Interest income	6.18	2,185	1	882	-
7010	Other income	6.18 and 7	25,787	4	23,435	4
7020	Other gains and losses	6.18 and 7	569	-	(14,495)	(2)
7050	Financial cost	6.18	(3,720)	(1)	(4,345)	(1)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures recognized using the equity method	6.4	26,562	5	13,858	2
	Total non-operating income and expenses		51,383	9	19,335	3
7900	Profit before tax		104,316	18	45,137	8
7950	Income tax expense	6.20	(15,193)	(3)	(5,048)	(1)
8200	Net income of the current period		89,123	15	40,089	7
8300	Other comprehensive income (net)					
8310	Items not reclassified as gains and losses					
8316	Investments in equity instrument measured at fair value through other comprehensive income		(4,043)	(1)	-	-
	Unrealized valuation (losses) gains					
8360	Items that may be reclassified as gains and losses subsequently					
8361	Exchange difference arising from translation of the financial statements of foreign operations	6.4 and 6.19	7,768	2	(12,224)	(2)
	Other comprehensive income of the current period (net amount after tax)		3,725	1	(12,224)	(2)
8500	Total comprehensive income of the current period		$92,848	16	$27,865	5
	Earnings per share (NTD)	6.21				
9750	Basic earnings per share		$1.81		$0.88	
9850	Diluted earnings per share		$1.74		$0.87	

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi　　Manager: Chen Hung-Jen　　Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of changes in equity

January 1 to December 31, 2024

Unit: NTD thousands

	Items	Notes	Common stock capital	Capital reserve	Retained earnings			Other equity items		Total equity
					Legal reserve	Special reserve	Unappropriated earnings	Exchange difference arising from translation of the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Code			3110	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance on January 1, 2023	6.12	$456,627	$76,736	$51,627	$64,910	$38,500	$(38,783)	$ -	$649,617
	Appropriation and distribution of 2022 earnings									
B1	Appropriated to legal reserve				1,427		(1,427)			-
B5	Cash dividend for common shares						(16,895)			(16,895)
B17	Reversal of special reserve					(26,127)	26,127			-
D1	Net income in 2023						40,089			40,089
D3	Other comprehensive income (loss) in 2023							(12,224)		(12,224)
D5	Total comprehensive income of the current period		-	-	-	-	40,089	(12,224)	-	27,865
N1	Share-based payment transactions	6.13		3,172						3,172
Z1	Balance on December 31, 2023	6.12	$456,627	$79,908	$53,054	$38,783	$86,394	$(51,007)	$ -	$663,759
A1	Balance on January 1, 2024	6.12	$456,627	$79,908	$53,054	$38,783	$86,394	$(51,007)	$ -	$663,759
	Appropriation and distribution of 2023 earnings									
B1	Appropriated to legal reserve				4,009		(4,009)			-
B3	Appropriated to special reserve					12,224	(12,224)			-
B5	Cash dividend for common shares						(31,964)			(31,964)
	Appropriation and distribution of 2024 earnings									
B1	Appropriated to legal reserve				4,451		(4,451)			-
B5	Cash dividend for common shares						(33,177)			(33,177)
B17	Reversal of special reserve					(4,664)	4,664			-
D1	Net income in 2024						89,123			89,123
D3	Other comprehensive income in 2024							7,768	(4,043)	3,725
D5	Total comprehensive income of the current period		-	-	-	-	89,123	7,768	(4,043)	92,848
E1	Capital increase in cash		70,000	37,870						107,870
N1	Share-based payment transactions	6.13		4,523						4,523
Z1	Balance on December 31, 2024	6.12	$526,627	$122,301	$61,514	$46,343	$94,356	$(43,239)	$(4,043)	$803,859

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi Manager: Chen Hung-Jen Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of cash flows

January 1 to December 31, 2024

Unit: NTD thousands

Code	Items	2024	2023
AAAA	Cash flow from operating activities:		
A10000	Net income before tax of the current period	$104,316	$45,137
A20000	Adjustment items:		
A20010	Revenue, expenses, gains, and losses Items:		
A20100	Depreciation expense	14,336	20,607
A20200	Amortization expenses	305	210
A20300	Expected credit impairment loss	87	13
A20900	Interest expense	3,720	4,345
A21200	Interest income	(2,185)	(882)
A21300	Dividend income	(887)	(863)
A21900	Share-based payment for remuneration cost	4,523	3,172
A22400	Share of profit or loss of subsidiaries, affiliates and joint ventures recognized using the equity method	(26,562)	(13,858)
A22500	Gain from disposal and scrap of property, plant and equipment	(83)	(243)
A23700	Non-financial assets impairment loss	4,281	14,605
A23900	Unrealized gains between affiliates	1,847	1,061
A24000	Realized gain between affiliates	(1,061)	(1,130)
A29900	Inventory impairment and sluggish reversal gains	(15,183)	(323)
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Decrease (increase) in notes receivable	2,968	(680)
A31150	Decrease in accounts receivable	1,143	3,892
A31160	Accounts receivable - related parties (increase) decrease	(4,240)	2,356
A31200	Decrease in inventory	20,305	12,572
A31230	Decrease (increase) in advance payments	919	(1,663)
A31240	Increase in other current assets	(6,135)	(14,088)
A32125	Increase (decrease) in contract liabilities	(34)	31
A32130	Decrease (increase) in notes payable	(2,713)	1,910
A32150	Increase (decrease) in accounts payable	(23,733)	15,281
A32180	Increase (decrease) in other accounts payable	6,074	(8,472)
A32230	Increase (decrease) in other current liabilities	(107)	40
A33000	Cash inflow from operation	81,901	83,030
A33100	Interest received	2,249	818
A33300	Interest paid	(3,531)	(4,277)
A33500	Income tax paid	(11,167)	(4,879)
AAAA	Net cash inflow from operating activities	69,452	74,692
	(continued)		

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi　　Manager: Chen Hung-Jen　　Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of cash flows(continued)

January 1 to December 31, 2024

Unit: NTD thousands

Code	Items	2024	2023
	(continued)		
BBBB	Cash flow from investing activities:		
B01800	Acquisition of investments accounted for using the equity method	(96,105)	(27,410)
B02700	Acquisition of property, plant and equipment	(16,772)	(12,850)
B02800	Disposal of property, plant and equipment	613	4,696
B04500	Acquisition of intangible assets	(1,510)	(896)
B06700	Decrease in other non-current assets	5,588	6,774
B07600	Dividends received	887	863
BBBB	Cash outflow from investing activities:	(107,299)	(28,823)
CCCC	Cash flow from financing activities:		
C00100	Increase in short-term borrowings	120,000	170,000
C00200	Decrease in short-term borrowings	(160,000)	(160,000)
C00500	Increase in short-term notes payable	10,000	110,000
C00600	Decrease in short-term notes payable	(50,000)	(70,000)
C01600	Proceeds from long-term borrowings	1,230,838	1,446,549
C01700	Repayment of long-term borrowings	(1,176,537)	(1,486,482)
C04020	Repayment of the principal of the lease	(3,556)	(4,909)
C04500	Payment of cash dividends	(65,141)	(16,895)
C04600	Capital increase in cash	107,870	-
CCCC	Net cash inflow (outflow) from financing activities	13,474	(11,737)
EEEE	Increase (decrease) in cash and cash equivalents for the current period	(24,373)	34,132
E00100	Beginning balance of cash and cash equivalents	100,195	66,063
E00200	Ending balance of cash and cash equivalents	$75,822	$100,195

(Please refer to the notes to the parent company only financial statements)

Chairperson: Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi   Manager: Chen Hung-Jen   Accounting Manager: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Notes to Parent Company Only Financial Statements

For the Years 2024 and 2023
(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

I. Company History

Perfect Medical Industry Co., Ltd. (hereinafter referred to as "the Company") was established in the Republic of China on April 17, 1989, with the approval of the Ministry of Economic Affairs. The Company's main business activities include the manufacturing, processing, and trading of medical devices such as medical syringes and blood transfusion equipment.

The Company's stock was approved for public offering on May 29, 2015, and was subsequently approved for registration as an emerging stock on March 27, 2019. The Company's registered address and main place of operations is located at No. 100, Xingong 1st Road, Beidou Township, Changhua County.

II. Date and Procedures of Financial Report Approval

The parent company only financial statements of the Company for the years 2024 and 2023 were approved and authorized for issuance by the Board of Directors on March 13, 2025.

III. Application of Newly Issued and Revised Standards and Interpretations

1. Changes in accounting policies resulting from the first-time adoption of International Financial Reporting Standards

   The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Standing Interpretations Committee (SIC) Interpretations endorsed by the Financial Supervisory Commission (FSC) applicable to accounting years beginning on or after January 1, 2024. The first-time adoption of these new standards and amendments has no significant impact on the Company.

2. As of the date of issuance of the financial statements, the Company has not yet adopted the following new or amended standards and interpretations that have been issued by the International Accounting Standards Board (IASB) and endorsed by the FSC:

Items	Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
1	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

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

   These amendments explain the exchangeability between currencies and the lack of exchangeability, and how to determine the exchange rate when there is a lack of exchangeability between currencies. They also add additional disclosure requirements for situations where there is a lack of exchangeability between currencies.

   The above amendments will be applicable to fiscal years beginning after January 1, 2025, and the Company assesses that they have no significant impact.

3. As of the date of issuance of the financial statements, the Company has not adopted the following new, amended, and revised standards or interpretations that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC:

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Items	Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending decision by the IASB
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
4	Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5	Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
6	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
7	Contracts Dependent on Natural Power (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

(1) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This project addresses the inconsistency between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" regarding the loss of control when a subsidiary is contributed to an associate or joint venture. IAS 28 requires that when non-monetary assets are contributed in exchange for an equity interest in an associate or joint venture, the portion of the resulting gain or loss should be eliminated in accordance with downstream transaction treatment; IFRS 10, however, requires the recognition of the full gain or loss when control of a subsidiary is lost. This amendment limits the aforementioned provisions of IAS 28, stipulating that when the assets sold or contributed constitute a business as defined in IFRS 3, the resulting gain or loss should be recognized in full.

This amendment also modifies IFRS 10 so that when an investor and its affiliates or joint ventures sell or invest in subsidiaries that do not constitute a business as defined in IFRS 3, the profits or losses arising therefrom will only be recognized to the extent that they do not belong to the investor's share.

(2) IFRS 17 "Insurance Contracts"

This standard provides a comprehensive model for insurance contracts, covering all accounting-related aspects (recognition, measurement, presentation, and disclosure principles). The core of the standard is the general model, under which insurance contract groups are measured at initial recognition as the total of the fulfillment cash flows and the contractual service margin; the carrying amount at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, the standard provides specific application methods for contracts with direct participation features (the variable fee approach) and a simplified approach for short-term contracts (the premium allocation approach).

After this standard was issued in May 2017, amendments were subsequently issued in 2020 and 2021. These amendments, in addition to delaying the effective date by 2 years in the transition provisions (i.e., from the original January 1, 2021 to January 1, 2023) and providing additional exemptions, also reduced the cost of adopting this standard by simplifying certain requirements and modified certain provisions to make some situations easier to interpret. The effectiveness of this standard will replace the transitional standard (i.e., IFRS 4 "Insurance Contracts").

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

This standard will replace IAS 1 "Presentation of Financial Statements," with the following main changes:

(a) Enhancing the comparability of the income statement
Income and expenses in the income statement are classified into five categories: operating, investing, financing, income tax, or discontinued operations, of which the first three are new classifications. This improves the structure of the income statement and requires all entities to provide newly defined subtotals (including operating profit). By enhancing the structure of the income statement and providing newly defined subtotals, investors will have a consistent starting point when analyzing financial performance across entities, making comparisons between companies easier.

(b) Improving transparency of management performance measures
Requires companies to disclose explanations of business-specific measures (called management performance measures) related to the income statement.

(c) Useful aggregation of financial statement information
This change is expected to provide more detailed and useful information for establishing application guidance on determining the location of financial information in the primary financial statements or notes. Requiring companies to provide more transparent operating expense information to help investors find and understand the information they use.

(4) Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplifies disclosures for subsidiaries without public accountability and allows subsidiaries that meet the definition to choose to apply this standard.

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

These amendments include:
(a) Clarification that financial liabilities are derecognized on the settlement date, and explanation of the accounting treatment for financial liabilities settled electronically before the settlement date.
(b) Clarification on how to assess the cash flow characteristics of financial assets with environmental, social, and governance (ESG) related link features or other similar contingent features.
(c) Clarification on the treatment of non-recourse assets and contractually linked instruments.
(d) Additional disclosures required under IFRS 7 for financial assets or liabilities with terms related to contingent features (including ESG links), and equity instruments classified as fair value through other comprehensive income.

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

(a) Amendments to IFRS 1
(b) Amendments to IFRS 7
(c) Amendments to IFRS 7 Implementation Guidance
(d) Amendments to IFRS 9
(e) Amendments to IFRS 10

(f) Amendments to IAS 7

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

These amendments include:
(a) Clarification of the requirements for "own use" application.
(b) Allowing the application of hedge accounting when contracts are used as hedging instruments.
(c) Add disclosure requirements in notes to help investors understand the impact of these contracts on corporate financial performance and cash flow

For the above standards or interpretations that have been issued by the International Accounting Standards Board but have not yet been approved by the Financial Supervisory Commission, their actual date of application shall be subject to the regulations of the Financial Supervisory Commission. Except that the Company is currently evaluating the potential impact of the newly announced or revised standards or interpretations in (3), and is temporarily unable to reasonably estimate the impact of the aforementioned standards or interpretations on the Company, other newly announced or revised standards or interpretations will have no significant impact on the Company.

IV. Summary of Material Accounting Policies Information

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

1. Statement of Compliance

The Company's parent company only financial statements for the years 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of Preparation

The Company has prepared its parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. According to Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income in the individual financial statements shall be the same as the allocations of profit or loss and other comprehensive income attributable to owners of the parent in the consolidated financial statements, and the owners' equity in the parent company only financial statements shall be the same as the equity attributable to owners of the parent in the consolidated financial statements. Therefore, investments in subsidiaries are presented as "Investments Accounted for Using the Equity Method" in the parent company only financial statements with necessary valuation adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair value. Unless otherwise stated, the financial statements are presented in thousands of New Taiwan Dollars.

3. Foreign Currency Transactions

The Company's individual financial statements are presented in its functional currency, the New Taiwan Dollar.

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

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

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset, if they are regarded as an adjustment to interest costs, are included in the borrowing costs that are eligible for capitalization as part of the cost of the asset.

(2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policies for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

4. Translation of Foreign Currency Financial Statements

The company's parent company only financial statements are expressed in the functional currency New Taiwan Dollar.

Foreign currency transactions are converted into functional currency records based on the exchange rate on the transaction date. At the end of each reporting period, foreign currency monetary items are converted at the closing exchange rate on that day; foreign currency non-monetary items measured at fair value are converted at the exchange rate on the day when the fair value is measured; foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the original transaction date.

In the case of a partial disposal of a subsidiary that includes a foreign operation while maintaining control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation rather than recognized in profit or loss. In the case of a partial disposal of an associate or joint arrangement that includes a foreign operation while maintaining significant influence or joint control, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

5. Classification of Current and Non-current Assets and Liabilities

An asset is classified as current when one of the following conditions is met; assets not meeting these conditions are classified as non-current assets:

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

A liability is classified as current when one of the following conditions is met; liabilities not meeting these conditions are classified as non-current liabilities:

(1) The liability is expected to be settled in the normal operating cycle.
(2) The liability is held primarily for trading purposes.
(3) The liability is due to be settled within twelve months after the reporting period.
(4) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

6. Cash and Cash Equivalents

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

7. Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

(1) Recognition and Measurement of Financial Assets

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

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

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

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

Financial assets that meet the following conditions are subsequently measured at amortized cost and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables on the balance sheet:

A. The financial asset is held within a business model whose objective is to hold financial

assets in order to collect contractual cash flows.
B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets (except for those involved in a hedging relationship) are subsequently measured at amortized cost [the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance]. When disposed of, amortized, or when recognizing impairment gains or losses, the gain or loss is recognized in profit or loss.

Interest calculated using the effective interest method (effective interest rate multiplied by the gross carrying amount of the financial asset) or in the following situations is recognized in profit or loss:

A. For purchased or originated credit-impaired financial assets, using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial asset.
B. For assets not in the previous category but which subsequently become credit-impaired, using the effective interest rate multiplied by the amortized cost of the financial asset.

Financial assets measured at fair value through other comprehensive income

Financial assets that meet both of the following conditions are measured at fair value through other comprehensive income and are presented as financial assets measured at fair value through other comprehensive income on the balance sheet:

A. Business model for managing financial assets: Both collecting contractual cash flows and selling financial assets.
B. Contractual cash flow characteristics of the financial asset: Cash flows are solely payments of principal and interest on the principal amount outstanding.

The recognition of gains and losses for these financial assets is explained as follows:

A. Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, which are recognized in profit or loss.
B. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest calculated using the effective interest method (effective interest rate multiplied by the gross carrying amount of the financial asset) or in the following situations is recognized in profit or loss:
   (a) For purchased or originated credit-impaired financial assets, using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial asset.
   (b) For assets not in the previous category but which subsequently become credit-impaired, using the effective interest rate multiplied by the amortized cost of the financial asset.

Furthermore, for equity instruments within the scope of IFRS 9 that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an entity may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when such equity instruments are disposed of, the accumulated amounts included in other equity items are transferred directly to retained earnings), and these are presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of financial assets

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

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

A. An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.
B. The time value of money.
C. Reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions (that is available without undue cost or effort at the balance sheet date).

The methods for measuring loss allowances are described as follows:

A. Measurement at an amount equal to 12-month expected credit losses: This includes financial assets for which credit risk has not increased significantly since initial recognition, or those determined to have low credit risk at the balance sheet date. It also includes financial assets for which loss allowance was measured at an amount equal to lifetime expected credit losses in the previous reporting period, but which no longer meet the condition of a significant increase in credit risk since initial recognition at the current balance sheet date.
B. Measurement at an amount equal to lifetime expected credit losses: This includes financial assets for which credit risk has increased significantly since initial recognition, or purchased or originated credit-impaired financial assets.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Company uses the amount of expected credit losses during the duration to measure the allowance loss.

At each balance sheet date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition. For additional information related to credit risk, please refer to Note 12.

(3) Derecognition of financial assets

The Company derecognizes financial assets when one of the following conditions is met:

A. The contractual rights to the cash flows from the financial asset expire.
B. The financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred.
C. Neither the financial asset has been transferred nor substantially all the risks and rewards

of ownership of the asset have been retained, but control of the asset has been transferred.

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

(4) Financial Liabilities

<u>Classification of Liabilities</u>

Liabilities issued by the Company are classified as financial liabilities based on the substance of the contractual agreement and the definition of financial liabilities.

<u>Financial Liabilities</u>

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

<u>Financial Liabilities Measured at Amortized Cost</u>

Financial liabilities measured at amortized cost include payables and borrowings, which are subsequently measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized using the effective interest method, the related gains or losses and amortization are recognized in profit or loss.

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

<u>Derecognition of Financial Liabilities</u>

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

When the Company exchanges with the lender debt instruments with substantially different terms, or the terms of an existing financial liability are substantially modified (whether or not due to financial difficulty), such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of Financial Assets and Liabilities

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

8. Fair Value Measurements

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

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

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

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

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

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

9. Inventories

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

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

Raw materials, merchandise and goods in transit – Actual cost on a weighted average basis.

Finished goods and work in progress – Includes cost of direct materials, direct labor and manufacturing overheads, but excludes borrowing costs.

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

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

10. Investments Accounted for Using the Equity Method

The Company's investments in subsidiaries are presented as "Investments accounted for using the equity method" in accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, with necessary valuation adjustments to ensure that the profit or loss and other comprehensive income in the parent company only financial reports are the same as the share of profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial reports, and that the equity in the parent company only financial reports is the same as the equity attributable to the owners of the parent company in the consolidated financial reports. These adjustments primarily consider the treatment of investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different reporting entity levels, and are recorded by debiting or crediting "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method," or "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method."

The Company's investments in associates, except those classified as assets held for sale, are accounted for using the equity method. An associate is an entity over which the Company has significant influence.

Under the equity method, investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of the net assets of the associate in proportion to its shareholding. After the carrying amount of the investment in associates and other related long-term interests is reduced to zero under the equity method, additional losses and liabilities are recognized to the extent that legal obligations, constructive obligations, or payments made on behalf of the associate have been incurred. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When changes in an associate's equity are not resulting from profit or loss or other comprehensive income items and do not affect the Company's percentage of ownership, the Company recognizes such changes in equity based on its percentage of ownership. The resulting capital surplus recognized is subsequently reclassified to profit or loss at the time of disposal of the associate on a pro-rata basis.

When an associate issues new shares and the Company does not subscribe to the new shares in proportion to its original ownership percentage, resulting in a change in the Company's ownership percentage and a corresponding increase or decrease in its share of the net assets of the associate, the increase or decrease is adjusted through "Capital surplus" and "Investments accounted for using the equity method." When the ownership percentage decreases, the items previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate accounts in proportion to the decrease. The capital surplus recognized is subsequently reclassified to profit or loss at the time of disposal of the associate on a pro-rata basis.

The financial statements of the associate are prepared for the same reporting period as the Company and are adjusted to align the accounting policies with those of the Company.

At the end of each reporting period, the Company determines whether there is any objective evidence that its investment in the associate is impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures." If there is objective evidence of impairment, the Company calculates the impairment as the difference between the recoverable amount of the associate and its carrying value in accordance with IAS 36 "Impairment of Assets," and recognizes the impairment loss in profit or loss related to the associate. If the recoverable amount is based on the value in use of the investment, the Company determines the related value in use based on the following estimates:

(1) The Company's share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

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

When significant influence over an associate is lost, the Company measures and recognizes any retained investment at its fair value. The difference between the carrying amount of the investment in associate upon loss of significant influence and the fair value of the retained investment plus proceeds from disposal is recognized in profit or loss.

11. Property, Plant and Equipment

Property, plant and equipment are recognized at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The aforementioned cost includes the cost of dismantling, removing, and restoring the site on which the asset is located, as well as necessary interest expense incurred due to unfinished construction. If the components of property, plant and equipment are significant, they will be depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation methods. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, Plant and Equipment." Major inspection costs that meet the recognition criteria are capitalized as replacement costs and are recognized as part of the carrying amount of plant and equipment. Other repair and maintenance costs are recognized in profit or loss.

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

Asset Items	Useful Lives
Buildings and structures	5 to 60 years
Machinery equipment	2 to 19 years
Transportation equipment	5 to 8 years
Office equipment	3 to 12 years
Other equipment	3 to 15 years

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

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate, with the effect of any changes in estimate accounted for on a prospective basis.

12. Investment Property

The Company's investment properties are measured initially at cost, including transaction costs. The carrying amount of investment property includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, except for those that meet the criteria to be classified as held for sale (or are included in a disposal group classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," investment properties are measured using the cost model in accordance with the requirements of IAS 16 "Property, Plant and Equipment." However, if they are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, they are accounted for in accordance with IFRS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

The Company decides to transfer to or from investment properties based on the actual usage of assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of a change in use.

13. Leases

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

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

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

<u>The Company as lessee</u>

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

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

(1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) Amounts expected to be payable by the lessee under residual value guarantees;
(4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

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

(1) The amount of the initial measurement of the lease liability;

(2) Any lease payments made at or before the commencement date, less any lease incentives received;
(3) Any initial direct costs incurred by the lessee; and
(4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, i.e., applying the cost model to the right-of-use asset.

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

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

Except for leases that meet and elect the short-term lease or leases of low-value assets recognition exemption, the Company presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense and depreciation expense separately in the statement of comprehensive income.

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

14. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets which fail to meet the recognition criteria are not capitalized and the related expenditures are reflected in profit or loss in the period incurred.

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

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

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

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

The Company's accounting policies for intangible assets are summarized as follows:

	Computer Software Costs
Useful Lives	3 to 11 years
Amortization method used	Amortized on a straight-line basis
Internally generated or acquired	Externally acquired

15. Impairment of Non-financial Assets

The Company assesses at the end of each reporting period whether there is any indication that an asset subject to IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company tests the asset for impairment by estimating its recoverable amount. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that asset or the cash-generating unit. An impairment loss recognized in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Such reversal is recognized in profit or loss for continuing operations.

16. Revenue Recognition

The Company's revenue from contracts with customers primarily comes from the sale of goods, the accounting treatment of which is explained as follows:

The Company manufactures and sells goods. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of them (i.e., when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits from them). The transactions for the sale of goods are recognized based on the prices specified in the contracts.

The credit terms for the Company's sales transactions are 30-120 days. For most contracts, when the goods are transferred and the Company has an unconditional right to receive payment, accounts receivable are recognized. These accounts receivable typically have short terms and do not contain a significant financing component. For a small portion of contracts, the Company receives partial consideration from customers upon signing the contract, and recognizes a contract liability for its obligation to provide services subsequently. The aforementioned contract liabilities are typically converted to revenue within a period not exceeding one year and do not result in a significant financing component.

17. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs associated with the borrowing of funds.

18. Post-employment Benefit Plans

The retirement plan of the Company and its domestic subsidiaries applies to all formally employed staff. Employee retirement funds are entirely deposited with the Labor Retirement Fund Supervisory Committee and placed into a designated retirement fund account. Since these retirement funds are deposited under the name of the Labor Retirement Fund Supervisory Committee and are completely separate from the Company and its domestic subsidiaries, they are not included in the parent company only financial statements mentioned above.

For defined contribution post-employment benefit plans, the Company and its domestic subsidiaries contribute at a rate of no less than 6% of each employee's monthly salary every month, and the amounts contributed are recognized as expenses for the current period.

19. Government Grants

The Company recognizes government grant income when there is reasonable assurance that the conditions attached to the grants will be met and the grants will be received. When the grant relates to an asset, it is recognized as deferred income and recognized as income over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

20. Share-based Payment Transactions

The cost of equity-settled share-based payment transactions between the Company and its employees is measured at the fair value of the equity instruments at the grant date. The fair value is measured using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service and performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The change in cumulative expense recognized between the beginning and end of each reporting period is recognized in profit or loss for that period.

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

When the terms of an equity-settled transaction are modified, the minimum expense recognized is the expense that would have been incurred had the original terms not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee.

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

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

When restricted employee shares are issued, the fair value of the equity instruments given at the grant date serves as the basis for recognizing salary expenses and a corresponding increase in equity over the vesting period. At the grant date, the Company recognizes unearned employee compensation, which is a transitional account and presented as a deduction from equity in the consolidated balance sheet, and is amortized to salary expenses over time.

21. Income Tax

Income tax expense (benefit) refers to the aggregate amount included in the determination of profit or loss for the period in relation to current tax and deferred tax.

Current Income Tax

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

The additional income tax on undistributed earnings is recognized as income tax expense on the date when the shareholders resolve to distribute the earnings.

Deferred Income Tax

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

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

(1) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not create equal taxable and deductible temporary differences at the time of the transaction.

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

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

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

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

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

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

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

V. Major Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

When preparing the individual financial statements, the Company's management must make judgments, estimates and assumptions at the end of the reporting period, which will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates and Assumptions

Information about the key sources of estimation uncertainty and assumptions concerning the future at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

(1) Accounts Receivable - Estimation of Impairment Loss

The Company's estimation of impairment loss for accounts receivable is measured by the expected credit loss over the lifetime, which is calculated as the present value of the difference between the contractual cash flows that are due in accordance with the contract (carrying amount) and the cash flows that are expected to be received (considering forward-looking information). However, for short-term receivables, the discounting impact is not material, and the credit loss is measured using the undiscounted difference.
If future actual cash flows are less than expected, significant impairment losses may occur. Please refer to Note 6.

(2) Inventory Valuation

The estimates of net realizable value of inventories take into consideration inventory damage, whole or partial obsolescence, or selling price declines. The estimate is based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to realize. Please refer to Note 6.

VI. Explanation of Important Accounting Items

1. Cash and Cash Equivalents

	2024/12/31	2023/12/31
Demand deposits	$75,792	$63,379
Cash on hand	30	30
Deposits account (within three months)	-	36,786
Total	$75,822	$100,195

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

The Company's bank deposits are not pledged as collateral.

2. Accounts Receivable and Accounts Receivable - Related Parties

	2024/12/31	2023/12/31
Accounts receivable - non-related parties	$74,252	$75,465
Less: loss allowance for expected credit losses	(92)	(75)
Subtotal	74,160	75,390
Accounts receivable - related parties	18,850	14,610
Total	$93,010	$90,000

The Company's accounts receivable are not pledged as collateral.

The Company's credit terms to customers typically range from 30 days to 120 days. As of December 31, 2024 and December 31, 2023, the total carrying amounts were NT$93,102 thousand and NT$90,075 thousand, respectively. For information relating to loss allowance for expected credit losses during 2024 and 2023, please refer to Note 6.15, and for information on credit risk, please refer to Note 12.

3. Inventory

	2024/12/31	2023/12/31
Merchandise	$58,770	$61,631
Semi-finished goods	2,298	2,136
Raw materials and supplies	851	1,761
Finished goods	342	1,855
Total	62,261	$67,383

The Company’s inventory costs recognized as cost of good sold in the years 2024 and 2023 were NT$416,750 thousand and NT$445,068 thousand respectively, including recognition gain from price recovery of inventory NT$15,183 thousand and NT$323 thousand, respectively.Since the factors that previously caused the net realizable value of the inventory to be lower than the cost have disappeared, there is a benefit from the rebound in the price of the inventory.

The aforementioned inventories have not been pledged as collateral.

4. Investments Using The Equity Method

(1) Investment in Subsidiaries

The Company's investments in subsidiaries are presented as "Investments using the equity method" in the parent company only financial statements with necessary valuation adjustments. Details are as follows:

Name of Investee	2024/12/31		2023/12/31	
	Amount	Ownership Percentage	Amount	Ownership Percentage
Investment in subsidiaries:				
Perfect Medical Industrial (VN) Co., Ltd.	$301,492	100%	$265,554	100%
Perfect TW Medical Industrial (VN) Co., Ltd.	278,798	100%	185,088	100%
Medi-Life Co., Ltd.	664	100%	663	100%
Total	$580,954		$451,305	

(2) The details of investment gains and losses recognized using the equity method and exchange differences on translation of foreign operations' financial statements for the above investees

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

for the years 2024 and 2023 are as follows:

	2024		2023	
Name of Investee	Share of profits and losses of subsidiary, affiliated enterprises and joint ventures recognized using equity method	Exchange differences in the translation of financial statements of foreign operating institutions	Share of profits and losses of subsidiary, affiliated enterprises and joint ventures recognized using equity method	Exchange differences in the translation of financial statements of foreign operating institutions
Perfect Medical Industrial (VN) Co., Ltd.	$31,455	$5,269	$18,907	$(7,340)
Medi-Life Co., Ltd.	1	-	-	-
Perfect TW Medical Industrial (VN) Co., Ltd.	(4,894)	2,499	(5,049)	(4,884)
Total	$26,562	7,768	$13,858	$(12,224)

5. Property, Plant and Equipment

	2024/12/31	2023/12/31
Property, Plant and Equipment for Own Use	$75,428	$74,623

	Land	Buildings and structures	Machinery equipment	Other equipment (Note1)	Unfinished construction	Total
Cost:						
2024/1/1	$10,795	$43,900	$108,742	$20,294	$3,190	$186,921
Additions	-	1,168	8,847	6,466	-	16,482
Disposals	-	-	(7,030)	(930)	-	(7,960)
2024/12/31	$10,795	$45,068	$110,559	$25,830	$3,190	$195,442
Depreciation and impairment:						
2024/1/1	$-	$17,064	$79,327	$15,907	$-	$112,298
Depreciation	-	1,647	7,113	2,105	-	10,865
Impairment loss (Note2)	-	-	4,281	-	-	4,281
Disposals	-	-	(6,645)	(785)	-	(7,430)
2024/12/31	$-	$18,711	$84,076	17,227	$-	120,014
Cost:						
2023/1/1	$10,795	$42,195	$105,687	$19,461	$3,190	$181,328
Additions	-	1,705	10,163	873	-	12,741
Disposals	-	-	(7,108)	(40)	-	(7,148)
2023/12/31	$10,795	$43,900	$108,742	$20,294	$3,190	$186,921
Depreciation and impairment:						
2023/1/1	$-	$15,485	$55,220	$13,996	$-	$84,701
Depreciation	-	1,579	12,157	1,951	-	15,687
Impairment loss (Note2)	-	-	14,605	-	-	14,605
Disposals	-	-	(2,655)	(40)	-	(2,695)

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	Land	Buildings and structures	Machinery equipment	Other equipment (Note)	Unfinished construction	Total
2023/12/31	$-	$17,064	$79,327	$15,907	$-	$112,298
Net carrying amount:						
2024/12/31	$10,795	$26,357	$26,483	$8,603	$3,190	$75,428
2023/12/31	$10,795	$26,836	$29,415	$4,387	$3,190	$74,623

(Note1): Including transportation equipment, office equipment, and other equipment, etc.
(Note2): As the epidemic situation has slowed down in recent years and the market demand for masks has decreased significantly, the Company wrote down the book value of some machinery and equipment to 0 in 2024 and 2023, resulting in impairment losses of 4,281 thousand yuan and 14,605 thousand yuan. The impairment loss has been recognized in the consolidated Comprehensive income statement.

The major components of the Company's buildings mainly consist of the main building and renovation works, etc., and are depreciated over their useful lives of 60 years and 10 years, respectively.

In years 2024 and 2023, the Company did not have any situations where interest needed to be capitalized due to the purchase of property, plant and equipment.

For details on property, plant and equipment provided as collateral, please refer to Note 8.

6. Investment Property

Investment property includes investment property owned by the Company. The Company has not yet leased out its own investment property.

	2024/12/31	2023/12/31
Net book value of land	$73,809	$73,809

For details on investment property provided as collateral, please refer to Note 8.

The investment property held by the Company is not measured at fair value, but only discloses information about its fair value, which belongs to Level 3 in the fair value hierarchy. The fair values of the investment property held by the Company as of December 31, 2024 and December 31, 2023 were NT$104,328 thousand and NT$86,184 thousand, respectively. The fair value as of December 31, 2024 was evaluated by an independent external valuation expert, using the comparison method and land development analysis method. The fair value of the investment real estate as of December 31, 2023 was determined by the company's management based on its own assessment based on the comparative method and by referring to nearby transaction prices.

7. Other Non-current Assets

	2024/12/31	2023/12/31
Prepaid equipment	$14,407	$17,927
Refundable deposits	11,777	11,487
Restricted assets	3,712	6,070
Others	2,170	965
Total	32,066	$36,449

For details on the pledged restricted assets, please refer to Note 8.

8. Short-term loans

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	2024/12/31	2023/12/31
Unsecured bank loans	$10,000	$20,000
Secured bank loans	-	30,000
Total	$10,000	$50,000

	2024	2023
Interest rate range	2.14%	2.01%~2.05%

As of December 31, 2024 and December 31, 2023, unused short-term borrowing facilities were approximately NT$120,000 thousand and NT$66,377 thousand, respectively.

9. Other payables

	2024/12/31	2023/12/31
Salaries and bonuses payable	$9,928	$8,907
Employee and director compensation payable	8,944	4,661
Equipment payable	3,678	3,969
Others	12,449	11,570
Total	$34,999	$29,107

10. Long-term Loans

Details of long-term loans as of December 31, 2024 and December 31, 2023 are as follows:

Creditor	2024/12/31	Interest rate (%)	Repayment period and method
Bank Sinopac Company Limited Secured loan	$85,725	2.15%	From September 6, 2024 to September 6, 2029, repayable in monthly installments of NT$1,583 thousand each, with full repayment on the last installment. Interest is payable monthly.
CTBC Bank Secured loan	31,500	2.6%	From January 12, 2024 to January 12, 2026, repayable in quarterly installments of NT$1,500 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	13,828	2.42%	From February 10, 2023 to February 10, 2027, repayable in monthly installments of NT$546 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Secured loan	13,289	2.27%	From January 16, 2023 to January 16, 2027, repayable in monthly installments of NT$545 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	9,800	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$204 thousand each, with full repayment on the last installment. Interest is payable monthly.
Chang Hwa Commercial Bank Secured loan	6,562	2.28%	From February 18, 2022 to October 18, 2025, with a grace period for the first year. Beginning from March 18, 2023, repayable in monthly installments of NT$656 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	6,492	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$135 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	2,450	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$51

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Creditor	2024/12/31	Interest rate (%)	Repayment period and method
			thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	1,146	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$24 thousand each, with full repayment on the last installment. Interest is payable monthly.
Subtotal	170,792		
Less: Long-term loans due within one year or one operating cycle	(47,354)		
Total	123,438		

Creditor	2023/12/31	Interest rate (%)	Repayment period and method
CTBC Bank Secured loan	$27,000	2.20%	From December 30, 2022 to December 30, 2024, repayable in quarterly installments of NT$1,500 thousand each, with a grace period for the first six months, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	19,976	2.29%	From February 10, 2023 to February 10, 2027, repayable in monthly installments of NT$545 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Secured loan	19,453	2.14%	From January 16, 2023 to January 16, 2027, repayable in monthly installments of NT$544 thousand each, with full repayment on the last installment. Interest is payable monthly.
Chang Hwa Commercial Bank Secured loan	14,437	2.15%	From February 18, 2022 to October 18, 2025, with a grace period for the first year. Beginning from February 18, 2023, repayable in monthly installments of NT$656 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Secured loan	10,689	2.14%	From October 15, 2020 to October 15, 2024, repayable in monthly installments of NT$1,079 thousand each, with full repayment on the last installment. Interest is payable monthly.
Chang Hwa Commercial Bank Secured loan	9,582	2.10%	From February 18, 2022 to February 18, 2027, with a grace period for the first year. Beginning from February 18, 2023, repayable in monthly installments of NT$261 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	7,950	2.48%	From December 29, 2020 to December 29, 2025, with a grace period for the first year. Repayable in monthly installments of NT$331 thousand each, with full repayment on the last installment. Interest is payable monthly.
Chang Hwa Commercial Bank Secured loan	3,860	2.10%	From May 2, 2019 to May 2, 2024, with a grace period for the first year. Repayable in monthly installments of NT$776 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	2,141	2.23%	From October 15, 2020 to October 15, 2024, repayable in monthly installments of NT$216 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank	1,403	2.48%	From December 29, 2020 to December 29, 2025,

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Creditor	2023/12/31	Interest rate (%)	Repayment period and method
Unsecured loan			with a grace period for the first year. Repayable in monthly installments of NT$58 thousand each, with full repayment on the last installment. Interest is payable monthly.
Subtotal	116,491		
Less: Long-term loans due within one year or one operating cycle	(71,520)		
Total	$44,971		

All mortgage loans are secured by land, investment properties, buildings and structures, machinery and equipment, and restricted bank deposits as collateral. Please refer to Note 8 for details.

The company's bank borrowings are jointly and severally guaranteed by the chairperson of the board (Tung Da Fa Asset Management Co., Ltd.) and the manager.

11. Post-employment Benefit Plans

Defined Contribution Plan

The Company's employee retirement plan established in accordance with the "Labor Pension Act" is a defined contribution plan. According to this Act, the Company's monthly contribution rate for employees' pension shall not be less than six percent of each employee's monthly salary.

The Company recognized expenses related to the defined contribution plan amounting to NT$2,470 thousand and NT$2,377 thousand for the years 2024 and 2023, respectively.

12. Equity

(1) Common Stock

As of December 31, 2023, the Company's authorized capital was NT$800,000 thousand, with a par value of NT$10 per share, divided into 80,000 thousand shares. 45,663 thousand shares had been issued with paid-in capital of NT$456,627 thousand.

In order to repay bank borrowings and enrich working capital, the company passed the resolution of the board of directors on March 12, 2013, through a cash capital increase to issue 7,000 thousand shares, and reserved a total of 1,050 thousand new shares for employees to subscribe for, at a premium of 15.2 yuan per share.This capital increase case has been approved by the competent authority, and the board of directors has resolved to set June 28, 2024, as the base date for the capital increase, and the change registration was completed on August 15, 2024.

As of December 31, 2024, the Company's authorized capital was NT$800,000 thousand, with a par value of NT$10 per share, divided into 80,000 thousand shares. 52,663 thousand shares were issued with paid-in capital of NT$526,627 thousand, respectively.

(2) Capital Surplus

According to regulations, capital surplus can only be used to offset company losses and cannot be used for other purposes. When the company has no losses, capital surplus arising from the premium on issuance of shares above par value and from donations received may be capitalized annually up to a certain percentage of the paid-in capital. The aforementioned capital surplus may also be distributed as cash dividends in proportion to the shareholders' original shareholding.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	2024/12/31	2023/12/31
Additional paid-in capital	$113,136	$76,736
Employee share option	9,099	3,172
Lapsed share option(Note)	66	-
Total	$122,301	$79,908

(Note):The company was approved to issue stock options on April 11, 2023. Two years after the expiration, stock options can be issued free of charge according to a certain time schedule and proportion. This year's capital reserve - lapsed stock options started from the capital reserve - employee stock options transferred to employees due to employee resignation.

(3) Retained Earnings and Dividend policy

According to the provisions of the company's articles of association, if there is a surplus in the annual final accounts, it will be distributed in the following order:

A. Withdraw Taxes.
B. Make up for losses.
C. Set aside 10% as statutory surplus reserve.
D. Other special surplus reserves are set aside or transferred in accordance with the provisions of laws or orders of the competent authority.
E. The rest shall be drafted by the board of directors in accordance with the dividend policy and submitted to the shareholders' meeting.

The company's dividend distribution policy depends on the company's current and future investment environment, funding needs, domestic and foreign competition, capital budget and other factors, taking into account shareholders' interests, balanced dividends and the company's long-term financial planning. Every year, the board of directors prepares a distribution plan in accordance with the law and submits it to the shareholders' meeting. Dividends to shareholders can be paid in cash or stocks, and the proportion of cash dividend distribution shall not be less than 10%.

The legal reserve shall not be used except for covering the company's losses and issuing new shares or cash to shareholders in proportion to their original shareholding. However, only the portion of the legal reserve which exceeds 25% of the paid-in capital may be used for issuing new shares or cash.

When distributing the distributable surplus, the Company shall, in accordance with regulations, set aside a special reserve for the difference between the balance of the special reserve that has been appropriated upon first-time adoption of International Financial Reporting Standards (IFRS) and the net amount of other equity deduction items. Subsequently, when there is a reversal in the net amount of other equity deduction items, the reversed portion may be used to reverse the special reserve for distribution of earnings.

In accordance with the FSC's Order No. 1090150022 issued on March 31, 2021, when the Company first adopted IFRS, the unrealized revaluation increment and cumulative translation adjustments (gains) recorded in the books that were transferred to retained earnings on the transition date due to the exemptions under IFRS 1 "First-time Adoption of International Financial Reporting Standards", a special reserve shall be set aside. Subsequently, when the Company uses, disposes of, or reclassifies the related assets, it may reverse the special reserve for distribution of earnings in proportion to the original amount set aside. The Company has not encountered situations where it may reverse the special reserve for distribution of earnings in proportion to the original amount set aside when using, disposing of, or reclassifying related assets, so this order has no impact on the Company.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

The company's earnings allocation and distribution plan and dividends per share for the year 2024, the first half of 2024 and the year 2023 are as follows:

	Profit Allocation and Distrbution	
	Fourth Quarter, 2024	Second Quarter, 2024
Proposed board of directors/Resolution date	2025/3/13	2024/9/20
Legal reserve	$4,461	$4,451
Special reserve Mention (Reversal)	939	(4,664)
Common stock cash dividend (Note)	45,817	33,177
Dividends Per Share (NT$)	$0.87	$0.63

	Profit Allocation and Distrbution
	Fourth Quarter, 2023
Date of resolution of regular shareholder's meeting	2024/6/27
Legal reserve	$4,009
Special reserve	12,224
Common stock cash dividend (Note)	31,964
Dividends Per Share (NT$)	$0.70

(Note): The Company's Board of Directors, as authorized by its Articles of Incorporation, passed special resolutions on March 13, 2025, September 20, 2024, and March 12, 2024 to approve cash dividends on common stock for the fiscal year 2024, the first half of 2024, and 2023, respectively.

Information regarding the estimation basis and recognized amount of employee and director remuneration can be found in Note 6.17.

13. Share-based Payment Plans

Company employees may receive share-based payments as part of their compensation plans; employees provide services in exchange for equity instruments, and these transactions are equity-settled share-based payment transactions.

<u>Company Employee Share-based Payment Plan</u>

On April 11, 2023, the Company received approval from the Securities and Futures Bureau of the Financial Supervisory Commission to issue 3,760 units of employee stock options. Each unit of stock option entitles the holder to subscribe to 1,000 shares of the Company's common stock, with an exercise price equal to the fair value of the Company's common stock on the grant date. Option holders can exercise their stock options according to a certain schedule and proportion after two years from the grant date. When employees exercise their stock options, new shares are issued.

Stock options are valued at fair value on the grant date using the Black-Scholes valuation model, with parameters and assumptions set in consideration of the terms and conditions of the contract.

Two years after the expiration of the employee stock option certificates granted to the stock option holders, they can exercise their stock options according to a certain schedule and proportion. The longest validity period of this stock option certificate is four years. Assuming that the average validity period of the self-executable stock option is three years, no cash settlement option is provided, and the Company has never had the practice of cash settlement in the past.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Information related to the above share-based payment plan is as follows:

Option Grant Date	Total Units Issued (Units)	Exercise Price Per Unit (NTD)
2024/4/17	3,760	$17.31

The pricing model and assumptions used for the share-based payment plan granted in 2024 are as follows:

	Value
Fair value of common shares	NT$13.77
Exercise price	NT$15.50
Estimated duration	2 years
Risk-free interest rate	1.594%
Expected volatility	35.18%

The expected duration of stock options is estimated based on historical data and current expectations, therefore it may not necessarily match the actual execution pattern. The expected volatility assumes that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Detailed information about the aforementioned stock option plan is as follows:

	2024		2023	
	Outstanding quantity(units)	Weighted average exercise price (NT$) (Note)	Outstanding quantity(units)	Weighted average exercise price (NT$)(Note)
Outstanding options as of January 1	3,760	$17.31	-	$-
Options granted during the period	-	-	3,760	17.31
Options losed during the period	(34)	-	-	-
Outstanding options as of December 31	3,726	$15.50	3,760	$17.31
Options exercisable as of December 31	-	-	-	-

(Note):The exercise price shall be adjusted in accordance with the Company's employee stock option policy when there are changes in the Company's common stock (such as cash capital increase, profit capital increase, capital public capital increase, company merger, split, cash capital increase to participate in the issuance of overseas depositary receipts and merger or acquisition of other companies' shares to issue new shares, etc.).

The Company recognized the following expenses for employee share-based payment plans:

	2024	2023
Expenses arising from employee stock options	$4,523	$3,172

14. Operating Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$576,605	$559,320

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Information regarding the Company's revenue from contracts with customers for the periods from January 1 to December 31, 2024 and 2023 is as follows:

(1) Disaggregation of revenue

	2024	2023
Sale of Goods	$576,605	$559,320

The Company's business is focused on the manufacture and sale of medical supplies, without any divisional divisions.

All of the Company's revenue from contracts with customers is recognized at a point in time.

(2) Contract balances

Contract liabilities - current

	2024/12/31	2023/12/31	2023/1/1
Sale of Goods	$-	$34	$3

The explanation for significant changes in contract liability balances for the Company in 2024 and 2023 is as follows:

	2024	2023
Beginning balance recognized as revenue this period	$(34)	$(3)
Current period increase in advance receipts (excluding those incurred and recognized as revenue this period)	-	34
Current period change	$34	$31

(3) Transaction price allocated to remaining performance obligations

None

(4) Assets recognized from the costs to obtain or fulfill a contract with a customer

None

15. Expected Credit Loss

	2024	2023
Operating expenses - Expected credit loss		
Accounts receivable	$87	$13

For information related to credit risk, please refer to Note 12.

The Company measures the loss allowance for its receivables (including notes receivable, accounts receivable, and accounts receivable - related parties) at an amount equal to lifetime expected credit losses. The Company considers the credit ratings, regions, and industries of the counterparties to group them, and uses a provision matrix to measure the loss allowance. As of December 31, 2024 and December 31, 2023, the relevant information for assessing the amount of loss allowance is as follows:

December 31, 2024:

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Group 1	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$32,932	$-	$63	$-	$2	$32,997
Loss rate	-%	-%	70%	-%	100%	
Lifetime expected credit losses	-	-	(44)	-	(2)	(46)
Carrying amount	$32,932	$-	$19	$-	$-	$32,951

Group 2	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$67,673	$67	$54	$-	$-	$67,794
Loss rate	-%	37%	39%	-%	-%	
Lifetime expected credit losses	-	(25)	(21)	-	-	(46)
Carrying amount	$67,673	$42	$33	$-	$-	$67,748

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$501	$-	$-	$-	$-	$501
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount	$501	$-	$-	$-	$-	$501

Note: All of the Company's notes receivable are not past due.

December 31, 2023:

Group 1	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$31,188	$55	$-	$-	$-	$31,243
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount	$31,188	$55	$-	$-	$-	$31,243

Group 2	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$69,501	$61	$-	$-	$-	$69,562
Loss rate	-%	10%	-%	-%	-%	
Lifetime expected credit losses	-	(6)	-	-	-	(6)
Carrying amount	$69,501	$55	$-	$-	$-	$69,556

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$359	$-	$-	$-	$69	$428

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Loss rate	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(69)	(69)
Carrying amount	$359	$-	$-	$-	$-	$359

Note: All of the Company's notes receivable are not past due.

The changes in allowance for losses on notes receivable and accounts receivable of the Company from January 1 to December 31, 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable	Total
2024/1/1	$-	$75	$75
Current period addition amount	-	87	87
Written off due to irrecoverability	-	(70)	(70)
2024/12/31	$-	$92	$92
2023/1/1	$-	$62	$62
Current period addition amount	-	13	13
2023/12/31	$-	$75	$75

16. Leases

(1) The Company as lessee

The Company leases buildings and structures with lease terms ranging from 2 to 3 years.

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

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

Carrying amount of right-of-use assets

	2024/12/31	2023/12/31
Buildings and structures	$3,145	$1,920

The Company's additions to right-of-use assets from January 1 to December 31, 2024 and from January 1 to December 31, 2023 were NT$4,696 thousand and NT$1,154 thousand, respectively.

(b) Lease liabilities

	2024/12/31	2023/12/31
Lease liabilities		
Current	$2,862	$1,786

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	2024/12/31	2023/12/31
Non-current	400	256
Total	$3,262	$2,042

For the Company's interest expenses on lease liabilities from January 1 to December 31, 2024 and 2023, please refer to Note 6, 18(4) Finance costs; for the maturity analysis of lease liabilities as of December 31, 2023, please refer to Note 12, 5 Liquidity risk management.

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Buildings and structures	$3,471	$4,920

C. Income and expenses related to lessee's leasing activities

	2024	2023
Expenses relating to short-term leases	$54	$54

D. Cash outflows related to lessee's leasing activities

The total cash outflows for leases of the Company from January 1 to December 31, 2024 and 2023 were NT$3,610 thousand and NT$4,963 thousand, respectively.

17. The summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Nature	2024			2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expenses						
Salaries expense	$13,682	$47,102	$60,784	$12,714	$40,034	$52,748
Labor and health insurance expense	1,774	3,580	5,534	1,671	3,501	5,172
Pension expense	824	1,646	2,470	767	1,610	2,377
Directors' remuneration	-	4,530	4,530	-	3,440	3,440
Other personnel expenses	1,067	2,051	3,118	848	1,809	2,657
Depreciation expenses	9,740	4,596	14,336	14,457	6,150	20,607
Amortization expenses	25	280	305	17	193	210

The Company had 79 employees both of December 31, 2024 and 2023,and including 7 directors who were not concurrent employees.

The Company has established an Audit Committee to replace supervisors in accordance with regulations, so no supervisor remuneration is recognized.

Regarding the Company's compensation policy, the remuneration for directors and managers is regularly evaluated and reviewed by the Compensation Committee. For employee salary policy, the

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Company regularly reviews salary levels annually to provide employees with market-competitive compensation.

The Company's Articles of Incorporation stipulate that if the Company makes a profit in the year, 2%~10% shall be allocated as employee compensation and no more than 5% as directors' remuneration. However, when accumulated losses exist, the amount for compensation should be reserved in advance. The aforementioned employee compensation can be distributed in the form of stock or cash and should be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and approval by a majority of the attending directors, and reported to the shareholders' meeting. For information regarding employee compensation and directors' remuneration approved by the Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

Based on the profit status for the fiscal year 2024, the Company estimated employee compensation and directors' remuneration at NT$5,504 thousand and NT$3,440 thousand respectively, which were recorded under salary expenses. At the Board of Directors meeting on March 13, 2025, the Company resolved to distribute NT$5,504 thousand and NT$3,440 thousand as employee compensation and directors' remuneration for fiscal year 2024 in cash.

The actual distribution of employee compensation and directors' and supervisors' remuneration for fiscal year 2023 was NT$2,420 thousand and NT$2,241 thousand respectively, which had no difference from the amounts recorded as expenses in the financial statements for fiscal year 2023.

18. Non-operating Income and Expenses

(1) Interest income

	2024	2023
Financial assets measured at amortized cost	$2,185	$882

(2) Other income

	2024	2023
Dividend income(Note)	$ 887	$863
Other income	24,900	22,572
Total	$25,787	$23,435

Note: Dividend income is paid by the Company's investee companies on financial assets measured at fair value through other comprehensive income.

(3) Other gains and losses

	2024	2023
Gain on disposal of property, plant and equipment	$83	$243
Net foreign exchange (loss) gain	4,824	(113)
Miscellaneous expenses	(57)	(20)
Non-financial assets impairment loss	(4,281)	(14,605)
Total	$569	$(14,495)

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

(4) Finance costs

	2024	2023
Interest on bank loans	$3,640	$4,287
Interest on lease liabilities	80	58
Total	$3,720	$4,345

19. Components of other comprehensive income

(1) Components of other comprehensive income for the year 2024 are as follows:

	Current period occurrence	Current period reclassification adjustments	Other comprehensive income	Income tax expense	After-tax amount
Items that may be reclassified to profit or loss subsequently:					
Exchange differences on translation of foreign operations' financial statements	$7,768	$-	$7,768	$-	$7,768

(2) Components of other comprehensive income for the year 2023 are as follows:

	Current period occurrence	Current period reclassification adjustments	Other comprehensive income	Income tax benefit	After-tax amount
Items that may be reclassified to profit or loss subsequently:					
Exchange differences on translation of foreign operations' financial statements	$(12,224)	$-	$(12,224)	$-	$(12,224)

20. Income tax

The main components of income tax expense for 2024 and 2023 are as follows:

Income tax recognized in profit or loss

	2024	2023
Current income tax expense:		
Current tax payable	$11,744	$6,845
Undistributed earnings are subject to profit-seeking income tax expense	-	1,104
Adjustments in respect of current income tax of prior periods	(343)	(25)
Deferred tax benefit:		
Deferred tax benefit relating to origination and reversal of temporary differences	3,792	(2,876)
Income tax expense	$15,193	$5,048

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable income tax rate is as follows:

	2024	2023
Net profit before tax from continuing operations	$104,316	$45,137

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	2024	2023
Tax calculated at domestic tax rates applicable to profits in the relevant countrie	$20,863	$9,027
The income tax impact of non-deductible expenses on tax returns	6	-
Undistributed earnings are subject to profit-seeking income tax expense	-	1,104
Income tax impact of tax-free income	(178)	(173)
Adjustments in respect of current income tax of prior periods	(343)	(25)
Other income tax effects adjusted in accordance with tax laws	(5,155)	(4,885)
Total income tax expense recognized in profit or loss	$15,193	$5,048

<u>Deferred Tax Assets Balance Related to the Following Items:</u>

(A) January 1 to December 31, 2024

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary Differences				
Unrealized Exchange Gains and Losses	$287	$(456)	$-	$(169)
Allowance for Inventory Devaluation Loss	4,327	(3,037)	-	1,290
Unrealized Unused Vacation Bonus	137	(6)	-	131
Depreciation Differences between Tax and Financial Reporting	2,726	(293)	-	2,433
Deferred Income Tax Expense		$(3,792)	$-	
Net Deferred Tax Assets	$7,477			$3,685
Information Presented in the Balance Sheet is as Follows:				
Deferred Tax Assets	$7,477			$3,854
Deferred Tax Liabilities	$-			$(169)

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

(B) January 1 to December 31, 2023

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary Differences				
Unrealized Exchange Gains and Losses	$80	$207	$-	$287
Allowance for Inventory Devaluation Loss	4,391	(64)	-	4,327
Allowance for Inventory Obsolescence Loss	1	(1)	-	-
Unrealized Unused Vacation Bonus	129	8	-	137
Depreciation Differences between Tax and Financial Reporting	-	2,726	-	2,726
Deferred Income Tax Expense		$2,876	$-	
Net Deferred Tax Assets	$4,601			$7,477
Information Presented in the Balance Sheet is as Follows:				
Deferred Tax Assets	$4,601			$7,477

Unrecognized deferred tax liabilities related to investment subsidiaries:

The Company has not recognized any deferred income tax liabilities for income taxes that may arise from the repatriation of retained earnings of its foreign subsidiaries. The Company has determined that it will not distribute retained earnings of its foreign subsidiaries in the foreseeable future. As of December 31, 2024 and December 31, 2023, the amount of taxable temporary differences not recognized as deferred income tax liabilities was NT$23,416 thousand and NT$18,135 thousand, respectively.

Income Tax Examination Status

As of December 31, 2024, the Company's income tax return assessment status is as follows:

	Income Tax Examination Status
The Company	Examined year 2022

21. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares into ordinary shares.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	2024	2023
(1) Basic Earnings Per Share		
Net Income for the Period	$89,123	$40,089
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	49,220	45,663
Basic Earnings Per Share (NTD)	$1.81	$0.88
(2) Diluted Earnings Per Share		
Net Income for the Period	$89,123	$40,089
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	49,220	45,663
Dilutive Effect:		
Employee Compensation - Stock (thousand shares)	218	144
Employee Stock Options (thousand shares)	1,723	200
Adjusted Weighted Average Number of Ordinary Shares after Dilutive Effect (thousand shares)	51,161	46,007
Diluted Earnings Per Share (NTD)	$1.74	$0.87

There were no other transactions that significantly changed the outstanding ordinary shares or potential ordinary shares at the end of the period after the reporting period and before the financial statements were authorized for issue.

VII. Related Party Transactions

Related parties who had transactions with the Company during the financial reporting period are as follows:

Names and Relationships of Related Parties

Name of Related Party	Relationship with the Company
Perfect Medical Industrial (VN) Co., Ltd.	Subsidiary of the Company
Perfect TW Medical Industrial (VN) Co., Ltd.	Subsidiary of the Company
Xiu Chun Co., Ltd.	Other Related Partiy (Note 1)
Ruistake Co., Ltd.	Other Related Party
Medifly Co., Ltd.	Other Related Partiy (Note 2)
Ying Ying Enterprise	Other Related Party
Kuo-Chi Hsu and 7 others	Key Management Personnel of the Company

Note 1: Xiu Chun Co., Ltd. ceased to be a related party from May 24, 2023.
Note 2: Medifly Co., Ltd. became a related party from May 25, 2023.

Significant Transactions with Related Parties

1. Sales

	2024	2023
Perfect Medical Industrial (VN) Co., Ltd.	$100,233	$87,853
Medifly Co., Ltd.	38,654	19,750
Ying Ying Enterprise	3	298
Ruistake Co., Ltd.	-	52
Xiu Chun Co., Ltd.	-	11
Others	70	52
Total	$138,960	$108,016

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Except for transactions where there are no similar non-related party transactions available for reference and transaction terms are determined by mutual agreement, the Company's sales transactions with related parties do not have significant differences in transaction prices and collection terms compared to those with non-related parties.

2. Purchases

	2024	2023
Perfect Medical Industrial (VN) Co., Ltd.	$315,127	$338,957
Xiu Chun Co., Ltd.	-	4
Total	$315,127	$338,961

Except for transactions where there are no similar non-related party transactions available for reference and transaction terms are determined by mutual agreement, the Company's purchase transactions with related parties do not have significant differences in transaction prices and payment terms compared to those with non-related parties.

3. Accounts receivable

	2024/12/31	2023/12/31
Medifly Co., Ltd.	$9,764	$8,852
Perfect Medical Industrial (VN) Co., Ltd.	8,043	5,758
Perfect TW Medical Industrial (VN) Co., Ltd.	1,043	-
Total	$18,850	$14,610

4. Other Receivables

	2024/12/31	2023/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$22,344	$17,581

5. Advance Payment

	2024/12/31	2023/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$287	$-

6. Accounts Payable

	2024/12/31	2023/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$-	$24,298

7. Payments on Behalf of other

	2024/12/31	2023/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$4,880	$3,052

8. Other income

	2024	2023
Perfect Medical Industrial (VN) Co., Ltd.	$24,682	$21,660
Perfect TW Medical Industrial (VN) Co., Ltd.	55	-
Total	$24,737	$21,660

9. Other Income

	2024	2023
Perfect Medical Industrial (VN) Co., Ltd.	$17	$-

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

10. Property Transactions

A. Details of machinery and equipment purchased from related parties in 2024 and 2023 are as follows:

	2024	2023
Perfect Medical Industrial (VN) Co., Ltd.	$739	$3,258

B. Details of machinery and equipment sold to related parties in 2024 and 2023 are as follows:

2024:

Related Party Name	Description	Selling Price	Book Value	Disposal Gain (Loss)
Perfect Medical Industrial (VN) Co., Ltd	Machinery and equipment	$416	$384	$32
Perfect TW Medical Industrial (VN) Co., Ltd	Transportation equipment	156	146	10
	Total	$572	$530	$42

2023:

Related Party Name	Description	Selling Price	Book Value	Disposal Gain (Loss)
Perfect Medical Industrial (VN) Co., Ltd	Machinery and equipment	$4,697	$4,454	$243

11. Compensation of Key Management Personnel

	2024	2023
Short-term Employee Benefits	$15,116	$12,003

The compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

VIII. Pledged Assets

The Company has the following assets pledged as collateral:

Items	Book Value 2024/12/31	Book Value 2023/12/31
Investment Property－Land	$73,809	$73,809
Property, Plant and Equipment－House and Construction	26,357	26,836
Property, Plant and Equipment－Land	10,795	10,795
Other Non-Current Assets－Restricted Bank Deposits	3,712	6,070
Property, Plant and Equipment－Machinery equipmen	-	3,320
Total	$114,673	$120,830

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

None.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

1. Categories of Financial Instruments

Financial Assets

	2024/12/31	2023/12/31
Financial assets measured at fair value through other comprehensive income	$2,091	$6,134
Financial assets at amortized cost:		
Cash and Cash Equivalents (excluding cash on hand)	75,792	100,165
Notes and Accounts Receivable (including related parties)	101,200	101,158
Desposit margin	11,777	11,487

Financial Liabilities

	2024/12/31	2023/12/31
Financial liabilities at amortized cost:		
Short-term loans	$10,000	$50,000
Short-term Bills Payable	-	40,000
Contract Liabilities - Current	-	34
Notes and Accounts Payable	10,309	36,755
Other payables	34,999	29,107
Lease Liabilities (including current and non-current)	3,262	2,042
Long-term Borrowings (including current portion of long-term borrowings)	170,792	116,491

2. Financial Risk Management Objectives and Policies

The Company's financial risk management objectives primarily focus on managing market risk, credit risk, and liquidity risk related to operating activities. The Company identifies, measures, and manages these risks according to its policies and risk preferences.

For the aforementioned financial risk management, the Company has established appropriate policies, procedures, and internal controls in accordance with relevant regulations. Significant financial activities must be reviewed by the Board of Directors and the Audit Committee according to relevant regulations and internal control systems. During the execution of financial management activities, the Company must strictly comply with the established financial risk management regulations.

3. Market Risk

The Company's market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk mainly includes foreign exchange risk and interest rate risk.

In practice, it is rare for a single risk variable to change independently, and changes in risk variables are usually correlated. However, the sensitivity analysis for each risk below does not consider the interaction between related risk variables.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Foreign Exchange Risk

The Company's foreign exchange risk is mainly related to operating activities (when income or expenses are denominated in a currency different from the Company's functional currency) and net investments in foreign operations.

When foreign currency receivables and payables are denominated in the same currency, a natural hedging effect is created to a certain extent. This natural hedging of foreign exchange risk does not qualify for hedge accounting and therefore hedge accounting is not applied. In addition, net investments in foreign operations are strategic investments, and the Company does not hedge against them.

The Company's foreign exchange risk sensitivity analysis mainly focuses on the major foreign currency monetary items at the end of the financial reporting period and the impact of foreign currency appreciation/depreciation on the Company's profit and equity. The Company's foreign exchange risk is mainly affected by fluctuations in the USD exchange rate. The sensitivity analysis information is as follows:

		2024		2023	
Foreign Currency Monetary Items	Appreciation/ Depreciation Range	Impact on Profit	Impact on Equity	Impact on Profit	Impact on Equity
USD	1%	$204	$-	$307	$-

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly comes from fixed-rate and floating-rate borrowings.

The sensitivity analysis for interest rate risk mainly focuses on interest rate exposure items at the end of the financial reporting period, including floating-rate borrowings, and assumes they are held for one accounting year. When interest rates rise/fall by ten basis points, the Company's profit for 2024 and 2023 would decrease/increase by NT$181 thousand and NT$206 thousand, respectively.

4. Credit Risk Management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss. The Company's credit risk is primarily attributable to operating activities (mainly accounts receivable and notes) and financing activities (mainly bank deposits and various financial instruments).

Each unit of the Company follows credit risk policies, procedures, and controls to manage credit risk. Credit risk assessment for all counterparties comprehensively considers the counterparty's financial condition, credit rating agency ratings, historical transaction experience, current economic environment, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payments and insurance) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2024, and December 31, 2023, accounts receivable from the top ten customers accounted for 34% and 27% of the Company's accounts receivable balance, respectively. The credit concentration risk of the remaining accounts receivable is relatively insignificant.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

The Company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with company policies. Since the Company's counterparties are determined by internal control procedures and are creditworthy banks and financial institutions, companies, and government agencies with investment grades, there is no significant credit risk.

5. Liquidity Risk Management

The Company maintains financial flexibility through contracts such as cash and cash equivalents and bank borrowings. The following table summarizes the maturity of the Company's financial liabilities based on contractual payments, compiled based on the earliest possible date when repayment may be required and including undiscounted cash flows. The amounts listed also include agreed interest. Cash flows for interest paid at floating rates, the undiscounted interest amounts are derived from the yield curve at the end of the reporting period.

Non-derivative Financial Liabilities

	Less Than One Year	Two to Three Years	Four to Five Years	Five Years or More	Total
2024/12/31					
Short-term loans	$10,004	$-	$-	$-	$10,004
Notes Payable	714	-	-	-	714
Accounts Payable	9,595	-	-	-	9,595
Other payables	34,999	-	-	-	34,999
Long-term Loans	50,695	88,491	38,595	-	177,781
Lease liabilities	2,897	400	-	-	3,297

	Less Than One Year	Two to Three Years	Four to Five Years	Five Years or More	Total
2023/12/31					
Short-term loans	$51,017	$-	$-	$-	$51,017
Short-term Bills Payable	40,000	-	-	-	40,000
Notes Payable	3,427	-	-	-	3,427
Accounts Payable	33,328	-	-	-	33,328
Other payables	29,107	-	-	-	29,107
Long-term Loans	73,607	44,309	1,613	-	119,529
Lease liabilities	1,796	257	-	-	2,053

6.Reconciliation of Liabilities Arising from Financing Activities

Liability Reconciliation Information for 2024:

	Short-term loans	Long-term Loans (Including Current Portion)	Short-term Bills Payable	Lease liabilities	Total Liabilities from Financing Activities
2024/1/1	$50,000	$116,491	$40,000	$2,042	$208,533
Cash Flows	(40,000)	54,301	(40,000)	(3,556)	(29,255)
Non-cash Changes	-	-	-	4,776	4,776
2024/12/31	$10,000	$170,792	$-	$3,262	$184,054

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Liability Reconciliation Information for 2023:

	Short-term loans	Long-term Loans (Including Current Portion)	Short-term Bills Payable	Lease liabilities	Total Liabilities from Financing Activities
2023/1/1	$40,000	$156,424	$-	$5,739	$202,163
Cash Flows	10,000	(39,933)	40,000	(4,909)	5,158
Non-cash Changes	-	-	-	1,212	1,212
2023/12/31	$50,000	$116,491	$40,000	$2,042	$208,533

7. Fair Value of Financial Instruments

(1) Valuation Techniques and Assumptions Used in Fair Value Measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following methods and assumptions when measuring or disclosing the fair value of financial assets and financial liabilities:

A. The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are reasonable approximations of fair values, mainly due to the short maturity periods of these instruments.

B. For equity instruments not traded in active markets (for example, private placement of listed company stock, stock of publicly listed companies with no active market, and stock of private companies), the market approach is used to estimate fair value. This approach uses prices and other relevant information generated by market transactions involving identical or comparable equity instruments (such as lack of liquidity discount factors, price-earnings ratios of similar companies, price-to-book ratios of similar companies, and other inputs) to estimate fair value.

C. The fair value of bank loans and other non-current liabilities is determined by counterparty quotations or valuation techniques. The valuation techniques are based on discounted cash flow analysis. The assumptions on interest rates and discount rates are mainly based on information related to similar instruments (such as the OTC Markets Reference Yield Curve, Reuters Average Commercial Paper Rate Quotation and credit risk information).

(2) Fair Value of Financial Instruments Measured at Amortized Cost

The carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Information on Fair Value Hierarchy of Financial Instruments

Please refer to Note 12.9 for information on the fair value hierarchy of the Company's financial instruments.

8. Derivatives

As of December 31, 2024, and December 31, 2023, the Company did not hold any unexpired derivatives that did not qualify for hedge accounting.

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

9. Fair Value Hierarchy

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified into their respective fair value hierarchies based on the lowest level input that is significant to the entire fair value measurement. The levels of inputs are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, but excluding quoted prices included in Level 1.

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities recognized in the financial statements on a recurring basis, their classification is reassessed at the end of each reporting period to determine whether transfers have occurred between levels of the fair value hierarchy.

(2) Definition of Fair Value Hierarchy

The Company does not have non-recurring assets measured at fair value. Information on the fair value hierarchy of recurring assets and liabilities is presented as follows:

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Fair Value through Other Comprehensive Income				
Equity instruments measured at fair value through other comprehensive income - Stocks	$-	$-	$2,091	$2,091

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Fair Value through Other Comprehensive Income				
Equity instruments measured at fair value through other comprehensive income - Stocks	$-	$-	$6,134	$6,134

Transfers between Level 1 and Level 2 of the Fair Value Hierarchy

During 2024 and 2023, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the Company's recurring fair value measurements of assets and liabilities.

Movements of Level 3 Recurring Fair Value Hierarchy

The reconciliation from the beginning balance to the ending balance for assets and liabilities measured at fair value on a recurring basis that are categorized within Level 3 of the fair value hierarchy is presented below:

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

	Assets	
	Fair Value through Other Comprehensive Income	
	Stocks	
	2024	2023
Beginning Balance	$6,134	$6,134
Total gains (losses) recognized:		
Recognized in other comprehensive income (loss) (reported as "Unrealized valuation gains and losses from investments in equity instruments measured at fair value through other comprehensive income")	(4,043)	-
Ending Balance	$2,091	$6,134

Information on Significant Unobservable Inputs for Level 3 Fair Value Measurements

The significant unobservable inputs used in Level 3 recurring fair value measurements of the Company's assets are shown in the following table:

December 31, 2024:

	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Inputs and Fair Value
Financial Assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market Approach	Discount for Lack of Marketability	40%	The higher the degree of lack of marketability, the lower the estimated fair value	When the percentage of lack of marketability increases (decreases) by 10%, the Company's equity will decrease/increase by NT$209 thousand

December 31, 2023:

	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Inputs and Fair Value
Financial Assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market Approach	Discount for Lack of Marketability	40%	The higher the degree of lack of marketability, the lower the estimated fair value	When the percentage of lack of marketability increases (decreases) by 10%, the Company's equity will decrease/increase by NT$613 thousand

Fair Value Measurement Process for Level 3

The Company's finance department is responsible for conducting fair value verification, using independent source data to ensure the valuation results closely reflect market conditions, confirming that data sources are independent, reliable, consistent with other resources, and represent executable prices. The department analyzes changes in the value of assets and liabilities that require remeasurement or reassessment according to the company's accounting policies on each reporting date to ensure the valuation results are reasonable.

(3) Information on Hierarchy Levels for Items Not Measured at Fair Value but for Which Fair Value Disclosure is Required

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets for which fair value is only disclosed:				
Investment Property (see Note 6.6)	$-	$-	$104,328	$104,328

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets for which fair value is only disclosed:				
Investment Property (see Note 6.6)	$-	$-	$86,184	$86,184

10. Information on Foreign Currency Financial Assets and Liabilities with Significant Impact

The Company's information on foreign currency financial assets and liabilities with significant impact is as follows:

Amount unit: thousand

	2024/12/31			2023/12/31		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
Financial Assets						
Monetary Items:						
USD	$621	32.79	$20,363	$1,790	30.71	$54,971
Financial Liabilities						
Monetary Items:						
USD	$-	32.79	$-	$790	30.71	$24,261

The above information is disclosed on the basis of carrying amounts (converted to functional currency).

As the Company has a variety of functional currencies, it is not possible to disclose information on foreign exchange gains and losses on monetary financial assets and financial liabilities in each of the foreign currencies that have a significant impact. The Company's net foreign exchange gains from January 1 to December 31, 2024 and 2023 were NT$4,824 thousand and decrease in losses of NT$(113) thousand respectively.

11. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy credit rating and good capital ratios to support its business operations and maximize shareholder value. The Company manages and adjusts its capital structure according to economic conditions, and may adjust dividend payments, return capital, or issue new shares to maintain and adjust its capital structure.

XIII. Notes Disclosure

1. Information on Significant Transactions

(1) Loans to Others:

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Serial No.	Lending Company	Borrower	Item	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Drawn	Interest Rate Range	Nature of Loan	Business Transaction Amount	Reason for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Individual Lending Limit (Note 2)	Total Lending Limit (Note 2)
													Name	Value		
0	Perfect Medical Industry Co., Ltd.	Perfect Medical Industrial (VN) Co., Ltd.	Payment on Behalf - Related Party	Yes	$32,840	$32,790	$-	-	Business Transaction	$124,813	-	$-	None	$-	$80,385	$482,315

Note 1: Explanation of Serial Numbers
1. The Company is designated as 0.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to company.

Note 2: Calculation of limits according to PUWELL Medical Co., Ltd.'s procedures for lending funds to others:
1. Individual Lending Limits:
(1) For entities with business transactions: Not to exceed 10% of the Company's net worth and not to exceed the amount of business transactions between the two parties in the most recent year.
(2) For entities with short-term financing needs: Not to exceed 10% of the Company's net worth.
(3) For foreign companies where the parent company directly and indirectly holds 100% of the voting shares, the restrictions in (1) and (2) above do not apply; however, the amount shall not exceed 40% of the lending company's net worth.
2. Total Lending Limits:
(1) For entities with business transactions: Not to exceed 60% of the Company's net worth.
(2) For entities with short-term financing needs: Not to exceed 40% of the Company's net worth.

Note 3: Both the maximum balance for the period and the ending balance are the lending limits approved by the Board of Directors.

(2) Endorsements/Guarantees for Others: None.

(3) Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Holding company	Type and name of securities	Relationship with the issuer of securities (Note 1)	Account classification	End of period				Remarks
				Number of shares (thousand shares)	Carrying amount	Ownership Percentage	Fair value	
Perfect Medical Industry Co., Ltd.	FINETECH RESEARCH AND INNOVATION CORPORATION	-	Financial assets at fair value through other comprehensive income - non-current	1,148	$2,091	9.87%	$2,091	-

Note 1: This column can be left blank if the issuer of the securities is not a related party.

(4) Accumulated purchases or sales of the same security reaching NT$300 million or 20% of paid-in capital or more: None.

(5) Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

(6) Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

(7) Purchases from or sales to related parties reaching NT$100 million or 20% of paid-in capital or more:

Purchasing (selling) company	Transaction counterparty	Relationship	Transaction details				Differences in transaction terms compared to general transactions and reasons		Notes and accounts receivable (payable)		Remarks
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price (Note 1)	Credit period (Note 1)	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Perfect Medical Industrial (VN) Co., Ltd.	Subsidiary	Purchases	315,127	82.86%	Due within 35 days after the end of month	-	-	$-	-%	
The Company	Perfect Medical Industrial (VN) Co., Ltd.	Subsidiary	Sales	100,233	17.38%	Due within 120 days after the end of month	-	-	8,043	7.95%	

Note 1: The Company's purchase transactions with related parties do not have significant differences in transaction prices and payment terms compared to those with non-related parties.

(8) Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

(9) Derivative instrument transactions: None.

2. Information on investee companies:

(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

Information on investee companies including name, location, main business items, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss (excluding investee companies in Mainland China):

Name of investing company	Name of Investee	Location	Main business items	Original investment amount		Shareholding at the end of period			Profit (loss) of investee for the period	Investment gain (loss) recognized by the Company (Note)	Remarks
				Current period end	Last year end	Number of shares	Percentage	Carrying amount			
Perfect Medical Industry Co., Ltd.	Perfect Medical Industrial (VN) Co., Ltd.	Vietnam	Manufacture, processing, and trading of medical devices	$219,911	$219,911	-	100%	$301,492	$28,711	$31,455	Subsidiary
Perfect Medical Industry Co., Ltd.	Medi-Life Co., Ltd.	Taiwan	Wholesale and retail trading of medical consumables	1,000	1,000	-	100%	664	1	1	Subsidiary
Perfect Medical Industry Co., Ltd.	Perfect TW Medical Industrial (VN) Co., Ltd.	Vietnam	Manufacture, processing, and trading of medical devices	298,129	202,024	-	100%	278,798	(4,894)	(4,894)	Subsidiary

Note: The recognized investment gain (loss) has taken into account the effect of unrealized sales gains between associates.

3. Information on investments in Mainland China:

(1) Significant transactions occurring directly or indirectly through a third region with investee companies in Mainland China: None.

(2) Significant transactions with Mainland China investee companies and related information on prices, payment terms, etc.: None.

4. Information on major shareholders:

Name of major shareholder	Number of shares held (shares)	Ownership Percentage
Gao Da Technology Co., Ltd.	9,962,217	18.92%
Tung Da Fa Asset Management Co., Ltd.	3,372,817	6.40%

XIV. Department Information

1. General Information

The Company operates in a single industry and the Company's management evaluates performance and allocates resources holistically, identifying the Company as a single reportable segment.

2. Department Information

The Company's business is concentrated on the manufacture and sale of medical supplies, without any industrial division.