A Plus Biotechnology Co., Ltd.

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

(Stock Code: 6918)

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A Plus Biotechnology Co., Ltd.

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

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Independent Auditors' Report

(114)Cai-Shen-Bao-Zi No.24003744

To A Plus Biotechnology Co., Ltd.:

Audit opinion

We have audited the parent company only balance sheets of A Plus Biotechnology Co., Ltd. (the "Company") as of December 31, 2024 and 2023, and the related Parent Company Only Statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies).

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of A Plus Biotechnology Co., Ltd. as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of audit opinion

We concluded our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of Parent Company Only Financial Statements" section in this report. We were independent of A Plus Biotechnology Co., Ltd. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the 2024 Parent Company Only Financial Statements of A Plus Biotechnology Co., Ltd. Such matters were addressed during the overall audit of the Parent Company Only Financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately towards such matters.

Key audit matters of the 2024 Parent Company Only Financial Statements of A Plus Biotechnology Co., Ltd. are as follows:

Valuation of allowance for inventory valuation loss

Description

For the accounting policies relating to inventories, please refer to Note IV(XI) of the Parent Company Only Financial Statements. For significant accounting estimates and assumptions, please refer to Note V(II). For details of the inventory and allowance for decline in value, please refer to Note VI(IV).

The products of A Plus Biotechnology Co., Ltd. primarily comprise bone graft materials and other medical devices. As these medical devices are produced in small quantities and in a wide variety, and given the rapid pace of technological advancements in the medical industry—which may result in slower-than-expected turnover—together with price volatility driven by government policy, the risk of inventory impairment and obsolescence is relatively high. Inventories are measured at the lower of cost and net realizable value. For inventories exceeding a specific aging threshold or individually identified as obsolete, net realizable value is determined based on historical experience of inventory turnover. The above matters also exist in the indirect wholly-owned Subsidiary, A Plus (Shanghai) Trading Co., Ltd.

Because the determination of the net realizable value of obsolete and outdated inventories by A Plus Biotechnology Co., Ltd. and its subsidiaries (investments accounted for using the equity method) often involves significant subjective judgment and uncertainty, and considering that inventories and their related allowance for write-downs have a material impact on the Financial Statements, we have identified the assessment of the allowance for inventory write-downs as one of the key audit matters for the current year.

The corresponding audit procedures:

The principal audit procedures we performed in relation to the above key audit matter are summarized as follows:

1. Assessed the reasonableness and consistency of the Company's policy and procedures for recording the allowance for inventory valuation losses, taking into account the characteristics of the industry.
2. Obtained an understanding of the Company's warehouse management processes, reviewed its annual stocktaking plan, and participated in the year-end physical inventory count to evaluate the effectiveness of management's identification and control of obsolete inventories.
3. Verified the accuracy of the aging reports used for identifying obsolete inventories, including confirming that inventory movements were recorded in the appropriate aging categories, and obtained supporting documentation for management's assessment of obsolete products to confirm the reasonableness of the related allowance.
4. Reviewed the appropriateness of the basis used to estimate net realizable value, including sampling to verify the accuracy of sales and purchase prices, and recalculated the allowance for inventory valuation losses to assess its reasonableness.

Responsibility of the management and governance unit for the Parent Company Only Financial Statements

The management was responsible for preparation of the Parent Company Only Financial Statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the Parent Company Only Financial Statements to ensure that the Parent Company Only Financial Statements were free of material misstatements due to fraud or errors.

During preparation of the Parent Company Only Financial Statements, the management was also responsible for evaluating A Plus Biotechnology Co., Ltd.'s ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make A Plus Biotechnology Co., Ltd. enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

Those charged with governance (including number of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles will always detect a material misstatement in the Parent Company Only Financial Statements when it exists. misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine the key audit matters for the audit of the Company's 2024 Parent Company Only Financial Statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

PricewaterhouseCoopers Taiwan

Huang, Chin-Lien

CPA

Hsu, Ming-Chuan

Approval No. from the Financial Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No. 1100348083
Jin-Guan-Zheng-Shen-Zi No. 1050029449

February 13, 2025

A Plus Biotechnology Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Assets	Notes	December 31, 2024			December 31, 2023		
				Amount	%		Amount	%
	Current assets							
1100	Cash and Cash Equivalents	VI(I)	$	277,643	25	$	246,792	24
1136	Financial assets at amortized cost - current	VI(I) (II), VIII and IX		31,000	3		1,000	-
1150	Net notes receivable	VI(III)		5,569	-		-	-
1170	Net accounts receivable	VI(III)		156,932	14		129,957	13
1180	Net accounts receivable – related parties	VI(III) and VII		25,049	2		23,723	2
1220	Current tax assets			-	-		2,086	-
130X	Inventory	VI(IV)		156,347	14		143,270	14
1410	Prepayments			26,473	2		16,591	2
1470	Other current assets	VIII		4,153	-		4,488	-
11XX	**Total current assets**			683,166	60		567,907	55
	Non-current assets							
1550	Investment under Equity Method	VI(V)		180,093	16		170,341	16
1600	Property, plant, and equipment	VI(VI) and VIII		236,866	21		244,389	24
1755	Right-of-use assets	VI(VII)		6,577	1		9,240	1
1780	Intangible assets	VI(VIII)		6,506	-		8,241	1
1840	Deferred tax assets	VI(XXV)		12,661	1		31,235	3
1900	Other non-current assets	VIII		7,247	1		1,176	-
15XX	**Total non-current assets**			449,950	40		464,622	45
1XXX	**Total assets**		$	1,133,116	100	$	1,032,529	100

(continued)

A Plus Biotechnology Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2130	Contract liabilities – current	VI(XVII)	$ 166	-	$ 232	-
2150	Notes payable		5	-	100	-
2170	Accounts payable		39,396	4	28,804	3
2200	Other payables	VI(IX)	69,097	6	47,839	5
2220	Other payables - related parties	VII	2,897	-	-	-
2230	Current tax liabilities		2,384	-	18,499	2
2280	Lease liabilities - current	VI(VII)	3,781	-	3,539	-
2320	Long-term liabilities due within one year or one operating cycle	VI(X), VII and VIII	4,721	1	4,775	-
2399	Other current liabilities - others		621	-	316	-
21XX	**Total current liabilities**		123,068	11	104,104	10
	Non-current liabilities					
2540	Long-term loan	VI(X), VII and VIII	87,199	8	93,830	9
2550	Liability reserve - non-current		936	-	934	-
2570	Deferred tax liabilities	VI(XXV)	8	-	-	-
2580	Lease liabilities - non-current	VI(VII)	2,860	-	5,718	1
25XX	**Total non-current liabilities**		91,003	8	100,482	10
2XXX	**Total liabilities**		214,071	19	204,586	20
	Equity					
	Capital Stock	VI(XIII)				
3110	Capital stock - common shares		304,710	27	304,710	29
	Capital surplus	VI(XIV)				
3200	Capital surplus		307,679	27	360,006	35
	Retained earnings	VI(XV)				
3310	Legal reserve		30,197	3	27,081	3
3350	Unappropriated earnings		269,851	24	149,954	14
	Other Equity Interest	VI(XVI)				
3400	Other Equity Interest		6,608	-	345	-
3500	Treasury stock	VI(XIII)	-	-	(14,153)	(1)
3XXX	**Total equity**		919,045	81	827,943	80
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Significant Subsequent Events	XI				
3X2X	**Total liabilities and equity**		$ 1,133,116	100	$ 1,032,529	100

The enclosed notes to the parent company only statements are an integral part of this parent company only financial report. Please refer to the notes.

Chairperson: Sih-Ming Li Manager: Hsiang-Wei Lo Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand
(except earnings (losses) per share expressed in NTD)

	Items	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	VI(XVII) and VII	$ 668,495	100	$ 595,904	100
5000	Operating cost	VI(IV)(XVII)(XXIII)(XXIV)	(213,620)	(32)	(210,026)	(36)
5900	Gross profit		454,875	68	385,878	64
5910	Unrealized gains on sales	VI(V)	(9,396)	(1)	(7,146)	(1)
5920	Realized gains on sales	VI(V)	7,146	1	11,233	2
5950	Operating gross profit		452,625	68	389,965	65
	Operating expenses	VI(VIII) (XXIII)(XXIV) and VII				
6100	Selling expenses		(126,506)	(19)	(107,567)	(18)
6200	Administrative expense		(94,058)	(14)	(61,869)	(10)
6300	R&D expenses		(53,345)	(8)	(59,538)	(10)
6000	Total operating expenses		(273,909)	(41)	(228,974)	(38)
6900	Operating profit		178,716	27	160,991	27
	Non-operating income and expenses					
7100	Interest income	VI(XIX)	2,126	-	1,518	-
7010	Other revenue	VI(XX)	1,413	-	265	-
7020	Other profits and losses	VI(V) (XXI)	960	-	(164,436)	(28)
7050	Financial costs	VI(XXII)	(2,094)	-	(2,413)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures under equity method	VI(V)	5,739	1	5,427	1
7000	Total non-operating income and expenses		8,144	1	(159,639)	(27)
7900	**Net profit before tax**		186,860	28	1,352	-
7950	Income tax expense	VI(XXV)	(35,804)	(5)	(12,657)	(2)
8200	**Net profits (losses) for current term**		$ 151,056	23	($ 11,305)	(2)
	Other comprehensive income					
	Titles that could be reclassified as profit (loss) accounts in the future					
8361	Exchange differences from translation of foreign operations' Financial Statements	VI(XVI)	$ 6,263	1	($ 3,276)	-
8300	**Other comprehensive income (net)**		$ 6,263	1	($ 3,276)	-
8500	**Total Amount of Comprehensive Income for current period**		$ 157,319	24	($ 14,581)	(2)
	Earnings (losses) per share	VI(XXVI)				
9750	Basic earnings (loss) per share		$	4.99	($	0.37)
9850	Diluted earnings (loss) per share		$	4.97	($	0.37)

The enclosed notes to the parent company only statements are an integral part of this parent company only financial report. Please refer to the notes.

Chairperson: Sih-Ming Li   Manager: Hsiang-Wei Lo   Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	Capital stock - common shares	Capital surplus: Capital surplus - issuance premium	Capital surplus: Capital surplus - Treasury stock transfer	Capital surplus: Capital surplus - Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Capital surplus: Capital surplus - Employee stock option	Retained earnings: Legal reserve	Retained earnings: Unappropriated earnings	Exchange differences from translation of foreign operations' financial statements	Treasury stock	Total
2023											
Balance as of January 1, 2023		$ 304,710	$ 358,548	$ -	$ 1,458	$ -	$ 22,511	$ 186,957	$ 3,621	$ -	$ 877,805
Net losses for current term		-	-	-	-	-	-	(11,305)	-	-	(11,305)
Other comprehensive income in the current period	VI(XVI)	-	-	-	-	-	-	-	(3,276)	-	(3,276)
Total Amount of Comprehensive Income for current period		-	-	-	-	-	-	(11,305)	(3,276)	-	(14,581)
2022 Appropriation and Distribution of Earnings	VI(XV)										
Legal Reserve		-	-	-	-	-	4,570	(4,570)	-	-	-
Cash dividends		-	-	-	-	-	-	(21,128)	-	-	(21,128)
Repurchase of treasury stock	VI(XIII)	-	-	-	-	-	-	-	-	(14,153)	(14,153)
Balance as of December 31, 2023		$ 304,710	$ 358,548	$ -	$ 1,458	$ -	$ 27,081	$ 149,954	$ 345	($ 14,153)	$ 827,943
2024											
Balance on January 1, 2024		$ 304,710	$ 358,548	$ -	$ 1,458	$ -	$ 27,081	$ 149,954	$ 345	($ 14,153)	$ 827,943
Net profits for current term		-	-	-	-	-	-	151,056	-	-	151,056
Other comprehensive income in the current period	VI(XVI)	-	-	-	-	-	-	-	6,263	-	6,263
Total Amount of Comprehensive Income for current period		-	-	-	-	-	-	151,056	6,263	-	157,319
2023 Appropriation and Distribution of Earnings	VI(XV)										
Legal Reserve		-	-	-	-	-	3,116	(3,116)	-	-	-
Cash dividends		-	-	-	-	-	-	(28,043)	-	-	(28,043)
Distribution of cash dividends from Capital surplus	VI(XIV)(XV)	-	(53,451)	-	-	-	-	-	-	-	(53,451)
Repurchase of treasury stock	VI(XIII)	-	-	-	-	-	-	-	-	(16,250)	(16,250)
Share-based payment	VI(XII))(XIII)(XIV)	-	-	-	-	1,203	-	-	-	-	1,203
Employee share option exercise	VI(XIII)(XIV)	-	-	1,124	-	(1,203)	-	-	-	30,403	30,324
Balance as of December 31, 2024		$ 304,710	$ 305,097	$ 1,124	$ 1,458	$ -	$ 30,197	$ 269,851	$ 6,608	$ -	$ 919,045

The enclosed notes to the parent company only statements are an integral part of this parent company only financial report. Please refer to the notes.

Chairperson: Sih-Ming Li　　Manager: Hsiang-Wei Lo　　Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	2024	2023
Cash flows from operating activities			
Net profit before tax for the period		$ 186,860	$ 1,352
Adjustments			
Income and expenses			
Unrealized profit on inter-affiliate accounts	VI(V)	9,396	7,146
Realized profit on inter-affiliate accounts	VI(V)	(7,146)	(11,233)
Depreciation expense	VI(VI)(VII)(XXIII)	18,224	16,889
Amortization expenses	VI(VIII)(XXIII)	3,074	3,924
Property, Plant and Equipment reclassified as Overheads	VI(VI)	804	-
Share-based payment for remuneration cost	VI(XII)	1,203	-
Share of profit or loss of associates and joint ventures under equity method	VI(V)	(5,739)	(5,427)
Impairment loss	VI(V)(XXI)	-	164,464
Interest income	VI(XIX)	(2,126)	(1,518)
Interest expenditure	VI(XXII)	2,094	2,413
Changes in operating assets/ liabilities			
Net changes in assets related to operating activities			
Notes receivable		(5,569)	31
Accounts receivable		(26,975)	(6,875)
Accounts receivable – related parties		(1,326)	30,804
Inventory		(21,327)	12,986
Prepayments		(9,882)	2,944
Other current assets		335	614
Other non-current assets		2,460	-
Net changes in liabilities related to operating activities			
Contract liabilities – current		(66)	232
Notes payable		(95)	(108)
Accounts payable		10,592	(10,481)
Other payables		22,392	1,140
Other payables - Related parties		2,897	-
Other current liabilities - others		305	72
Cash inflow from operating activities		180,385	209,369
Interest received		2,126	1,518
Interest paid		(3,092)	(2,402)
Income tax refund		2,086	957
Income tax paid		(33,337)	(33,116)
Net cash inflow from operating activities		148,168	176,326

(continued)

A Plus Biotechnology Co., Ltd.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	2024	2023
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		($ 30,000)	$ -
Acquisition of property, plant, and equipment	VI(XXVII)	(7,203)	(8,477)
Acquisition of intangible assets	VI(VIII)	(265)	(425)
Increase in prepayments for equipment		(1,500)	(707)
Decrease in refundable deposits		145	4,843
Net cash outflow from investing activities		(38,823)	(4,766)
Cash flow from financing activities			
Repayments of long-term borrowings	VI(XXVIII)	(6,685)	(25,663)
Lease principal repayment	VI(XXVIII)	(4,389)	(4,341)
Payment of cash dividends	VI(XV)	(81,494)	(21,128)
Cost of repurchasing treasury stock	VI(XIII)	(16,250)	(14,153)
Employee share option exercise		30,324	-
Net cash outflow from financing activities		(78,494)	(65,285)
Increase in cash and cash equivalents in the current period		30,851	106,275
Cash and cash equivalents balance – beginning of period		246,792	140,517
Cash and cash equivalents balance – end of period		$ 277,643	$ 246,792

The enclosed notes to the parent company only statements are an integral part of this parent company only financial report. Please refer to the notes.

Chairperson: Sih-Ming Li Manager: Hsiang-Wei Lo Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd.
Notes to Parent Company Only Financial Statements
2024 and 2023

Unit: NT$ thousand
(unless otherwise specified)

I. Company History

A Plus Biotechnology Co., Ltd. (hereinafter referred to as the “Company”) was established in the Republic of China. The principal activity of the Company is the manufacturing and wholesale of medical devices such as bone material. The Company's shares became publicly available following the effective date of the public offering on August 16, 2022, and were listed on the over-the-counter market on January 6, 2023.

II. Financial Report Approval Date and Procedures

The Parent Company Only Financial Statements were approved by the Board of Directors and released on February 13, 2025.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the new and amended IFRSs approved and released by the Financial Supervisory Commission (hereinafter referred to as the "FSC") is included.

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of the International Financial Reporting Standards (IFRS) recognized and issued into effect by the FSC for application in 2024:

New, Revised and Amended Standards or Interpretation	Effective Date Issued by IASB
Amendments to IFRS No. 16 “Lease Liabilities in a Sale and Leaseback”	January 1, 2024
Amendment to IAS No. 1 “Classification of Current or Non-Current Liabilities”	January 1, 2024
Amendments to IAS No. 1 “Non-current liabilities with contractual clauses”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Company has assessed that the above standards and interpretations have no material influence on the Company’s financial position and financial performance.

(II) The impact of not adopting newly issued or amended IFRSs approved by the FSC.

The following table sets forth the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised and Amended Standards or Interpretation	Effective Date Issued by IASB
Amendment to IAS No. 21 “Lack of Convertibility”	January 1, 2025

The Company has assessed that the above standards and interpretations have no material influence on the Company's financial position and financial performance.

(III) The impact of the IFRSs issued by the IASB but not yet approved by the FSC

The following table sets forth the newly issued, amended, and revised International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) but have not yet been approved by the FSC:

New, Revised and Amended Standards or Interpretation	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 - "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 – "Contracts Involving Natural Power Sources"	January 1, 2026
Amendments to IFRS No. 10 and IAS No. 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be decided by the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
IFRS 19 "Disclosure of Subsidiaries without Public Accountability"	January 1, 2027
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

The Company has assessed that the standards and interpretations above have no material influence on the Company's financial position and financial performance, except for the following:

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 "Presentation and Disclosure of Financial Statements" has replaced IAS 1 and updated the framework of the statement of comprehensive income, and added the disclosure of management performance measurement, and strengthened the summary and division principles applied to the main financial statements and notes.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted for the preparation of these Parent Company Only Financial Statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Statement of compliance

The Parent Company Only Financial Statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Basis of preparation

1. This parent company only financial statement is prepared based on historical cost.

2. The preparation of financial reports in conformity with the International Financial Reporting Standards (hereinafter referred to as IFRSs), International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC requires the use of some important accounting estimates. In the application of the Company's accounting policy, management also needs to use its judgment; items involving high judgment or complexity, or items involving significant assumptions and estimates of the Parent Company Only Financial Statements, are also involved. Please refer to Note V for details.

(III) Currency translation

The items listed in the financial statements of the Company are measured in the currency (i.e. functional currency) of the primary economic environment where the Company is operating. The Parent Company Only Financial Statements are presented in New Taiwan dollars, which is the functional currency of the Company.

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into the functional currency at the spot exchange rate on the transaction or measurement date. Exchange differences arising from the settlement or retranslation of such transactions are recognized in profit or loss for the period.
   (2) Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate on the reporting date, and the resulting exchange differences are recognized in profit or loss.
   (3) Non-monetary assets and liabilities measured at fair value through profit or loss are translated at the closing exchange rate on the reporting date, with resulting exchange differences recognized in profit or loss. Non-monetary assets and liabilities measured at fair value through other comprehensive income are translated at the closing exchange rate, with exchange differences recognized in other comprehensive income. Non-monetary items not measured at fair value are translated using the exchange rate at the date of the initial transaction.
   (4) All exchange gains and losses are presented in “Other profits and losses” in the statement of profit or loss.
2. Exchange of foreign operating institutions
   (1) For all companies whose functional currency differs from their presentation currency, the operating results and financial position are converted to the presentation currency in the following ways:
      A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;
      B. Income and expenses presented in each statement of comprehensive income are translated at the average exchange rate for the period; and

C. All exchange differences arising from the translation are recognized in other comprehensive income.

(2) When a foreign operation that is partially disposed of or sold is a subsidiary, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests of that foreign operation. However, when the Company, despite retaining part of the equity interest in the former subsidiary, has lost control over the foreign operation, the transaction is accounted for as a disposal of the entire equity interest in the foreign operation.

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

1. Assets that meet any of the following conditions are classified as current assets:
   (1) Expected to be realized in the normal operating cycle, or intended to be sold or consumed.
   (2) Held primarily for trading purposes.
   (3) Expected to be realized within twelve months after the balance sheet date.
   (4) Cash or cash equivalents, except for those restricted from being exchanged or used to settle a liability at least twelve months after the balance sheet date.

   The Company classifies all assets that do not meet the above conditions as non-current.
2. Liabilities that meet any of the following conditions are classified as current liabilities:
   (1) Expected to be settled within the normal operating cycle.
   (2) Held primarily for trading purposes.
   (3) Expected to be settled within twelve months after the balance sheet date.
   (4) Do not have the right to defer settlement of the liability for at least twelve months after the reporting period.

   The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet the aforementioned definition and are held for the purpose of fulfilling short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial assets at amortized cost

1. Refers to those who meet the following conditions:
   (1) The financial asset is held under the business model to collect the contractual cash flow.
   (2) The contractual terms of the financial asset give rise to a cash flow on a specific date, which is solely the payment of the principal and the interest on the principal amount outstanding.

2. The Company adopts trade date accounting for financial assets at amortized cost in conformity with general practice.

3. The Company measures at fair value plus transaction costs at initial recognition; subsequently, the effective interest method is adopted to recognize interest revenue and impairment loss through the amortization procedure during the period; also, gains or losses are recognized in profit or loss at the time of derecognition.

4. Due to the short holding period, the fixed deposits held by the Company that do not conform to cash equivalents have a material discounting effect and are therefore measured by the investment amount.

(VII) Notes and accounts receivable

1. The accounts and notes representing the right to receive consideration for the transfer of goods or services without any conditions as agreed in the Contract.

2. For short-term accounts receivable and notes receivable with unpaid interest, as the effect of discounting is immaterial, the Company measures them based on the original invoice amount.

(VIII) Impairment of financial assets

At each balance sheet date, for financial assets at amortized cost and accounts receivable that contain a significant financing component, the Company takes into account all reasonable and supportable information (including forward-looking information). If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses; if the credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable or contract assets that do not contain a significant financing component, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

(IX) Derecognition of financial assets

When the Company's contractual rights to receive cash flows from financial assets expire, the financial assets will be derecognized.

(X) Lessee's lease transaction – operating lease

The income from operating leases, after deducting any incentives given to the lessee, is amortized and recognized as current profit or loss over the lease term in accordance with the straight-line method.

(XI) Inventory

Inventory is measured at the lower of cost or net realizable value, and cost is determined by the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production overheads (allocated according to normal production capacity, but not including borrowing costs). If the cost is lower than the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs needed to complete the sale.

(XII) Investment under equity method - subsidiary

1. A subsidiary is an entity (including a structured entity) that is controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. The unrealized gains and losses arising from transactions between the Company and its Subsidiaries have been eliminated. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to non-controlling interests.
3. The Company recognizes its share of the subsidiary's profit or loss after acquisition as current profit or loss, and its share of other comprehensive income after acquisition as other comprehensive income. If the Company's share of loss recognized in the Subsidiary is equal to or exceeds the equity of the Subsidiary, the Company continues to recognize the loss based on the shareholding ratio.
4. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control (transactions with non-controlling interests) are accounted for as equity transactions and are treated as transactions with owners in their capacity as owners. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
5. When the Company loses control over a Subsidiary, the remaining Investment in the former Subsidiary is re-measured at Fair value, and is used as the Fair value of the Initially recognized Financial asset or the Cost of the Initially recognized Investment in Associates or Joint venture. The difference between the Fair value and the Carrying amount is recognized as the Profit or loss for the current period. For all amounts related to the subsidiary that have been previously recognized in other comprehensive income, the accounting treatment is the same as the basis for the Company's direct disposal of the relevant assets or liabilities. That is, if gains or losses previously recognized in other comprehensive income are reclassified as profit or loss when the relevant assets or liabilities are disposed of, then when the Company loses control over the subsidiary, the gains or losses are reclassified from equity to profit or loss.
6. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income for the period presented in the Parent Company Only Financial Statements shall be the same as the share of profit or loss and other comprehensive income attributable to the owners of

the parent in the consolidated financial statements. Likewise, the owners' equity in the Parent Company Only Financial Statements shall be the same as the owners' equity attributable to the parent in the consolidated financial statements.

(XIII) Property, plant, and equipment

1. Property, Plant and Equipment are recorded at cost, and relevant interest during the acquisition period is capitalized.
2. Subsequent costs are included in the carrying amount of assets or recognized as an independent asset only when future economic benefits related to the item are probable to flow into the Company, and the cost of the item can be reliably measured. The carrying amount of the replaced part shall be recognized. All other maintenance costs are recognized in profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment is based on the cost model. Except for land, which is not depreciated, other items are depreciated using the straight-line method based on the estimated useful lives. If the components of property, plant and equipment are material, they are depreciated separately.
4. At the end of each financial year, the Company reviews the residual value, useful life, and depreciation method of each asset. If expectations differ from previous estimates or if there has been a significant change in the expected pattern of consumption of future economic benefits, the changes are accounted for as changes in accounting estimates under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The useful lives of assets are as follows:

Houses and buildings (including attached equipment)	8-50 years
Machinery and equipment	3-10 years
Office equipment	3-5 years
Other equipment	3-5 years
Leasehold improvements	2-5 years

(XIV) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Leased assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense over the lease term by the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been paid on the inception of the lease, which is discounted at the Company's incremental borrowing rate of interest. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is used to measure at amortized cost, and interest expenses are recognized during the lease term. When the lease term or lease payment changes due to a contract modification, the lease liabilities will be reassessed and the right-of-use asset will be re-measured.

3. Right-of-use assets are recognized at cost on the Inception of the Lease date, including:
   (1) The initial measurement of lease liabilities;
   (2) Any lease payment paid on or before the commencement date;
   (3) Any initial direct cost incurred; and
   (4) Estimated cost for the dismantling, removal of the underlying asset, and restoration of the location, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

   Subsequently, the cost model is adopted for measurement. Depreciation expense is recognized when the useful life of the right-of-use asset expires or the lease term expires, whichever comes first. When the lease liabilities are re-evaluated, the right-of-use asset will be adjusted for any remeasurement of the lease liabilities.

(XV) Intangible assets

1. Computer software

   Recognized at cost, amortized using the straight-line method over a useful life of 3 to 10 years.

2. Royalty

   Recognized at acquisition cost and amortized over 10 years in accordance with the contract.

3. Patent rights

   Recognized at cost, amortized using the straight-line method over a useful life of 10 to 15 years.

(XVI) Impairment loss of non-financial assets

1. The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount refers to the higher of the fair value of an asset less costs of disposal or its value in use. When the impairment loss of assets previously recognized no longer exists or is reduced, the impairment loss is reversed. However, the increase in the asset's carrying amount shall not exceed its carrying amount had no impairment loss been recognized, net of depreciation or amortization.

2. Regularly estimate the recoverable amount of goodwill. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The impairment loss

on goodwill impairment is not reversed in subsequent years.

3. Goodwill is allocated to the CGUs for the purpose of impairment testing. The allocation is based on the identification of the operating segments, and the goodwill is allocated to the cash-generating unit or cash-generating unit group expected to benefit from the business combination that generated the goodwill.

(XVII) Loan

Refers to long-term and short-term borrowings from Banks. The Company measures at fair value less transaction costs at initial recognition, and subsequently, any difference between the price after deducting transaction costs and the redemption value is recognized as interest expense in profit or loss over the period using the effective interest method in accordance with the amortization procedure.

(XVIII) Accounts and notes payable

1. Refers to debt incurred for the purchase of raw materials, goods, or services, and notes payable arising from business and non-business activities.
2. For short-term accounts and notes payable with unpaid interest, as the effect of discounting is immaterial, the Company measures them at the original invoice amount.

(XIX) Derecognition of financial liabilities

The Company derecognizes financial liabilities when fulfilling, canceling, or expiring its contractual obligations.

(XX) Liability reserve

The reserve for liabilities due to past events is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the present legal or constructive obligation, and the amount of the obligation can be reliably estimated. The measurement of the liability reserve is based on the best estimate of the present value required to settle the obligation on the balance sheet date. The discount rate is the pre-tax discount rate that reflects the current market's assessment of the time value of money and the specific risk of the liability. The amortization of the discount is recognized as an interest expense. No liability reserve may be recognized for future losses.

(XXI) Employee Welfare

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-cash amount expected to be paid and recognized as an expense when the related services are provided.

2. Pension

   Defined contribution pension plan

   For the defined contribution plan, the amount of pension fund appropriated based on the accrual basis is recognized as current pension cost. The prepaid contribution is recognized as an Asset to the extent it is refundable in cash or reduces future payments.

3. Termination benefits

Termination benefits are benefits provided upon the termination of an employee's employment before normal retirement date, either when the employment is terminated by the company or when the employee accepts the company's benefits offer in exchange for termination of employment. The Company recognizes the expenses when it cannot revoke the offer of termination benefits or upon recognition of related restructuring costs, whichever comes first. Benefits not expected to be completely paid off within 12 months of the balance sheet date should be discounted.

4. Employee remuneration and director remuneration

The remuneration to employees and directors is recognized as an expense and a liability when there is a legal or constructive obligation and the amount can be reasonably estimated. In case of any difference between the actual value distributed and the estimated value later, it will be handled as changes in accounting estimates.

(XXII) Share-based Payment to employees

The share-based payment arrangement for equity-settled shares is measured at the fair value of the equity instrument granted on the grant date to measure the labor service provided by the employees, and is recognized as the remuneration cost in the vesting period, and equity is adjusted accordingly. The fair value of equity instruments should reflect the impact of market price vesting conditions and non-vested conditions. The remuneration cost recognized is adjusted according to the expected number of rewards that meet the service conditions and the non-market price vesting conditions until the amount recognized ultimately is based on the vested amount on the vesting date.

(XXIII) Income tax

1. Income tax expense includes current and deferred tax. Except for the income tax related to items recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. The Company calculates the current income tax based on the statutory or substantively enacted tax rate in the country where it is operating and generating taxable income as of the balance sheet date. The management is responsible for periodically evaluating the status of income tax returns in accordance with applicable income tax laws and regulations, and for estimating income tax liabilities based on expected taxes payable to the tax authorities as applicable. The income tax on undistributed earnings shall be added in accordance with the Income Tax Act. The income tax expense for undistributed earnings shall be recognized in the year following the earnings generation year after the earnings distribution proposal is approved by the shareholders' meeting.

3. Deferred tax is recognized in accordance with the balance sheet method based on the temporary difference between the tax base of assets and liabilities and their carrying amount on the parent company only balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill shall not be recognized. If the deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding a business combination), and the transaction does not affect accounting profit or taxable profit (tax loss), and no deductible temporary difference is generated, then it shall not be recognized. If the temporary difference generated from the investment in subsidiaries is controllable by the Company, and the temporary difference is probable not to be reversed in the foreseeable future, it will not be recognized. Deferred tax is based on the tax rate (tax laws) that have been enacted or substantively enacted by the balance sheet date, and that are expected to apply when the deferred tax assets are realized or deferred tax liabilities are settled.

4. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which to offset the temporary differences, and both recognized and unrecognized deferred tax assets are reassessed on each balance sheet date.

(XXIV) Capital stock

1. Ordinary shares are classified as equity. The incremental cost directly attributable to the issuance of new shares or share options is deducted by the net amount after income tax and listed in equity as a deduction from payment.

2. When the Company repurchases issued shares, the consideration paid for the repurchase includes any directly attributable incremental costs, which are recognized as a deduction in shareholders' equity, net of tax. If the repurchase of shares is followed by a subsequent issuance, the difference between the consideration received and the carrying amount, after deducting any directly attributable incremental costs and income tax effect, is recognized as an adjustment to shareholders' equity.

(XXV) Dividend distribution

Cash dividends distributed to the Company's shareholders are recognized as liabilities in the financial statements when the Board of Directors decides to distribute them.

(XXVI) Recognition of revenue

Sales revenue

The Company manufactures and sells medical equipment and related products. Revenue is the fair value of the consideration received or receivable from the sale of products to external customers in the normal course of operating activities, presented as the net amount after deduction of tax, sales returns, quantity discounts and allowances. Sales revenue is recognized when control of the product is transferred to the customer, that is, when the product is delivered to the customer, the customer has discretion over the product, and the Company has no unperformed performance obligation that may affect the customer's acceptance of the product. When the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the Customer, and the Customer accepts the product according to the Contract, or if objective evidence proves that all acceptance criteria have been met, delivery is deemed to have occurred.

Service revenues

The Company provides technical support services. Revenue recognition for labor services occurs when the performance obligation is fulfilled.

V. Sources of uncertainties to significant account judgments, estimates, and assumptions

When the Company prepares the Parent Company Only Financial Statements, management has used its judgment to determine the adopted Accounting policies, and has made Accounting estimates and assumptions based on the reasonable expectations of future events based on the situation on the Balance Sheet date. The material accounting estimates and assumptions made may differ from actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. These estimates and assumptions may lead to material adjustments in the carrying amount of assets and liabilities in the next financial year. Please refer to the description of material accounting judgments, estimates, and assumptions uncertainty below:

(I) Key judgments in adopting accounting policy

None.

(II) Key accounting estimates and assumptions

Valuation of inventories

Since inventory must be priced at the lower of cost or net realizable value, the Company must exercise judgment and estimate to determine the net realizable value of inventories on the balance sheet date. As medical technology continues to evolve, potentially leading to slower-than-expected product depletion, and merchandise prices are also subject to fluctuations due to government policies, inventory valuation losses and the risk of obsolescence are higher. The Company evaluates the amount of inventories on the balance sheet date for normal consumption, obsolescence, or lack of market sales value, and offsets the inventory cost to net realizable value. The inventory valuation is mainly based on estimated product demand within a specific future period, so material changes may occur.

As of December 31, 2024, the carrying amount of the Company's inventories was NT$156,347.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 249	$ 225
Demand deposits	246,016	214,925
Check deposits	178	442
Time deposit	31,200	31,200
Total	$ 277,643	$ 246,792

1. The credit quality of the financial institutions with which the Company transacts is good, and the Company transacts with several financial institutions to diversify credit risk. The probability of default is expected to be very low.
2. As of December 31, 2024 and 2023, the Company's cash and cash equivalents restricted in use due to providing a guarantee letter to the Customs Bureau for import goods under the post-amortization cost method were both $1,000, classified as financial assets at amortized cost – current. Please refer to Note VI(II), VIII and IX.

(II) Financial assets at amortized cost - current

Items	December 31, 2024	December 31, 2023
Current items:		
Restricted bank deposits	$ 1,000	$ 1,000
Time deposit with the original maturity date over three months	30,000	-
Total	$ 31,000	$ 1,000

1. The counterparties of the Company's investment in time deposits and restricted bank deposits are financial institutions with good credit quality, and the probability of default is expected to be very low.
2. For the financial assets at amortized cost pledged by the Company as collateral, please refer to Note VIII and IX.

(III) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 5,569	$ -
Accounts receivable	$ 156,932	$ 129,957
Accounts receivable – related parties	25,049	23,723
	$ 181,981	$ 153,680

1. The aging analysis of accounts receivable (including related parties) and notes receivable is as follows:

	December 31, 2024				December 31, 2023			
	Accounts receivable		Notes receivable		Accounts receivable		Notes receivable	
Not overdue	$	181,385	$	5,569	$	153,625	$	-
Within 90 days		596		-		55		-
	$	181,981	$	5,569	$	153,680	$	-

The above aging analysis is based on the number of past due days.

2. The balance of accounts receivable and notes receivable as of December 31, 2024 and 2023 were generated from customer contracts. As of January 1, 2023, the balance of notes receivable and accounts receivable (including related parties) from customer contracts was $31 and $177,609, respectively.

3. Without considering the collateral or other credit enhancements held, the maximum risk exposure that best represents the Company's notes receivable as of December 31, 2024 and 2023 was $5,569 and $0, respectively; the maximum risk exposure that best represents the Company's accounts receivable (including related parties) as of December 31, 2024 and 2023 was $181,981 and $153,680, respectively.

4. The Company's accounts receivable (including related parties) and notes receivable are not held as collateral.

5. For the credit risk information of accounts receivable (including related parties) and notes receivable, please refer to Note XII(II).

(IV) Inventory

	December 31, 2024					
	Costs		Allowance for valuation losses		Book Value	
Raw materials	$	4,693	($	4,246)	$	447
Work in process		15,734	(	27)		15,707
Finished goods		138,517	(	36,586)		101,931
Inventory of goods		44,165	(	5,903)		38,262
Total	$	203,109	($	46,762)	$	156,347

	December 31, 2023		
	Costs	Allowance for valuation losses	Book Value
Raw materials	$ 4,853	($ 4,405)	$ 448
Work in process	16,815	(3,457)	13,358
Finished goods	147,801	(31,496)	116,305
Inventory of goods	18,903	(5,744)	13,159
Total	$ 188,372	($ 45,102)	$ 143,270

The cost of inventory recognized as expense in the current period:

	2024	2023
Cost of inventory sold	$ 206,619	$ 194,604
Inventory devaluation loss (gain from price recovery)	6,462	(5,605)
Inventory scrap loss	-	19,360
Inventory losses	1	-
	$ 213,082	$ 208,359

The Company's inventories for which an allowance for devaluation loss was originally made in 2023 were sold and scrapped in the current year, resulting in inventory gains.

(V) Investment under Equity Method

1. Changes and details are as follows.

	2024	2023
January 1	$ 170,341	$ 328,567
Unrealized gross margin from sales	(9,396)	(7,146)
Realized gross margin from sales	7,146	11,233
Share of investment gain or loss under the equity method	5,739	5,427
Impairment loss	-	(164,464)
Changes in Other Comprehensive Income (Note VI(XV))	6,263	(3,276)
December 31	$ 180,093	$ 170,341

Subsidiary:	December 31, 2024	December 31, 2023
A Plus (Cayman) Holding Inc.	$ 180,093	$ 170,341

2. Subsidiary

   For information on subsidiaries of the Company, please refer to note IV(III)) of the Company's 2024 Parent Company Only Financial Statements.

3. On December 28, 2023, the Board of Directors of A Plus (Cayman) Holding Inc. resolved to reduce capital by US$4,467 thousand to offset accumulated losses. This resulted in the cancellation of 22,334,370 issued shares and a reduction in paid-in capital to US$5,006 thousand, divided into 25,029,267 shares with a par value of US$0.2 per share. The capital reduction process has been completed.

4. The Company acquired control over A Plus (Cayman) Holding Inc. in July 2015. Since the acquisition cost exceeded the net identifiable assets of the subsidiary, goodwill of NT$164,464 thousand was recognized based on the acquisition price allocation analysis report.

   The recoverable amount of the Company's investment in A Plus (Cayman) Holding Inc. is based on the value in use. The value in use is calculated based on the five-year pre-tax cash flow forecast approved by management, considering the growth rate and discount rate. As the recoverable amount calculated based on the value in use was lower than the book value, an impairment loss of $164,464 was recognized in 2023.

   The main assumptions used to calculate the value in use are as follows:

	December 31, 2023
Discounted rate	9.97%~13.97%
Growth rate	2.00%

(VI) Property, plant, and equipment

	2024							
	Land	Housing and construction	Machinery and equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction	Total
January 1								
Costs	$ 117,343	$ 103,550	$ 7,652	$ 3,093	$ 34,510	$ 4,716	$ 13,475	$ 284,339
Accumulated depreciation	-	(6,655)	(4,990)	(1,294)	(24,090)	(2,921)	-	(39,950)
	$ 117,343	$ 96,895	$ 2,662	$ 1,799	$ 10,420	$ 1,795	$ 13,475	$ 244,389
January 1	$ 117,343	$ 96,895	$ 2,662	$ 1,799	$ 10,420	$ 1,795	$ 13,475	$ 244,389
Add	-	347	214	97	5,062	39	1,310	7,069
Reclassification (Note)	-	12,024	-	1,038	276	431	(14,573)	(804)
Disposal - Cost	-	-	(2,847)	(349)	(15,169)	-	-	(18,365)
Disposal - accumulated depreciation	-	-	2,847	349	15,169	-	-	18,365
Depreciation expense	-	(4,291)	(789)	(985)	(6,590)	(1,133)	-	(13,788)
December 31	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,168	$ 1,132	$ 212	$ 236,866)
December 31								
Costs	$ 117,343	$ 115,921	$ 5,019	$ 3,879	$ 24,679	$ 5,186	$ 212	$ 272,239
Accumulated depreciation	-	(10,946)	(2,932)	(1,930)	(15,511)	(4,054)	-	(35,373)
	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,168	$ 1,132	$ 212	$ 236,866

Note: The balance was transferred to overheads of $804.

	2023							
	Land	Housing and construction	Machinery and equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction	Total
January 1								
Costs	$ 117,343	$ 103,211	$ 7,244	$ 3,023	$ 36,956	$ 5,669	$ 8,710	$ 282,156
Accumulated depreciation	-	(3,347)	(4,217)	(560)	(26,986)	(2,518)	-	(37,628)
	$ 117,343	$ 99,864	$ 3,027	$ 2,463	$ 9,970	$ 3,151	$ 8,710	$ 244,528
January 1	$ 117,343	$ 99,864	$ 3,027	$ 2,463	$ 9,970	$ 3,151	$ 8,710	$ 244,528
Add	-	339	371	111	3,110	-	3,571	7,502
Reclassification (Note)	-	-	37	-	2,853	-	1,957	4,847
Transfer	-	-	-	-	763	-	(763)	-
Disposal – Cost	-	-	-	(41)	(9,172)	(953)	-	(10,166)
Disposal - accumulated depreciation	-	-	-	41	9,172	953	-	10,166
Depreciation expense	-	(3,308)	(773)	(775)	(6,276)	(1,356)	-	(12,488)
December 31	$ 117,343	96,895	$ 2,662	$ 1,799	$ 10,420	$ 1,795	$ 13,475	$ 244,389
December 31								
Costs	$ 117,343	$ 103,550	$ 7,652	$ 3,093	$ 34,510	$ 4,716	$ 13,475	$ 284,339
Accumulated depreciation	-	(6,655)	(4,990)	(1,294)	(24,090)	(2,921)	-	(39,950)
	$ 117,343	$ 96,895	$ 2,662	$ 1,799	$ 10,420	$ 1,795	$ 13,475	$ 244,389

Note: Reclassified from prepaid equipment (presented as "other non-current assets") to $4,847.

1. There were no capitalized costs of property, plant and equipment in 2024 and 2023.
2. For information on collateral secured by property, plant and equipment, please refer to Note VIII.

(VII) Lease transaction - Lessee

1. The underlying assets leased by the Company include offices and warehouses. The lease contract period usually ranges from 2019 to 2026. Lease contracts are negotiated individually and contain various terms and conditions. Except that the leased Assets cannot be used as a loan guarantee, there are no other restrictions.
2. The lease term of the transportation equipment rented by the Company does not exceed 12 months. The Underlying asset rented are office equipment.
3. The carrying amount of the right-of-use assets and the recognized depreciation expense are as follows:

	2024	2023
	House	House
January 1		
Costs	$ 13,206	$ 10,116
Accumulated depreciation	(3,966)	(6,020)
	$ 9,240	$ 4,096
January 1	$ 9,240	$ 4,096
Add	1,773	9,545
Book value - cost	(4,362)	(6,455)
Book value - accumulated depreciation	4,362	6,455
Depreciation expense	(4,436)	(4,401)
December 31	$ 6,577	$ 9,240
December 31		
Costs	$ 10,617	$ 13,206
Accumulated depreciation	(4,040)	(3,966)
	$ 6,577	$ 9,240

4. Lease liabilities related to lease contracts are as follows:

	December 31, 2024	December 31, 2023
Total lease liabilities	$ 6,641	$ 9,257
Less: Due within one year (presented as "Lease liabilities - current" in the financial statements)	(3,781)	(3,539)
	$ 2,860	$ 5,718

5. The information on profit and loss items related to lease contracts is as follows:

	2024	2023
Items affecting current profit or loss		
Interest on lease liabilities	$ 154	$ 59
Expenses of short-term lease contracts	2,814	3,860
Low-value asset lease expenses	183	151

6. The total cash outflow from the leases of the Company in 2024 and 2023 were $7,540 and $8,411, respectively.

(VIII) Intangible assets

	2024			
	Computer software	Royalty	Patent rights	Total
January 1				
Costs	$ 23,913	$ 456	$ 9,500	$ 33,869
Accumulated amortization	(19,986)	(456)	(5,186)	(25,628)
	$ 3,927	$ -	$ 4,314	$ 8,241
January 1	$ 3,927	$ -	$ 4,314	$ 8,241
Increase - from standalone acquisition	265	-	-	265
Book value - cost	(12,629)	(456)	-	(13,085)
Book value - accumulated amortization	12,629	456	-	13,085
Reclassification (Note)	1,074	-	-	1,074
Amortization expenses	(2,141)	-	(933)	(3,074)
December 31	$ 3,125	$ -	$ 3,381	$ 6,506
December 31				
Costs	$ 12,623	$ -	$ 9,500	$ 22,123
Accumulated amortization	(9,498)	-	(6,119)	(15,617)
	$ 3,125	$ -	$ 3,381	$ 6,506

Note: Reclassified from prepaid equipment (presented as "other non-current assets" in the statement) to $1,074.

	2023			
	Computer software	Royalty	Patent rights	Total
January 1				
Costs	$ 25,915	$ 456	$ 9,500	$ 35,871
Accumulated amortization	(19,426)	(452)	(4,253)	(24,131)
	$ 6,489	$ 4	$ 5,247	$ 11,740
January 1	$ 6,489	$ 4	5,247	$ 11,740
Increase - from standalone acquisition	425	-	-	425
Book value - cost	(2,427)	-	-	(2,427)
Book value - accumulated amortization	2,427	-	-	2,427
Amortization expenses	(2,987)	(4)	(933)	(3,924)
December 31	$ 3,927	$ -	$ 4,314	$ 8,241
December 31				
Costs	$ 23,913	$ 456	$ 9,500	$ 33,869
Accumulated amortization	(19,986)	(456)	(5,186)	(25,628)
	$ 3,927	$ -	$ 4,314	$ 8,241

The amortization of intangible assets is as follows:

	2024	2023
Selling expenses	$ 389	$ 349
Administrative Expense	886	912
R&D expenses	1,799	2,663
	$ 3,074	$ 3,924

(IX) Other payables

	December 31, 2024	December 31, 2023
Salary and bonus payable	$ 34,905	$ 27,246
Remuneration to employees and directors payable	16,248	3,810
Service fee payable	5,530	2,248

(Continued)

Business tax payables	2,243	2,770
Equipment Payables	114	248
Other payables	10,057	11,517
	$ 69,097	$ 47,839

(X) Long-term loan

Nature of loan	Duration and repayment terms of the loan	Interest rate range	Collateral	December 31, 2024
Borrowings repaid in installments				
Secured loan	From June 17, 2021 to June 17, 2041, with monthly interest payments; principal and interest are repaid in 240 equal installments commencing on July 17, 2021.	2.075%	Real estate	$ 91,920
Less: Long-term borrowings with maturity of less than one year.				(4,721)
				$ 87,199

Nature of loan	Duration and repayment terms of the loan	Interest rate range	Collateral	December 31, 2023
Borrowings repaid in installments				
Secured loan	From June 17, 2021 to June 17, 2041, with monthly interest payments; principal and interest are repaid in 240 equal installments commencing on July 17, 2021.	1.950%	Real estate	$ 98,605
Less: Long-term borrowings with maturity of less than one year				(4,775)
				$ 93,830

For the collateral provided for long-term borrowings, please refer to Notes VII and VIII.

(XI) Pension

1. Since July 1, 2005, the Company has established a defined contribution pension plan in accordance with the "Labor Pension Act," applicable to employees of ROC nationality. For employees who choose to adopt the labor pension system under the "Labor Pension Act", the Company contributes 6% of their monthly salary to their individual pension accounts at the Bureau of Labor Insurance. The payment of employee pension is based on the employee's individual pension account and the amount of accumulated income, and is paid either monthly or as a lump sum.
2. In 2024 and 2023, the Company recognized pension costs of $5,062 and $4,463, respectively, in accordance with the above-mentioned pension plan.

(XII) Share-based payment

1. As of December 31, 2024, the Company’s share-based payment arrangement is as follows:

Types of agreements	Grant date	Quantity granted (thousand units)	Vesting conditions
Transfer of treasury shares to employees	June 20, 2024	573	Vested immediately

2. The details of the above share-based payment arrangement are as follows:

	2024	
	Number of share options (thousand units)	Weighted Average Contract Price ($)
Beginning outstanding share options - January 1	-	$ -
Stock options granted in the current period	573	53.08
Execution of share options in the current period	(573)	53.08
Outstanding share options - as of December 31	-	-

3. The fair value of the share-based payment transaction on the grant date is estimated using the Black-Scholes option valuation model. The relevant information is as follows:

Types of agreements	Grant date	Stock price ($)	Performance price ($)	Expected volatility	Expected duration	Expected dividends	Risk-free interest rate	Fair value per unit ($)
Transfer of treasury shares to employees	June 20, 2024	$ 58.06	$ 53.08	20.38%	0.5 (years)	0.00%	1.34%	$ 2.10

4. The overheads generated from the share-based payment transactions are as follows:

	2024
Remuneration cost of employee stock options	$ 1,203

(XIII) Capital stock

1. As of December 31, 2024, the Company’s authorized capital was $800,000, divided into 80,000 thousand shares, with a paid-in capital of $304,710, and a par value of $10 per share. All the proceeds from the Company's issued shares have been collected.

The outstanding shares of the Company’s ordinary shares at the beginning and end of the period (in thousands of shares) are adjusted as follows:

	2024	2023
January 1	30,183	30,471
Employee share option exercise	573	-
Shares recovered	(285)	(288)
December 31	30,471	30,183

2. Treasury stock

(1) Reasons for the recovery of shares and the number of shares recovered:

Name of the holding company	Reason for recovery	December 31, 2023	
		Number of Shares	Book Value
The Company	Transfer of shares to employees	288 thousand shares	$ 14,153

(2) The changes in the Company's treasury shares are as follows:

	2024	2023
January 1	$ 14,153	$ -
Repurchase of treasury stock	16,250	14,153
Transfer of treasury stock - employee share option exercise	(30,403)	-
December 31	$ -	$ 14,153

(3) According to the Company Act, the percentage of shares repurchased by the Company shall not exceed 5% of the total number of issued shares, and the total amount of repurchase shall not exceed the sum of retained earnings plus realized Capital surplus.

(4) The treasury stock held by the Company shall not be pledged and shall not be entitled to shareholder rights before transfer in accordance with the Company Act.

(5) According to the Company Act, the shares repurchased for transfer to employees must be transferred within three years from the date of repurchase. If the shares are not transferred within that period, they shall be deemed unissued shares and shall be canceled through a change of registration.

(6) On January 30, 2023, the Company’s Board of Directors approved the repurchase of treasury shares for transfer to the Company’s employees. The number of shares projected to be repurchased was 600 thousand, and the repurchase period was from January 31, 2023, to March 30, 2023, with a price range of between $38 and $60 per share. The aforementioned repurchase of treasury stock was completed on March 30, 2023, with the actual repurchase of 288 thousand shares for a total of $14,153.

(7) On March 29, 2024, the Board of Directors approved the repurchase of treasury shares for transfer to the Company's employees. The number of shares projected to be repurchased is 300 thousand, and the repurchase period is from April 1, 2024, to May 31, 2024. The repurchase price per share will be between $40 and $60. The aforementioned repurchase of treasury stock was completed on May 31, 2024, with 285 thousand shares repurchased for a total of $16,250.

(8) On June 19, 2024, the Company’s Board of Directors approved the transfer of 573 thousand treasury shares to the Company’s employees, all of which were transferred to employees at $53.08 per share, and remuneration cost was recognized at $1,203.

As of December 31, 2024, the Company has transferred 573 thousand treasury shares for $30,403.

(XIV) Capital surplus

According to the Company Act, the premium from the issuance of shares at a price higher than the par value and the Capital surplus from the receipt of gifts may be used to offset a deficit. When the Company has no accumulated deficit, new shares or Cash may be issued or paid based on the original Shareholder shareholding ratio. In accordance with the relevant provisions of the Securities and Exchange Act, the aforementioned Capital surplus may not exceed 10% of the paid-in capital annually when appropriated as capital. The Company shall not use surplus reserves to offset capital deficits if the surplus reserves are insufficient; additional paid-in capital may not be used to supplement the deficit.

	2024				
	Share premium from issuance	Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Employee stock option	Treasury stock transaction	Total
January 1	$ 358,548	$ 1,458	$ -	$ -	$ 360,006
Distribution through capital surplus					
Cash dividends	(53,451)	-	-	-	(53,451)
Share-based payment	-	-	1,203	-	1,203
Employee share option exercise	-	-	(1,203)	1,124	(79)
December 31	$ 305,097	$ 1,458	$ -	$ 1,124	$ 307,679

	2023				
	Share premium from issuance	Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Employee stock option	Treasury stock transaction	Total
January 1/December 31	$ 358,548	$ 1,458	$ -	$ -	$ 360,006

(XV) Retained earnings

1. If the Company has earnings in a fiscal year, the earnings shall first be used to pay taxes and to offset accumulated losses. Then, 10% of the remaining earnings shall be set aside as legal reserve, unless the legal reserve has already reached the Company's paid-in capital. A special reserve may also be set aside or reversed in accordance with laws or operational needs. Any remaining earnings, together with undistributed earnings from prior years, shall be used as the basis for a distribution plan.

   If dividends are to be distributed in the form of new shares, the plan must be submitted to the Shareholders' Meeting for approval before distribution. If dividends are to be distributed in cash, the plan must be approved by the Board of Directors and then reported to the Shareholders' Meeting.

   The Company considers its industry characteristics, operational growth, future capital needs, long-term financial planning, and shareholder demand for cash inflow when determining its dividend distribution. Based on annual earnings and after considering overall development, financial planning, funding needs, and industry conditions, dividends may be distributed in the form of cash or stock, subject to Shareholders' Meeting approval. However, the total amount of dividends distributed in the year shall not be less than 5% of the distributable surplus. The proportion of cash dividends shall not be less than 10% of the total dividends distributed in the year.
2. The legal reserve may not be used except to offset a company deficit or to issue new shares or cash dividends in proportion to shareholders' original shareholdings; however, any such distribution shall be limited to the portion of the legal reserve exceeding 25% of the paid-in capital.
3. The Company's earnings distribution proposals for 2023 and 2022 were approved by the shareholders' meetings on June 27, 2024, and June 30, 2023, respectively, as follows:

	2023		2022	
	Amount	Dividends per share ($)	Amount	Dividends per share ($)
Legal Reserve	$ 3,116		$ 4,570	
Cash dividends	28,043	$ 0.9	21,128	$ 0.7
Total	$ 31,159		$ 25,698	

4. On June 27, 2024, the Company's Board meeting approved a cash distribution of $1.8 per share from additional paid-in capital – premium, totaling $53,451.

(XVI) Other Comprehensive Income

	2024		2023	
Currency translation				
January 1	$	345	$	3,621
- Group		6,263	(	3,276)
December 31	$	6,608	$	345

(XVII) Operating revenue

	2024		2023	
Customer contract revenues				
Revenue from sale of products	$	664,053	$	586,398
Service revenue		4,442		9,506
	$	668,495	$	595,904

1. Customer contract income breakdown

   The Company's revenue is derived from the transfer of merchandise at a point in time and the provision of labor services over time. Revenue can be broken down by geographical area as follows:

2024	Taiwan		China		Total	
Segment revenues	$	608,045	$	60,450	$	668,495
Time of revenue recognition						
Revenue recognized at a point in time	$	603,603	$	60,450	$	664,053
Revenue recognized gradually over time		4,442		-		4,442
	$	608,045	$	60,450	$	668,495

2023	Taiwan		China		Total	
Segment revenues	$	523,524	$	72,380	$	595,904
Time of revenue recognition						
Revenue recognized at a point in time	$	514,018	$	72,380	$	586,398
Revenue recognized gradually over time		9,506		-		9,506
	$	523,524	$	72,380	$	595,904

2. Contract liabilities

   The contract liabilities related to the revenue from contracts with customers recognized by the Company are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 166	$ 232	$ -

3. Revenue recognized from contract liabilities at the beginning of the period

	2024	2023
Revenue recognized in the period from the opening balance of contract liabilities	$ 114	$ -

(XVIII) <u>Operating cost</u>

	2024	2023
Cost of merchandise inventories	$ 213,082	$ 208,359
Service cost	538	1,667
	$ 213,620	$ 210,026

(XIX) <u>Interest income</u>

	2024	2023
Bank deposit interest	$ 2,059	$ 1,423
Other interest income	67	95
	$ 2,126	$ 1,518

(XX) <u>Other revenue</u>

	2024	2023
Bank deposit interest	$ 17	$ 8
Other interest income	1,396	257
	$ 1,413	$ 265

(XXI) <u>Other profits and losses</u>

	2024	2023
Net foreign exchange gain	1,680	$ 30
Impairment loss (Note)	-	(164,464)
Other profits and losses	(720)	(2)
	$ 960	($ 164,436)

Note: For details on impairment loss, please refer to Note VI(V).

(XXII) Financial costs

	2024	2023
Interest expenditure:		
Bank loans	$ 1,938	$ 2,343
Lease liability	154	59
Liability reserve - amortization of discount	2	11
	$ 2,094	$ 2,413

(XXIII) Additional information on the nature of expenses

	2024	2023
Changes in finished goods and work-in-progress inventories	$ 176,238	$ 164,885
Inventory scrap loss	-	19,360
Inventory devaluation loss (gain from price recovery)	6,462	(5,605)
Raw materials and supplies consumed	391	626
Employee benefit expense	170,678	132,683
Service expense	17,164	16,662
Depreciation expense on property, plant and equipment	13,788	12,488
Depreciation expense of right-of-use assets	4,436	4,401
Various amortization expenses	3,074	3,924
Rent expense	2,997	4,011
Other overheads	92,301	85,565
Operating costs and operating expenses	$ 487,529	$ 439,000

(XXIV) Employee benefit expense

	2024	2023
Payroll expense	$ 135,073	$ 110,990
Employee stock option	1,203	-
Labor and health insurance expense	10,737	9,559
Pension expense	5,062	4,463
Remuneration to directors	11,680	2,687
Other personnel overheads	6,923	4,984
	$ 170,678	$ 132,683

1. According to the Articles of Incorporation of the Company, the Company shall appropriate no less than 1% of the remaining profits, if any, as employee remuneration

and no more than 5% as Directors' remuneration, after deducting accumulated losses from the current year's profit.

2. The estimated amounts of employee remuneration for 2024 and 2023 were $6,093 and $1,429, respectively. The estimated amounts of director remuneration were $10,155 and $2,381, respectively. The aforementioned amounts were recorded under the salary expenses account.
3. The remuneration to employees and directors was estimated at 3% and 5% of the profit in 2024. The Board of Directors resolved to distribute $6,093 and $10,155, respectively, of which employee remuneration will be paid in cash.

   The amount of remuneration to employees and directors, as resolved by the Board of Directors in 2023, is consistent with the amount recognized in the financial statements for 2023.

   The information on remuneration to employees and directors approved by the Board of Directors of the Company can be found on the MOPS.

(XXV) Income tax

1. Income tax expense

	2024	2023
Income tax expenses in the current period		
Income tax generated from current income	$ 17,642	$ 30,239
Additional levy on unappropriated earnings	-	1,000
Over-estimated income tax in previous years	(420)	-
Total income tax for the current period	17,222	31,239
Deferred tax		
Generation and reversal of temporary difference	18,582	(18,582)
Income tax expense	$ 35,804	$ 12,657

2. Relation between income tax expense and accounting profit:

	2024	2023
Income tax expense on net profits before tax at statutory rate	$ 37,372	$ 271
Expenses to be removed under tax laws and regulations	-	32,893
Income exempted from taxation under the tax laws	(1,148)	(1,085)
Changes in the realizability of deferred		(20,422)

(Continued)

tax assets	-	
Over-estimated income tax in previous years	(420)	-
Additional levy on unappropriated earnings	-	1,000
Income tax expense	$ 35,804	$ 12,657

3. Deferred income tax assets or liabilities arising from temporary differences are as follows:

	2024		
	January 1	Recognized in profit or loss	December 31
- Deferred tax assets:			
Temporary difference Foreign investment losses recognized under the equity method	$ 20,422	($ 20,422)	$ -
Unrealized gross margin from sales	1,429	450	1,879
Allowance for inventory write-down	9,021	1,436	10,457
Non-Leave Bonus	140	(2)	138
Unrealized exchange loss	39	(39)	-
Other	184	3	187
Subtotal	31,235	(18,574)	12,661
- Deferred tax liabilities:			
Unrealized exchange gain	-	(8)	(8)
Subtotal	-	(8)	(8)
Total	$ 31,235	($ 18,582)	$ 12,653

	2023		
	January 1	Recognized in profit or loss	December 31
- Deferred tax assets:			
Temporary difference Foreign investment losses recognized under the equity method	$ -	$ 20,422	$ 20,422
Unrealized gross margin from sales	2,247	(818)	1,429
Allowance for		(1,121)	

(Continued)

inventory write-down	10,142		9,021
Non-Leave Bonus	168	(28)	140
Unrealized exchange loss	-	39	39
Other	145	39	184
Subtotal	12,702	18,533	31,235
- Deferred tax liabilities:			
Unrealized exchange gain	(49)	49	-
Subtotal	(49)	49	-
Total	$ 12,653	$ 18,582	$ 31,235

3. The Company's income tax from its profit-seeking enterprise has been approved by the tax authorities through 2022.

(XXVI) Earnings (losses) per share

	2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per Share ($)
Basic earnings per share			
Net income attributable to the ordinary shareholders	$ 151,056	30,281	$ 4.99
Diluted earnings per share			
Impact of potential common stock with dilutive effect employee compensation	-	85	
The effect of the net income of the period attributable to the ordinary shareholders plus the effect of potential ordinary shares	$ 151,056	30,366	$ 4.97

	2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Loss per share ($)
Basic/diluted loss per share			
Net loss attributable to the ordinary shareholders of the parent company	($ 11,305)	30,254	($ 0.37)

(XXVII) <u>Supplementary information on cash flow</u>

1. Investment activities partially paid in cash

	2024	2023
Property, plant, and equipment	$ 7,069	$ 7,502
Add: Payables for equipment, beginning of period	248	1,223
Less: Payables for equipment, ending period	(114)	(248)
Paid in cash this period	$ 7,203	$ 8,477

2. Investment activities that do not affect cash flow:

	2024	2023
Prepaid equipment transferred to property, plant, and equipment	$ -	$ 4,847
Prepaid equipment transferred to intangible assets	$ 1,074	$ -
Property, Plant and Equipment reclassified as Overheads	$ 804	$ -

(XXVIII) <u>Changes in liabilities from financing activities</u>

	Lease liabilities (including current portion)	Long-term bank borrowings (including due in one year)	Total liabilities from financing activities
January 1, 2024	$ 9,257	$ 98,605	$ 107,862
Changes in cash flow from financing	(4,389)	(6,685)	(11,074)
Changes in new leases this period	1,773	-	1,773
December 31, 2024	$ 6,641	$ 91,920	$ 98,561

	Lease liabilities (including current portion)	Long-term bank borrowings (including due in one year)	Total liabilities from financing activities
January 1, 2023	$ 4,053	$ 124,268	$ 128,321
Changes in cash flow from financing	(4,341)	(25,663)	(30,004)
Changes in new leases this period	9,545	-	9,545
December 31, 2023	$ 9,257	$ 98,605	$ 107,862

VII. Transactions with related parties

(I) Name of related party and relationship

Name of related party	Relationship with the Company
A Plus (Cayman) Holding Inc. (A Plus (Cayman))	Subsidiary
A Plus (Shanghai) Trading Co., Ltd. (A Plus)	Subsidiary
NEW BEST HEARING INTERNATIONAL TRADE CO., LTD.	Other affiliated companies (the Chairperson of the Company serves as a Director of the company)
Taiwan Medical Device Innovation and Development Association	Other affiliated companies (the Company's key management personnel serve as the standing directors of the association)
Sih-Ming Li	The Company's key management personnel
Hsiang-Wei Lo	The Company's key management personnel
Kai-Hsing Wu	The Company's key management personnel

(II) Major transactions with related parties

1. Operating revenue

	December 31, 2024	December 31, 2023
Sale of products:		
A Plus	$ 60,450	$ 72,380
Other affiliated enterprises	1,174	536
Total	$ 61,624	$ 72,916

(1) The selling price to A Plus is determined with reference to the price of the same product in transactions with unrelated parties, taking into account A Plus' competitiveness in the sales region and marketing expenses. The payment terms are slightly longer than those for general customers, with settlement 135 days after the end of the month.

(2) There is no material difference in the transaction prices or payment terms for the sale of merchandise to other related parties compared to those offered to unrelated parties.

2. Accounts receivable from related parties

	December 31, 2024	December 31, 2023
Account receivable:		
A Plus	$ 25,049	$ 23,681
Other affiliated enterprises	-	42
Total	$ 25,049	$ 23,723

The receivables from related parties are mainly from sales, with amounts due 135 days after the date of sale for transactions with Subsidiaries and two months after the date of sale for transactions with other affiliated companies. The receivables are not pledged or interest-bearing. No allowance for losses was provided for receivables from related parties.

3. Other Payables to related parties

	December 31, 2024	December 31, 2023
A Plus	$ 2,897	$ -

Payables for advance payments.

4. Operating expenses

	December 31, 2024	December 31, 2023
Service expense:		
Other affiliated enterprises	$ 627	$ 417
Other overheads:		
Other affiliated enterprises	-	17
Total	$ 627	$ 434

(1) The labor service fee is 1% of the selling price of the joint development products paid by the Company under the collaboration agreement signed with the Taiwan Medical Devices Innovation Association. Payment terms are settlement within 30 days.

(2) Other expenses are mainly sample costs. The payment terms and tenor of transactions are comparable to those of non-related parties.

5. Endorsements and Guarantees Provided by Related Parties

For some of the Company's short-term and long-term borrowings, Chairperson Sih-Ming Li, General Manager Hsiang-Wei Lo and CEO Kai-Hsing Wu jointly serve as the guarantors.

(III) Remuneration for key management

	December 31, 2024	December 31, 2023
Salaries and other short-term employee benefits	$ 18,812	$ 16,983
Other overheads:	216	416
Post-employment benefits	288	-
Total	$ 19,316	$ 17,399

VIII. Pledged assets

The details of the collateral provided by the Company's assets are as follows:

	Book value		
Asset item	December 31, 2024	December 31, 2023	Purpose of guarantee
Financial assets at amortized cost - current	$ 1,000	$ 1,000	Customs Import Guarantee Letter
refundable deposits (stated as other current assets and other non-current assets)	4,515	4,660	Lease deposits and performance bonds
Property, plant, and equipment	199,148	200,907	Long-term loan collateral
	$ 204,663	$ 206,567	

IX. Significant contingent liabilities and unrecognized contractual commitments

Commitment

As of December 31, 2024 and 2023, the Company provided a guarantee letter of $1,000 to the Customs Bureau for the post-tax release of imported goods.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

In response to the Company's long-term development and planning, the Board of Directors approved the purchase of two offices on January 8, 2025. The Chairperson is authorized to negotiate the transaction details and sign related documents with the sellers on behalf of the Company within the prices of $59,000 and $98,500, respectively.

XII. Other

(I) Capital management

The Company's capital management objective is to ensure the Company's continued operation, maintain an optimal capital structure to reduce capital costs, and provide returns to shareholders. In order to maintain or adjust its capital structure, the Company may adjust the amount of Dividends paid to Shareholders, refund capital to Shareholders, issue new shares, or sell Assets to reduce Debt.

(II) Financial instruments

1. Type of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortized cost		
Cash and Cash Equivalents	$ 277,643	$ 246,792
Financial assets at amortized cost - current	31,000	1,000
Notes receivable	5,569	-
Accounts receivable (including related parties)	181,981	153,680
Refundable deposits (stated as other current and non-current assets)	4,515	4,660
	$ 500,708	$ 406,132
Financial assets for hedging	$ -	$ -

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities at amortized cost		
Notes payable	$ 5	$ 100
Accounts payable	39,396	28,804
Other payables (including related party)	71,994	47,839
Long-term bank borrowings (including due in one year)	91,920	98,605
	$ 203,315	$ 175,348
Lease liabilities (including current portion)	$ 6,641	$ 9,257

2. Financial risk management policy
   (1) The Company's daily operations are affected by multiple financial risks, including market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of the financial market and seeks to reduce potential adverse effects on the Company's financial position and financial performance.
   (2) The Company's Finance Department is responsible for the execution of risk management in accordance with the policies approved by the Board of Directors. The Company's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Company's operating units. The Board has set out written principles for overall risk management, and also provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity.

3. The nature and level of material financial risks
   (1) Market risk

   <u>Exchange rate risk</u>

   A. The Company is a trans-national operation, so it is exposed to exchange rate risk arising from a variety of different currencies, mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.
   B. The Company's management has established policies to regulate the exchange rate risk of foreign currency management. When future commercial transactions, recognized assets or liabilities are denominated in a foreign currency other than the entity's functional currency, exchange rate risk arises.
   C. The Company holds investments in foreign operations, and the net assets are exposed to foreign currency translation risk.
   D. The Company's business involves a number of non-functional currencies (the New Taiwan Dollar is the Company’s functional currency), so it is affected by exchange rate fluctuations. The information on foreign currency assets and liabilities with material exchange rate exposure is as follows:

	December 31, 2024					
				Sensitivity analysis		
	Foreign currency ($ thousand)	Exchange Rate	Book Value (NT$)	Degree of change	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD: NTD	$ 197	32.79	$ 6,460	1%	$ 65	$ -
RMB: NTD	9,983	4.478	44,704	1%	447	-
Non-monetary items						
USD: NTD	5,492	32.79	180,093	1%	-	1,801
Financial liabilities						
Monetary items						
USD: NTD	95	32.79	3,115	1%	31	-

	December 31, 2023					
				Sensitivity analysis		
	Foreign currency ($ thousand)	Exchange Rate	Book Value (NT$)	Degree of change	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD: NTD	$ 241	30.71	$ 7,401	1%	$ 74	$ -
RMB: NTD	7,467	4,327	32310	1%	323	-
Non-monetary items						
USD: NTD	5,547	30.71	170,341	1%	-	1,703
Financial liabilities						
Monetary items						
USD: NTD	151	30.71	4,637	1%	46	-

E. The total amount of all exchange gains (realized and unrealized) recognized in 2024 and 2023 due to the significant impact of exchange rate fluctuations on the monetary items of the Company was $1,680 and $30 respectively.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk arises from long-term borrowings. The Company is exposed to cash flow interest rate risk due to borrowings issued at floating interest rates. Some of the risk is offset by financial assets at amortized cost held at floating interest rates. The fixed interest rate borrowings exposed the Company to fair value interest rate risk. In 2024 and 2023, the Company's borrowings calculated using floating interest rates were denominated in NTD.

B. As of December 31, 2024 and 2023, if the interest rate on the NTD loan increased or decreased by 0.25%, with all other factors remaining constant, the profit before tax for 2024 and 2023 would decrease or increase by $230 and $247, respectively, mainly due to the increase/decrease in interest expenses caused by floating-rate borrowings.

(2) Credit risk

A. The Company's credit risk arises when customers or financial instrument trading counterparts fail to perform contractual obligations, which results in financial losses for the Company. The main source of the Company's credit risk is the inability of counterparties to pay accounts receivable and contractual cash flows classified as measured at amortized cost in accordance with the terms of payment.

B. The Company establishes credit risk management. For banks and financial institutions with an independent credit rating of "A" or higher, they are qualified as counterparties. According to the internally defined credit policy, the Company shall conduct management and credit risk analysis on each new customer before setting payment terms and proposing delivery conditions. The internal risk control evaluates the credit quality of customers by taking into account their financial position, past experience and other factors. The limit of individual risks is determined by the Board of Directors based on internal or external ratings, and the use of credit facilities is monitored regularly.

C. The Company adopts the following assumptions based on IFRS 9 to determine whether the credit risk of financial instruments has increased significantly since initial recognition:

When the contract amount is past due for more than 30 days under the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since initial recognition.

D. When the investment target with an independent credit rating is adjusted downward by two levels, the Company judges that the credit risk of the investment target has increased significantly.

E. The Company adopts the premise of IFRS 9. When the contract amount is past due for more than 180 days according to the agreed payment terms, it is deemed a default.

F. The Company estimates the expected credit losses of accounts receivable from customers based on the characteristics of trade credit risk using a simplified approach and an allowance matrix.

G. The Company’s adjustment to the loss rate, established based on historical and current information for a specific period, incorporates forward-looking considerations from the Taiwan Institute of Economic Research’s economic monitoring report to estimate the allowance for losses on accounts receivable. The expected loss rate of the Company’s accounts receivable was not material as of December 31, 2024 and 2023.

H. The Company's allowance for losses on accounts receivable was not material and thus was not recognized in 2024 and 2023.

I. The Company's accounts receivable - related parties as of December 31, 2024 and 2023 were $25,049 and $23,723, respectively. The impairment was assessed individually, and no material impairment was found.

(3) Liquidity risk

A. The cash flow forecast is executed by the Company's internal operating units and compiled by the Company's Finance and Accounting Department. The Finance and Accounting Department monitors the Company’s working capital forecast to ensure sufficient funds are available to meet operational needs.

B. When the remaining cash held by each operating entity exceeds the needs for managing working capital, it will be transferred back to the Company’s Finance and Accounting Department. The Finance and Accounting Department of the Company invests the remaining funds in interest-bearing demand deposits, time deposits, and money market deposits. The instruments selected have appropriate maturities or sufficient liquidity to meet the above forecast and provide sufficient liquidity. As of December 31, 2024 and 2023, the Company’s monetary market positions were $307,216 and $246,125, respectively, and it is expected that cash flow will be generated immediately to manage liquidity risk.

C. The Company's unused credit facilities are as follows:

	December 31, 2024	December 31, 2023
Due within One year	$ 40,000	$ 106,395

D. The following table shows the Company's non-derivative financial liabilities, grouped by their maturity dates. The non-derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the contract maturity date. The contractual cash flows disclosed in the following table are not discounted.

Non-derivative financial instruments December 31, 2024	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years
Notes payable	$ 5	$ -	$ -	$ -
Accounts payable	39,396	-	-	-
Other payables (including related party)	71,994	-	-	-
Long-term borrowings (including current portion) (Note)	6,584	13,167	13,167	75,712
Lease liabilities (including current portion) (Note)	3,868	2,884	-	-

Non-derivative financial instruments December 31, 2023	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years
Notes payable	$ 100	$ -	$ -	$ -
Accounts payable	28,804	-	-	-
Other payables	47,839	-	-	-
Long-term borrowings (including current portion) (Note)	6,660	13,309	13,309	83,184
Lease liabilities (including current portion) (Note)	3,678	5,820	-	-

Note: This amount includes the interest expected to be paid in the future.

E. The Company does not expect the maturity analysis of cash flows will be significantly pre-matured or the actual amount will be significantly different.

(III) Information on fair value

1. The definitions of each level of valuation techniques used to measure the fair value of financial and non-financial instruments are as follows:

   Class I The quoted price (unadjusted) of the same assets or liabilities in the active market on the measurement date. An active market is a market where frequent and large-volume transactions of assets or liabilities occur, providing continuous pricing information.

   Class II The observable inputs of assets or liabilities, directly or indirectly, except for offer prices included in Level 1.

   Class III The unobservable input value of assets or liabilities.

2. The carrying amount of the Company's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including related parties), other receivables, guarantee

deposits paid, notes payable, accounts payable, other payables, guarantee deposits received, and long-term borrowings) is a reasonable approximation of their fair value.

XIII. Supplementary disclosures

(I) Information on Significant Transactions

1. Loaning funds to others: None.
2. Endorsements/guarantees for others: None.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): None.
4. Acquisition or sale of the same security with the accumulated cost reaching NT $300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate reaching NT $300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate for an amount over NT $300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT $100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching NT $100 million or more than 20% of the paid-in capital: None.
9. Derivatives transactions: None.
10. Business relationships and significant transactions between the Parent company and Subsidiaries: Please refer to Exhibit 1.

(II) Information on Investees

The name and location of the investee company, along with other relevant information (excluding investee companies in mainland China): Please refer to Exhibit 2.

(III) Information on investments in Mainland China

1. Please refer to Exhibit 3 for basic information.
2. Major transactions with investees in China directly or indirectly through a third regional enterprise: Please refer to Exhibit 1.

XIV. Segment information

Not applicable.

A Plus Biotechnology Co., Ltd.
Business relationships, significant transactions and amounts between parent company and subsidiaries and among subsidiaries.
January 1 to December 31, 2024

Exhibit 1 | Unit: NT$ thousand
(unless otherwise specified)

No. (Note 1)	Trader	Counterparty	Relationship with trader (Note 2)	Transaction: Title	Transaction: Amount	Transaction: Trading conditions	Transaction: Percentage in total consolidated operating revenue or assets (Note 3)
0	A Plus Biotechnology Co., Ltd.	A Plus (Shanghai) Trading Co., Ltd.	1	Accounts receivable	$ 25,049	Note 4	2.13%
0	A Plus Biotechnology Co., Ltd.	A Plus (Shanghai) Trading Co., Ltd.	1	Sales income	$ 60,450	Note 4	7.85%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:
(1) Fill in “0” for parent company.
(2) Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.
Note 2: There are three types of relationships with the transaction parties. Please indicate the type (no repeated disclosure is required for the same transaction between a parent company and its subsidiary, or between subsidiaries).
E.g. If the parent company has disclosed a transaction with a subsidiary, the subsidiary does not have to disclose the transaction again.
If a subsidiary has disclosed its transaction with another subsidiary, the other subsidiary is not required to disclose the transaction again.
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.
Note 3: The percentage of transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the amount to consolidated total revenues in the case of profit or loss.
Note 4: The selling price to A Plus is determined with reference to the price of the same product in transactions with unrelated parties, taking into account the competitiveness of A Plus in the sales region and marketing expenses.
The payment terms are slightly longer than those for general customers, with settlement 135 days after the end of the month.

A Plus Biotechnology Co., Ltd.
Names, locations and other information of investee companies (not including investees in China)
January 1 to December 31, 2024

Exhibit 2

Unit: NT$ thousand
(unless otherwise specified)

Name of the investing company	Name of the investee company (Note 1, 2, 3)	Territory	Principal Activities	Original investment amount: End of period	Original investment amount: End of last year	Ending balance: Number of Shares	Ending balance: Ratio	Ending balance: Book value	Investee's profit or loss for the current period (Note 2(2))	Investment incomes (losses) recognized in the period (Note 2(3))	Remarks
A Plus Biotechnology Co., Ltd.	A Plus(Cayman)Holding Inc	Cayman Islands	Holding company	$ 372,039	$ 372,039	25,029,267	100.00	$ 180,093	$ 5,739	$ 5,739	

Note 1: If a public entity has a foreign holding company and prepares its main financial statements using consolidated financial statements in accordance with local laws and regulations, it may disclose only the relevant information of the holding company with respect to its foreign investee companies.

Note 2: If the situation is not described in Note 1, please fill in as follows:

(1) The fields of "Name of Investee Company", "Location", "Principal Activities", "Initial Investment Amount" and "Shareholding at the End of the Period" shall be filled in according to the Investment re-investment of the Company (public company) and the investees directly or indirectly controlled by the Company, and the relationships between each investee and the Company (public company) (such as a Subsidiary or a second-tier Subsidiary) shall be indicated in the remark column.

(2) In the field of "Investee's profit or loss for the current period," the amount of each investee's current profit or loss should be filled in.

(3) In the field of "Investment gain or loss recognized in the current period," only the amount of gain or loss of each Subsidiary directly invested by the Company (publicly traded) and each investee under the Equity method is required to be filled in, and the rest can be left blank. When filling in the "Amount of current profit or loss of each Subsidiary recognized as a direct investment", it should be confirmed that the amount of current profit or loss of each Subsidiary already includes the Investment profit or loss that should be recognized for its re-investment in accordance with the regulations.

A Plus Biotechnology Co., Ltd.
Information on investment in China – Basic Information
January 1 to December 31, 2024

Exhibit 3

Unit: NT$ thousand
(unless otherwise specified)

Names of investees in mainland China	Principal Activities	Paid-in capital (Note 5)	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of current Period	Amount of investments remitted or recovered in current period		Accumulated remitted from Taiwan at the end of the period	Investee's profit or loss for the current period	The Company's shareholding of direct or indirect Investment	Investment gains and losses recognized during the period (Note 2(2)B)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period	Remarks
					O/R	Recover	Amount of capital						
A Plus (Shanghai) Trading Co., Ltd.	Sales of medical devices	$ 209,026	(2)	$ 372,039	$ -	$ -	$ 372,039	$ 5,904	100.00	$ 5,904	$ 188,346	$ -	

Name	Accumulated amount of investment from Taiwan to mainland China at the end of the Period	Investment amount approved by the Investment Commission, MOEA	Investment quota for mainland China as stipulated by the Investment Commission, MOEA
A Plus (Shanghai) Trading Co., Ltd.	$ 372,039	$ 372,039	$ 551,427

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:
(1) Engaged in direct investment in Mainland China
(2) Invest in China through a third regional company (A Plus (Cayman) Holding Inc. invests in A Plus (Shanghai) Trading Co., Ltd.).
(3) Other methods

Note 2: In the investment profit or loss recognized in the current period:
(1) If it is in preparation and has no investment profit or loss, it should be specified.
(2) The basis for recognizing investment gains and losses is classified into the following three categories, which should be specified.
A. Financial reports audited by international accounting firms in cooperation with Republic of China CPA firms.
B. Financial reports audited by the parent company's CPA in Taiwan
C. Others.

Note 3: Figures in this table are presented in NTD.

Note 4: The original investment amount of Taiwan investment A Plus (Cayman) Holding Inc. was US$7,926 thousand, and the paid-in capital of A Plus (Shanghai) Trading Co., Ltd. was US$6,733 thousand.

Note 5: The Board of Directors of A Plus (Shanghai) Trading Co., Ltd. passed a resolution on December 28, 2023, to reduce capital by US$4,467 thousand to offset a loss, resulting in a paid-in capital of US$6,733 thousand. The capital reduction procedure was completed on February 29, 2024.

A Plus Biotechnology Co., Ltd.
Cash and Cash Equivalents
December 31, 2024

Statement 1 Unit: NT$ thousand

Items	Summary	Amount
Cash on hand and petty cash		$ 249
Bank deposits		
Demand deposits - NTD		224,391
Demand deposits - foreign currency	USD 60,657.41, exchange rate 32.79 RMB 4,384,950.58, exchange rate 4.478	21,625
Check deposits		178
Time deposit	Interest rate: 1.225% from December 1, 2024 to January 28, 2025	31,200
		$ 277,643

A Plus Biotechnology Co., Ltd.
Accounts receivable
December 31, 2024

Statement 2 Unit: NT$ thousand

Name of Customer	Summary	Amount	Remarks
Customer A		$ 11,651	
Customer B		10,793	
Customer C		10,251	
Customer D		8,408	
Other		115,829	The balance of each individual customer did not exceed 5% of the balance of this account.
Subtotal		156,932	
Less: Allowance for losses		-	
Total		$ 156,932	

A Plus Biotechnology Co., Ltd.
Inventory
December 31, 2024

Statement 3 Unit: NT$ thousand

Items	Summary	Amount: Costs	Amount: Market price	Remarks
Raw materials		$ 4,693	$ 4,467	Net realizable value is the market price
Work in process		15,734	15,336	〃
Finished goods		138,517	638,802	〃
Inventory of goods		44,165	75,247	〃
Subtotal		203,109	$ 733,852	
Less: Allowance for valuation losses		(46,762)		
Total		$ 156,347		

A Plus Biotechnology Co., Ltd.
Investment under Equity Method
January 1, 2024 to December 31, 2024

Statement 4

Unit: NT$ thousand

Name of the investee company	Balance at beginning of period		Increase in the period (Note)		Decrease in the period (Note)		Balance, end of period			Market price or equity value		Evaluation Basis	Collateral or pledge
	Number of Shares (Thousand Shares)	Amount	Number of Shares (Thousand Shares)	Amount	Number of Shares (Thousand Shares)	Amount	Number of Shares (Thousand Shares)	Shareholding Ratio	Amount	Unit price	Total price		
A Plus(Cayman) Holding Inc.	25,029	$ 170,341	-	$ 12,002	-	($ 2,250)	25,029	0%	$ 180,093	$ 7.57	$ 189,489	Equity method	None

Note: The increase in the current period is due to investment gains and the exchange difference from the translation of the financial statements of foreign operations.

The decrease in the current period is due to the adjustment of unrealized sales gross margin.

A Plus Biotechnology Co., Ltd.
Property, plant, and equipment
December 31, 2024

Statement 5 Unit: NT$ thousand

Items	Balance at beginning of period	Increase in the current period	Decrease in current period	Current transfer	Balance, end of period
Costs:					
Land	$ 117,343	$ -	$ -	$ -	$ 117,343
Housing and construction	103,550	347	-	12,024	115,921
Machinery and equipment	7,652	214	(2,847)	-	5,019
Office equipment	3,093	97	(349)	1,038	3,879
Other equipment	34,510	5,062	(15,169)	276	24,679
Leasehold improvements	4,716	39	-	431	5,186
Unfinished construction	13,475	1,310	-	(14,573)	212
	284,339	7,069	(18,365)	(804)	272,239
Accumulated depreciation:					
Housing and construction	(6,655)	(4,291)	-	-	(10,946)
Machinery and equipment	(4,990)	(789)	2,847	-	(2,932)
Office equipment	(1,294)	(985)	349	-	(1,930)
Other equipment	(24,090)	(6,590)	15,169	-	(15,511)
Leasehold improvements	(2,921)	(1,133)	-	-	(4,054)
	(39,950)	(13,788)	18,365	-	(35,373)
Book value	$ 244,389	($ 6,719)	$ -	($ 804)	$ 236,866

A Plus Biotechnology Co., Ltd.
Accounts payable
December 31, 2024

Statement 6 Unit: NT$ thousand

Name of the recipient	Amount	Remarks
Vendor A	$ 19,028	
Vendor B	8,945	
Vendor C	7,053	
Vendor D	3,100	
Other	1,270	The balance of each small vendor did not exceed 5% of this account's balance
	$ 39,396	

A Plus Biotechnology Co., Ltd.
Other payables
December 31, 2024

Statement 7 | Unit: NT$ thousand

Items	Amount	Remarks
Salary and bonus payable	$ 34,905	
Remuneration to employees and directors payable	16,248	
Service fee payable	5,530	
Other	12,414	The balance of each minor item shall not exceed 5% of the balance of this account
	$ 69,097	

A Plus Biotechnology Co., Ltd.
Long-term loan
December 31, 2024

Statement 8

Unit: NT$ thousand

Creditors	Summary	Amount of loan	Contract period	Interest rate	Mortgage or Guarantee
First Commercial Bank	Secured loan	$ 91,920	2021.06.17-2041.06.17	2.075%	Properties at Nos. 21 and 23, Qiaohe Road, Zhonghe District, New Taipei City
Less: Long-term borrowings with maturity of less than one year		(4,721)			
		$ 87,199			

A Plus Biotechnology Co., Ltd.
Operating revenue
January 1, 2024 to December 31, 2024

Statement 9 Unit: NT$ thousand

Items	Quantity	Amount	Remarks
Revenue from sale of commodities	674,556 units	$ 674,821	
Sales return		(700)	
Sales discounts		(10,068)	
Subtotal		664,053	
Service revenue		4,442	
Total		$ 668,495	

A Plus Biotechnology Co., Ltd.
Operating cost
January 1, 2024 to December 31, 2024

Statement 10 Unit: NT$ thousand

Items	Amount	Remarks
Merchandise, beginning of period	$ 18,903	
Add: Purchases during the period	92,511	
Less: Merchandise, end of period	(44,165)	
Reclassified to expenses	(1,110)	
Cost of goods sold	66,139	
Raw materials, beginning of period	4,853	
Add: Materials purchased during the period	301	
Less: Raw materials, end of period	(4,693)	
Reclassified to expenses	(70)	
Raw materials consumed	391	
Direct labor	3,673	
Manufacturing expense	25,781	
Manufacturing cost	29,845	
Add: Work in progress at beginning of period	16,815	
Work in progress purchased during the current period	113,630	
Less: Work in progress at end of period	(15,734)	
Reclassified to expenses	(1,804)	
R&D materials transferred (recognized as other non-current assets)	(8,300)	
Cost of finished goods	134,452	
Add: Finished goods at beginning of period	147,801	
Finished goods purchased during the current period	3,128	
Less: Finished goods at end of period	(138,517)	
Reclassified to expenses	(3,373)	
Loss on finished goods	(1)	
R&D materials transferred (recognized as other non-current assets)	(3,010)	
Other	-	
Production and sales cost	140,480	
Allowance for inventory write-down	6,462	
Inventory losses	1	
Service cost	538	
Operating cost	$ 213,620	

A Plus Biotechnology Co., Ltd.
Manufacturing expense
January 1, 2024 to December 31, 2024

Statement 11 | Unit: NT$ thousand

Items	Amount	Remarks
Indirect labor	$ 7,098	
Depreciation expense	5,905	
Processing expense	4,744	
Other overheads	8,034	The balance of each minor item shall not exceed 5% of the balance of this account
	$ 25,781	

A Plus Biotechnology Co., Ltd.
Selling expenses
January 1, 2024 to December 31, 2024

Statement 12 Unit: NT$ thousand

Items	Amount	Remarks
Payroll expense	$ 65,261	
Travel expenses	12,672	
Advertising expense	6,956	
Depreciation expense	3,902	
Amortization expenses	389	
Other overheads	37,326	The balance of each minor item shall not exceed 5% of the balance of this account
	$ 126,506	

A Plus Biotechnology Co., Ltd.
Administrative Expense
January 1, 2024 to December 31, 2024

Statement 13 Unit: NT$ thousand

Items	Amount	Remarks
Payroll expense	$ 45,990	
Remuneration to directors	11,680	
Service expense	7,239	
Depreciation expense	4,818	
Amortization expenses	886	
Other overheads	23,445	The balance of each minor item shall not exceed 5% of the balance of this account
	$ 94,058	

A Plus Biotechnology Co., Ltd.
R&D expenses
January 1, 2024 to December 31, 2024

Statement 14 Unit: NT$ thousand

Items	Amount	Remarks
Payroll expense	$ 13,048	
R&D expenses - others	8,385	
R&D expenses - inspection expenses	6,819	
Service expense	6,170	
Depreciation expense	3,599	
Amortization expenses	1,799	
Other overheads	13,525	The balance of each minor item shall not exceed 5% of the balance of this account
	$ 53,345	

A Plus Biotechnology Co., Ltd.
Statement of current employee benefits, depreciation, depletion, and amortization expenses by function
January 1, 2024 to December 31, 2024

Statement 15 | Unit: NT$ thousand

By function / By nature	2024			2023		
	Classified as Operating Cost	Classified as Operating Expense	Total	Classified as Operating Cost	Classified as Operating Expense	Total
Employee benefit expense						
Payroll expense	$ 10,774	$ 124,299	$ 135,073	$ 11,258	$ 99,732	$ 110,990
Employee stock option	-	1,203	1,203	-	-	-
Labor and health insurance expense	1,143	9,594	10,737	1,051	8,508	9,559
Pension expense	535	4,527	5,062	476	3,987	4,463
Remuneration to directors	-	11,680	11,680	-	2,687	2,687
Other employee benefit expenses	761	6,162	6,923	297	4,687	4,984
Depreciation expense	5,905	12,319	18,224	4,808	12,081	16,889
Amortization expenses	-	3,074	3,074	-	3,924	3,924

Note: The number of employees for the current year and the previous year was 142 and 125, respectively. Among them, 4 Directors do not concurrently serve as employees.