

**AMCAD BIOMED CORPORATION  
PARENT COMPANY ONLY  
FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT AUDITORS  
FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

Address: 5F., No.167, Fuxing N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)  
Telephone: 886-2-2713-6227

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these parent company only financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language parent company only financial statements shall prevail.

## **Independent Auditors' Report Translated from Chinese**

To AmCad BioMed Corporation

### **Opinion**

We have audited the accompanying parent company only balance sheets of AmCad BioMed Corporation (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 ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the Parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and their parent company only financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue Recognition

The Company recognized operating revenue amounts to NT\$ 11,704 thousand in 2024. The Company's principal activities consist of revenue from medical diagnosis products. The Company recognizes revenue from medical diagnosis products when it satisfies a performance obligation and the recognition timing. Therefore, we considered this a key audit matter.

Our audit procedures include but are not limited to understanding the trading manners through walkthrough and evaluating the appropriateness of the accounting policy related to revenue recognition from the sale of medical diagnosis products and the transactions made from sales by testing the internal control effectiveness determined by management. We confirm that the timing of recognizing revenue is when performance obligations are met by reviewing the terms of transaction. We confirm the correctness of recognizing revenue from sale of medical diagnosis products and the existence of sales revenue by performing transactions' detail testing which includes reviewing vouchers of selected samples and cash receipts record. We check transaction records to confirm the occurrence of the revenue. We perform cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.

Please refer to Note 4 and 6. (14) for revenue related accounting policies and information.

## Impairment of assets

As of December 31, 2024, the total net amount of investments accounted for under the equity method, property, plant and equipment, right-of-use assets and intangible assets of the Company was NT\$184,905 thousand, accounted for 32 % of the total assets. The Company is engaged in medical diagnosis product research and development company. The Company is still at loss position in 2024 because the medical diagnosis products are still at development stage. As of the balance sheet date, the Company based on the external and internal sources to assess whether there is any indication of impairment. If there is indication of impairment, the impairment testing for above assets is required. The result of impairment evaluation is significant to the parent company only financial statements. Therefore, we consider impairment assessment as a key audit matter.

We have conducted audit procedures including but not limited to obtain representation letter; to examine the evaluation of the Company made on possibility of impairment and its cash generating unit; to obtain the information on assessing the recoverable amount and assumptions for the intangible assets regularly impairment with indefinite life. We also examined the historical and other business' financial information to evaluate whether the assumptions such as sales growth rate, gross margin, operating profit margin, and discount rate applied in the cash flow forecast are reasonable and are in conformity. We review the accuracy of the calculation for the amount recoverable. In Note 4 and 5 of parent company only financial statements to assess the appropriateness of the accounting policies and disclosures relating to the impairment of assets.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

## **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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Yu, Chien-Ju  
/s/Chang, Chiao-Ying  
Ernst & Young, Taiwan  
February 25, 2025

**Notice to Readers**

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translations of Financial Statements Originally Issued in Chinese

AMCAD BIOMED CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	As of	
		December 31, 2024	December 31, 2023
<b>Current assets</b>			
Cash and cash equivalents	4, 6	\$7,898	\$16,990
Financial assets at fair value through profit and loss, current	4, 6	4,000	5,000
Financial assets at amortized cost, current	4, 6, 8	255,370	155,060
Accounts receivable, net	4, 6	5,563	959
Accounts receivable-related parties, net	4, 6, 7	11	14
Current tax assets	4	7	-
Inventories	4, 6	4,878	3,454
Prepayments		1,186	1,613
Other current assets		321	165
Total current assets		<u>279,234</u>	<u>183,255</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6	125,676	28,059
Investments accounted for under the equity method	4, 6	94,878	96,410
Property, plant and equipment	4, 6	67,285	65,065
Right-of-use assets	4, 6, 7	7,452	8,076
Intangible assets	4, 6	15,290	20,326
Refundable deposits	8	862	1,292
Total non-current assets		<u>311,443</u>	<u>219,228</u>
<b>Total assets</b>		<u><u>\$590,677</u></u>	<u><u>\$402,483</u></u>

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese

AMCAD BIOMED CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	As of	
		December 31, 2024	December 31, 2023
<b>Current liabilities</b>			
Contract liabilities, current	4, 6	\$-	\$1,501
Accounts payable		2,397	974
Other payables	6, 7	11,445	10,759
Lease liabilities, current	4, 6, 7	2,175	1,453
Other current liabilities		370	280
Total current liabilities		<u>16,387</u>	<u>14,967</u>
<b>Non-current liabilities</b>			
Lease liabilities, non-current	4, 6, 7	5,350	6,645
Guarantee deposit received		288	288
Total non-current liabilities		<u>5,638</u>	<u>6,933</u>
Total liabilities		<u>22,025</u>	<u>21,900</u>
<b>Equity</b>			
Capital			
Common stock	4, 6	633,329	532,564
Capital collected in advance		-	742
Total capital		<u>633,329</u>	<u>533,306</u>
Capital surplus	4, 6	141,523	8,016
Retained earnings	6		
Accumulated deficits		(199,320)	(148,743)
Other components of equity			
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		(6,880)	(11,996)
Total equity		<u>568,652</u>	<u>380,583</u>
<b>Total liabilities and equity</b>		<u><u>\$590,677</u></u>	<u><u>\$402,483</u></u>

(The accompanying notes are an integral part of the parent company only financial statements.)



English Translations of Financial Statements Originally Issued in Chinese

AMCAD BIOMED CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended December 31,	
		2024	2023
<b>Operating revenue</b>	4, 6, 7	\$11,704	\$12,358
<b>Operating costs</b>	4, 6, 7	(4,398)	(4,777)
<b>Gross profit</b>		7,306	7,581
<b>Operating expenses</b>	4, 6, 7		
Sales and marketing expense		(13,527)	(14,238)
General and administrative expense		(26,784)	(23,083)
Research and development expense		(25,790)	(25,922)
Total operating expenses		(66,101)	(63,243)
<b>Operating loss</b>		(58,795)	(55,662)
<b>Non-operating income and expenses</b>			
Interest income	6	3,566	2,657
Other income	4, 6	6,556	6,379
Other gains and losses	4, 6	(236)	(80)
Financial costs	4, 6, 7	(136)	(51)
Share of profit or loss of subsidiary, associates and joint ventures accounted for using the equity method	4, 6	(1,532)	1,443
Total non-operating income and expenses		8,218	10,348
<b>Net loss before income tax</b>		(50,577)	(45,314)
<b>Income tax expense</b>	4, 6	-	-
<b>Net loss</b>		(50,577)	(45,314)
<b>Other comprehensive income (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Unrealized gain or losses on financial assets at fair value through other comprehensive income	4, 6	5,116	(681)
Total other comprehensive income, net of tax		5,116	(681)
<b>Total comprehensive loss</b>		\$(45,461)	\$(45,995)
<b>Earnings (loss) per share-basic (in NT\$)</b>			
Loss per share-basic	6		
Net loss		\$(0.88)	\$(0.85)

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese

AMCAD BIOMED CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings	Other components of equity	
	Common stock	Advance receipts for share capital	Capital surplus	Accumulated deficits	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	Total equity
Balance as of January 1, 2023	\$532,214	\$-	\$95,738	\$(192,055)	\$(11,315)	\$424,582
Capital surplus for accumulated deficit	-	-	(88,626)	88,626	-	-
Net loss for the year ended December 31, 2023	-	-	-	(45,314)	-	(45,314)
Other comprehensive income, net of tax for the year ended December 31, 2023	-	-	-	-	(681)	(681)
Total comprehensive income (loss)	-	-	-	(45,314)	(681)	(45,995)
Share-based payment transactions	350	742	904	-	-	1,996
Balance as of December 31, 2023	\$532,564	\$742	\$8,016	\$(148,743)	\$(11,996)	\$380,583
Balance as of January 1, 2024	\$532,564	\$742	\$8,016	\$(148,743)	\$(11,996)	\$380,583
Net loss for the year ended December 31, 2024	-	-	-	(50,577)	-	(50,577)
Other comprehensive income, net of tax for the year ended December 31, 2024	-	-	-	-	5,116	5,116
Total comprehensive income (loss)	-	-	-	(50,577)	5,116	(45,461)
Issue of shares	100,000	-	130,000	-	-	230,000
Share-based payment transactions	765	(742)	3,507	-	-	3,530
Balance as of December 31, 2024	\$633,329	\$-	\$141,523	\$(199,320)	\$(6,880)	\$568,652

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese

AMCAD BIOMED CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,	
	2024	2023
<b>Cash flows from operating activities :</b>		
Net loss before tax	\$(50,577)	\$(45,314)
Adjustments		
Depreciation	6,317	5,575
Amortization	5,036	5,583
Net gain on financial assets at fair value through profit or loss	-	14
Interest expense	136	51
Interest revenue	(3,566)	(2,657)
Dividend income	(900)	(405)
Share-based payment	2,902	676
Share of loss of subsidiary, associates and joint ventures accounted for using the equity method	1,532	(1,443)
Loss on disposal of property, plant and equipment	188	150
Gain on disposal of investments	(29)	(15)
Gain on lease modification	-	(1)
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,604)	(609)
Accounts receivable-related parties, net	3	89
Inventories, net	(5,240)	(1,198)
Prepayments	427	(908)
Other current assets	(156)	(43)
Contract liabilities	(1,501)	(184)
Accounts payable	1,423	773
Other payables	686	(2,482)
Other current liabilities	90	(33)
Cash outflow generated from operations	<u>(47,833)</u>	<u>(42,381)</u>
Interest received	3,566	2,657
Dividend received	900	405
Interest paid	(136)	(51)
Income tax paid	(7)	-
Net cash used in operating activities	<u>(43,510)</u>	<u>(39,370)</u>
<b>Cash flows from investing activities :</b>		
Acquisition Financial assets at fair value through other comprehensive income, non-current	(92,501)	-
Acquisition Financial assets at amortized cost	(254,390)	-
Proceed from redemption of financial assets measured at amortized cost	154,080	52,080
Acquisition in financial assets fair value through profit and loss, current	(63,700)	(5,000)
Proceeds from disposal of financial assets at fair value through profit and loss, current	64,729	3,016
Acquisition of property, plant and equipment	(2,550)	-
Increase in refundable deposits	430	(383)
Net cash (used in) provided by investing activities	<u>(193,902)</u>	<u>49,713</u>
<b>Cash flows from financing activities :</b>		
Cash payment for the principal portion of the lease liabilities	(2,308)	(1,501)
Proceeds from issuing shares	230,000	-
Exercise of employee stock options	628	1,320
Net cash provided by (used in) financing activities	<u>228,320</u>	<u>(181)</u>
Net (decrease) increase in cash and cash equivalents	(9,092)	10,162
Cash and cash equivalents at beginning of year	16,990	6,828
Cash and cash equivalents at end of year	<u>\$7,898</u>	<u>\$16,990</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Parent Company Only Financial Statements Originally Issued in Chinese  
AMCAD BIOMED CORPORATION  
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

AmCad BioMed Corporation (“the Company”) was incorporated on December 26, 2008. The Company’s common shares were publicly listed on Taipei Exchange on March 24, 2015. The Company’s registered office and the main business location is at 5F, No.167, Fuxing N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.).

AmCad is currently developing high-end Computer-Aided Detection and Diagnosis (CAD) software device. The Company is a world leader in the development of AmCAD-UT® Detection, a CAD device for ultrasound images of thyroid nodules, which has obtained US FDA clearance, CE Mark, CFDA and TFDA approvals and completed the authorization of the China regional distribution rights. AmCAD-UO has also obtained US FDA and CE Mark approvals and planned to gradually promote to the global market. With its proprietary image analyzing technology, the Company will continue to build other core technology platforms such as AmCAD-UV and AmCAD-US, and to develop other high-end medical devices.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements (“The Company”) for the years ended December 31, 2024 and 2023, were authorized for issue by the Board of Directors on February 25, 2025.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

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

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1
- (2) Amendments to IFRS 7
- (3) Amendments to Guidance on implementing IFRS 7
- (4) Amendments to IFRS 9
- (5) Amendments to IFRS 10
- (6) Amendments to IAS 7

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (c) 、(e) and (f), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of material accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that 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 profit or loss and other comprehensive income attributable to stockholders of the parent presented in consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.



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Notes to Parent Company Only Financial Statements (Continued)  
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(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at its respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(4) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Company holds the asset primarily for the purpose of trading
- C. The Company expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle
- B. The Company holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Company's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

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Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

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Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

**B. Impairment of financial assets**

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

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

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measure the loss allowance at an amount equal to lifetime expected credit losses.

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At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

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

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Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

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

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

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

(7) Fair value measurement

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

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(8) Inventories

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

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

Raw materials – Purchase at actual cost, on a weighted average basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

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

(9) Investments accounted for using the equity method

According to Art. 21 of Regulation Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in its subsidiaries are presented as Investments accounted for using equity method with necessary adjustments so that the net income and other comprehensive income of individual financial report equal the net income and other comprehensive income attributed to the parent of consolidated financial report, and that the shareholder's equity of individual financial report equals the shareholder's equity attributed to the parent of consolidated financial report. Considering the accounting treatment for investment in subsidiaries specified in IFRS 10 "Consolidated Financial Reports", and the different accounting treatments for different level of investees, necessary adjustments are made by debiting or crediting "Investments accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method", and "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method".



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The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

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

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(10) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

Building and structures	40 years
Machinery and equipment	5 years
Molding equipment	5 years
Office equipment	3 years
Other equipment	3~5 years

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

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The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(11) Leases

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

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;  
and
- B. the right to direct the use of the identified asset.

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

Company as a lessee

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

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

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- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

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

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use assets, the Company measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use assets applying a cost model.

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

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

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

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

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(12) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

- A. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- B. Its intention to complete and its ability to use or sell the asset
- C. How the asset will generate future economic benefits
- D. The availability of resources to complete the asset
- E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

A summary of the policies information applied to the Company's intangible assets is as follows:

	<u>Proprietary technology</u>	<u>Royalties</u>	<u>Computer software</u>
Useful lives	Finite	Finite	Finite
Amortization method used	Amortized on a straight-line basis over the period of the authorization	Amortized on a straight-line basis over the period of the authorization	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired
Amortized lives	15 years	10~15 years	3~5 years

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(13) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(14) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

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Provision for Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgments and other known factors.

(15) Revenue recognition

The revenue from the contract between the Company and the customer mainly includes sales of goods and royalty revenue. The accounting treatments are described as follows:

Sales of goods

Revenue from sales of goods is recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Company are medical diagnosis product. The Company recognizes revenue from the description of the contracts.

The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

Rendering of services

The Company charged a service fee by rendering medical equipment installation service and by rendering maintenance service. Revenue from rendering of services is recognized when the service is completed. The timing of recognizing revenue is when performance obligations are met.

(16) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.



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Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(17) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

(18) Share-based payment transactions

The cost of equity-settled transactions between the Company and its employee is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

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

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

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Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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

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

(19) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

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

The additional income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

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

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Notes to Parent Company Only Financial Statements (Continued)  
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Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Operating lease commitment-Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	December 31, 2024	December 31, 2023
Cash on hand	\$10	\$10
Checking and saving accounts	7,888	3,000
Time deposits	-	13,980
Total	<u>\$7,898</u>	<u>\$16,990</u>

(2) Financial assets at fair value through profit or loss, current

	As of	
	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Listed open-ended fund	<u>\$4,000</u>	<u>\$5,000</u>

Financial assets at fair value through profit or loss were not pledged.

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

	As of	
	December 31, 2024	December 31, 2023
Equity instrument investments measured at fair value through other comprehensive income		
Stock of listed company	\$123,720	\$20,588
Stock of non-listed company	1,956	7,471
Total	<u>\$125,676</u>	<u>\$28,059</u>

Financial assets at fair value through other comprehensive income were not pledged.

The Company's dividend income related to equity instrument investment measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follow:

	For the years ended December 31	
	2024	2023
Related to investments held at the end of the reporting period	\$900	\$405
Related to investments derecognized during the period	-	-
Dividends recognized during the period	<u>\$900</u>	<u>\$405</u>

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(4) Financial assets measured at amortized cost, current

	As of	
	December 31, 2024	December 31, 2023
Time deposits with more than three-months maturity	\$255,370	\$155,060
Less: loss allowance	-	-
Total	<u>\$255,370</u>	<u>\$155,060</u>

Financial assets measured at amortized cost were not pledged.

(5) Accounts receivable and accounts receivable-related parties

	As of	
	December 31, 2024	December 31, 2023
Accounts receivable	\$5,563	\$959
Less: loss allowance	-	-
Subtotal	<u>5,563</u>	<u>959</u>
Accounts receivable-related parties	11	14
Less: loss allowance	-	-
Subtotal	<u>11</u>	<u>14</u>
Total	<u>\$5,574</u>	<u>\$973</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90-day terms. The total carrying amount as of December 31, 2024 and 2023 are NT\$5,574 thousand and NT\$973 thousand, respectively. Please refer to Note 12 for detail on credit risk management.

The Company measures the allowance of its receivables at an amount equal to lifetime expected credit losses. The historical credit loss experience shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance is measured at an amount equal to lifetime expected credit losses and with no distinction between groups. In addition, based on the historical default rate and subsequent collections, the Company assesses that there are no material credit losses on receivables which are not overdue or overdue within 90 days from customers with great credit ratings. The relevant information of provision matrix as of December 31, 2024 and 2023, was as follows:

As of December 31, 2024

	Overdue					
	Not yet due	<=90 days	91-180 days	181-365 days	>366 days	Total
Gross carrying amount	\$5,574	\$-	\$-	\$-	\$-	\$5,574
Loss rate	-	-	-	-	-	-
Lifetime expected credit losses	-	-	-	-	-	-
Total						<u>\$5,574</u>

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As of December 31, 2023

	Not yet due	Overdue				Total
		<=90 days	91-180 days	181-365 days	>366 days	
Gross carrying amount	\$973	\$-	\$-	\$-	\$-	\$973
Loss rate	-	-	-	-	-	-
Lifetime expected credit losses	-	-	-	-	-	-
Total						<u>\$973</u>

(6) Inventories

	As of	
	December 31, 2024	December 31, 2023
Raw materials	\$1,219	\$1,203
Work in progress	2,613	1,633
Finished goods	448	475
Merchandise	598	143
Total	<u>\$4,878</u>	<u>\$3,454</u>

The cost of inventories recognized in expenses amounts to NT\$4,398 thousand and NT\$4,777 thousand for the years ended December 31, 2024 and 2023, respectively. The cost including the write-down of inventories were both NT\$0 thousand.

No inventories were pledged.

(7) Investments accounted for under the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As of			
	December 31, 2024		December 31, 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Broadsound Corporation	<u>\$94,878</u>	40%	<u>\$96,410</u>	40%

Investment in subsidiary was accounted for investment accounted for under equity method when preparing the parent company only financial statements.

No investments were pledged.

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(8) Property, plant and equipment

	As of	
	December 31, 2024	December 31, 2023
Owner occupied property, plant and equipment	\$66,804	\$64,084
Property, plant and equipment leased out under operating leases	481	981
Total	<u>\$67,285</u>	<u>\$65,065</u>

Owner occupied property, plant and equipment

	Land	Building and structures	Machinery and equipment	Molding equipment	Office equipment	Other equipment	Equipment under acceptance	Total
Cost:								
As of January 1, 2024	\$52,941	\$8,142	\$-	\$13,890	\$-	\$3,480	\$-	\$78,453
Additions	-	-	-	-	-	-	2,550	2,550
Disposal	-	-	-	(13,890)	-	(1,714)	-	(15,604)
Reclassification	-	-	-	-	-	4,314	-	4,314
As of December 31, 2024	<u>\$52,941</u>	<u>\$8,142</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$6,080</u>	<u>\$2,550</u>	<u>\$69,713</u>
As of January 1, 2023	\$52,941	\$8,142	\$15	\$13,890	\$698	\$9,457	\$-	\$85,143
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	(15)	-	(698)	(6,206)	-	(6,919)
Reclassification	-	-	-	-	-	229	-	229
As of December 31, 2023	<u>\$52,941</u>	<u>\$8,142</u>	<u>\$-</u>	<u>\$13,890</u>	<u>\$-</u>	<u>\$3,480</u>	<u>\$-</u>	<u>\$78,453</u>
Depreciation and impairment:								
As of January 1, 2024	\$-	\$1,035	\$-	\$11,575	\$-	\$1,759	\$-	\$14,369
Additions	-	203	-	2,315	-	1,203	-	3,721
Disposal	-	-	-	(13,890)	-	(1,526)	-	(15,416)
Reclassification	-	-	-	-	-	235	-	235
As of December 31, 2024	<u>\$-</u>	<u>\$1,238</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,671</u>	<u>\$-</u>	<u>\$2,909</u>
As of January 1, 2023	\$-	\$831	\$15	\$8,797	\$698	\$7,276	\$-	\$17,617
Additions	-	204	-	2,778	-	855	-	3,837
Disposal	-	-	(15)	-	(698)	(6,056)	-	(6,769)
Reclassification	-	-	-	-	-	(316)	-	(316)
As of December 31, 2023	<u>\$-</u>	<u>\$1,035</u>	<u>\$-</u>	<u>\$11,575</u>	<u>\$-</u>	<u>\$1,759</u>	<u>\$-</u>	<u>\$14,369</u>
Net carrying amount as of:								
December 31, 2024	<u>\$52,941</u>	<u>\$6,904</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,409</u>	<u>\$2,550</u>	<u>\$66,804</u>
December 31, 2023	<u>\$52,941</u>	<u>\$7,107</u>	<u>\$-</u>	<u>\$2,315</u>	<u>\$-</u>	<u>\$1,721</u>	<u>\$-</u>	<u>\$64,084</u>



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The above-mentioned land and building are purchased for self-use by the Company. However, the overall operating site of the Company is to be planned and leased temporarily before being used for self-use, considering the effective use of assets. As the Company does not hold this property for rent or capital appreciation or both, it is not an investment property.

Property, plant and equipment were not pledged.

(9) Intangible assets

	Computer software	Proprietary technology	Royalties	Total
Cost:				
As of January 1, 2024	\$1,540	\$74,700	\$4,500	\$80,740
Disposal	-	-	-	-
As of December 31, 2024	<u>\$1,540</u>	<u>\$74,700</u>	<u>\$4,500</u>	<u>\$80,740</u>
As of January 1, 2023	\$1,540	\$74,700	\$4,500	\$80,740
Disposal	-	-	-	-
As of December 31, 2023	<u>\$1,540</u>	<u>\$74,700</u>	<u>\$4,500</u>	<u>\$80,740</u>
Amortization and impairment:				
As of January 1, 2024	\$1,446	\$56,143	\$2,825	\$60,414
Amortization	94	4,642	300	5,036
Disposal	-	-	-	-
As of December 31, 2024	<u>\$1,540</u>	<u>\$60,785</u>	<u>\$3,125</u>	<u>\$65,450</u>
As of January 1, 2023	\$1,143	\$51,163	\$2,525	\$54,831
Amortization	303	4,980	300	5,583
Disposal	-	-	-	-
As of December 31, 2023	<u>\$1,446</u>	<u>\$56,143</u>	<u>\$2,825</u>	<u>\$60,414</u>
Net carrying amount as of:				
December 31, 2024	<u>\$-</u>	<u>\$13,915</u>	<u>\$1,375</u>	<u>\$15,290</u>
December 31, 2023	<u>\$94</u>	<u>\$18,557</u>	<u>\$1,675</u>	<u>\$20,326</u>

Amortization expense of intangible assets under the statements of comprehensive income:

	For the years ended December 31,	
	2024	2023
Operating expenses – R & D Expense	<u>\$5,036</u>	<u>\$5,583</u>

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A. Intangible asset — Proprietary technology: The technology contribution of NT\$26,500 thousand was made in consideration of shares as a form of capital injection in connection with the provided knowledge and expertise in Ultrasound CAD and cancer related diagnosis in 2009. In 2012, Tsung-Shann Jiang, one of the shareholders voluntarily surrendered his technology shares in the amount of NT\$6,250 thousand; therefore, the technology contribution amounted to NT\$20,250 thousand. In 2013, the technology contributed to the share price in the amount of NT\$54,450 thousand, totaling NT\$74,700 thousand, amortized over 15 years.

B. Intangible asset — royalties: The Company paid royalties in the amount of NT\$4,500 thousand to obtain the proprietary technology licensing of “AmCAD-US platform and to be amortized over the amortization period of 15 yeas.

C. Computer software is amortized over 3~5 years by straight-line method.

(10) Other payables

	As of	
	December 31, 2024	December 31, 2023
Salaries and bonuses payable	\$4,643	\$4,344
Labor and health insurance and pension expense payable	699	674
Commissioned research payable	2,056	4,178
Equipment payable	2,250	-
Others (Note)	1,797	1,563
Total	<u>\$11,445</u>	<u>\$10,759</u>

Note: Individual amounts of other payables less than NT\$1,000 thousand were aggregated and disclosed as others.

(11) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Act, monthly contributions shall not be less than 6% of the employees' monthly wages. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT\$1,274 thousand and NT\$1,167 thousand, respectively.

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(12)Equities

A. Common stock

- (a) The Company's authorized capital was both NT\$1,000,000 thousand as of December 31, 2023; while the issued capital was NT\$532,214 thousand as at December 31, 2023, respectively. The Company has issued 53,221 thousand common shares as of December 31, 2023, each at a par value of NT\$10. All of the shares are common stock; including shares issued in consideration of the technology contribution in the amount of NT\$74,700 thousand.
- (b) Employees exercised 80 units of stock options for the year ended December 31, 2023, to issue 80 thousand common shares. Among these, 35 thousand common shares were approved by the board of directors on November 2, 2023, as the base date for capital increase. The abovementioned capital increase was approved and registered by the competent authority. Another 45 units, recorded as an advance received for share capital of NT\$742 thousand as of December 31, 2023, were approved by the board of directors on February 23, 2024, as the base date for capital increase. The abovementioned capital increase was approved and registered by the competent authority on March 19, 2024.
- (c) Employees exercised 32 units of stock options for the year ended December 31, 2024, to issue 32 thousand common shares. Among these, 17 thousand common shares were approved by the board of directors on May 2, 2024, as the base date for capital increase. The abovementioned capital increase was approved and registered by the competent authority. Another 15 thousand common shares were approved by the board of directors on October 31, 2024, as the base date for capital increase. The abovementioned capital increase was approved and registered by the competent authority.
- (d) In July, 2024, the Company's Board of Directors resolved to conduct a capital increase by cash of NT\$230,000 thousand, issuing 10,000 thousand new shares at an issuance price of NT\$23 per share. The capital has been fully paid up, and the resolution was approved by the board of directors on July 24, 2024. The abovementioned capital increase was approved and registered by the competent authority.

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(e) The Company's authorized capital were both NT\$1,000,000 thousand as of December 31, 2024, and 2023; while the issued capital were NT\$633,329 thousand and NT\$532,564 thousand as of December 31, 2024, and 2023, respectively. The Company has issued 63,333 thousand common shares and 53,256 thousand common shares as of December 31, 2024, and 2023, respectively, each at a par value of NT\$10. All of the shares are common stocks; including shares issued in consideration of the technology contribution in the amount of NT\$74,700 thousand.

B. Capital surplus

	As of	
	December 31, 2024	December 31, 2023
Additional paid-in capital	\$133,345	\$389
Employee stock option	1,811	2,332
Change in ownership interests in subsidiary	940	940
Other	5,427	4,355
Total	<u>\$141,523</u>	<u>\$8,016</u>

The Company resolved by Shareholder's meeting on May 18, 2023 to cover accumulated deficit by capital surplus of NT\$88,626 thousand.

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

The Company's original Articles of Incorporation provided that after-tax earnings shall first offset against any deficit, and 10% of the balance shall be set as legal reserve. After deducting items above from the current year's earnings, no less than 50% of the remaining amount together with the prior years' unappropriated earnings is to be allocated. The distribution will be recommended by the board of directors and resolved in the shareholders' meeting. Please refer to Note 6. (16) for further details on employees' compensation and remuneration to directors and supervisors.

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The Company's operation is at the growth stage, so, in principle, the dividend policy is to distribute 50% cash dividends and 50% stock dividends, taking into consideration the cash flow, earnings, future expansion of the Company, and external competitive environment.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to offset the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Pursuant to existing regulations, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The shareholder's meetings approved the 2023 and 2022 earnings distribution on June 26, 2024 and May 18, 2023, respectively; the company resolved not to distribute earnings since the accumulated deficits had yet to be covered.

The board of directors' meeting approved the 2024 earnings distribution on February 25, 2025, the company approved not to distribute earnings since the accumulated deficits had yet to be covered.

(13) Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

A. Share-based payment plan for employees of the parent entity

On July 20, 2017, April 17, 2019, July 29, 2021 and July 10, 2023 the Company was authorized by the Securities and Futures Bureau of the FSC, Executive Yuan, to issue employee share options with a total number of 600, 500, 1,000 and 500 units. Each unit entitles an optionee to subscribe for 1,000 shares of the Company's common shares. The exercise price of the option was set at the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the Company.

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The fair value of the share options is estimated at the grant date using a Black-Scholes option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The relevant details of the aforementioned share-based payment plan are as follows:

Date of grant	Total number of share options granted (in unit)	Exercise price of share options (NT\$)
2017.08.04	160	28.89
2018.02.23	50	28.89
2019.08.02	290	24.42
2020.02.21	140	22.46
2021.08.05	260	16.11
2022.05.09	90	16.65
2023.08.02	80	21.88
2023.11.10	70	24.51

The following table contains further details on the aforementioned share-based payment plan:

	For the years ended December 31,			
	2024		2023	
	Number of share options outstanding (in unit)	Weighted average exercise price of share options (NT\$)	Number of share options outstanding (in unit)	Weighted average exercise price of share options (NT\$)
Outstanding at beginning of period	445	\$22.01	455	\$20.52
Granted	-	-	150	23.66
Forfeited	(48)	21.01	(80)	22.19
Exercised	(32)	19.66	(80)	16.50
Expired	(50)	28.89	-	-
Outstanding at end of period	315	\$20.51	445	\$22.01
Exercisable at end of period	110		94.5	
For share options granted during the period, weighted average fair value of those options at the measurement date (NT\$)	\$-		\$7.52	

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The information on the outstanding share options as of December 31, 2024 and 2023 is as follows:

	Range of exercise price	Weighted average remaining contractual life (Years)
As of December 31, 2024		
share options outstanding at the end of the period	\$24.51	3.86
share options outstanding at the end of the period	\$21.88	3.59
share options outstanding at the end of the period	\$16.65	2.35
share options outstanding at the end of the period	\$16.11	1.59
share options outstanding at the end of the period	\$22.46	2.14
share options outstanding at the end of the period	\$24.42	1.58
share options outstanding at the end of the period	\$28.89	0.15
As of December 31, 2023		
share options outstanding at the end of the period	\$25.10	4.86
share options outstanding at the end of the period	\$22.40	4.59
share options outstanding at the end of the period	\$17.05	3.35
share options outstanding at the end of the period	\$16.50	2.60
share options outstanding at the end of the period	\$23.00	3.14
share options outstanding at the end of the period	\$25.00	2.58
share options outstanding at the end of the period	\$30.00	0.59-1.15

The following table lists the inputs to the model used for the plan granted during the year ended December 31, 2023 :

	For the year ended December 31, 2023
Expected volatility (%)	38.51%-40.71%
Risk-free interest rate (%)	1.07%-1.17%
Expected option life (Years)	3.88
Weighted average share price (\$)	\$6.93-\$8.19
Option pricing model	Black-Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

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B. The Company-Capital increase by cash reserved for employee share

On May 2, 2024, the Company's Board of Directors resolved a cash offering of new shares; 10% of the new shares shall be reserved for subscription by qualified employees in compliance with Company Act. The grant date was July 1, 2024, and the subscription price per share was NT\$23. The company used the Black-Scholes option pricing model to estimate the fair value of the granted subscription rights, with a fair value per unit of NT\$4.1565.

The weighted average information for each parameter of the valuation model and the fair value information of the stock subscription rights are as follows:

Exercise price(NT\$)	\$27.10
Expected volatility	43.34%
Expected term (years)	0.05
Expected dividend yield	0.00%
Risk-free interest rate	1.21%

From January 1 to December 31, 2024, the company recognized compensation costs of NT\$2,161 thousand for employee stock subscription rights related to the cash capital increase. For the employee participation in the capital increase, NT\$8,064 thousand was recognized as capital surplus - share premium, and for the portion of the subscription rights forfeited by employees, NT\$208 thousand was recognized as capital surplus - expired employee stock subscription rights.

C. Modification or cancellation of the share-based payment plan for employees

There have been no cancellations or modifications to any of the plans for the years ended December 31, 2024 and 2023.

D. The expense recognized for employee services received for the years ended December 31, 2024 and 2023, is shown in the following table.

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Total expense arising from equity-settled share-based payment transactions	<u>\$2,902</u>	<u>\$676</u>



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(14) Operating revenue

A. Disaggregation of revenue

	For the years ended December 31,	
	2024	2023
Revenue from contracts with customers		
Medical diagnostic products	\$9,187	\$9,571
Rendering service	523	98
Subtotal	9,710	9,669
Other	1,994	2,689
Total	<u>\$11,704</u>	<u>\$12,358</u>

Revenues are recognized when they satisfy the performance obligation and the recognition timing.

B. Analysis of revenue from contracts with customers during the year ended December 31, 2024 and 2023 are as follow:

Contract balances

Contract liabilities, current

	As of		
	December 31, 2024	December 31, 2023	January 1, 2023
Sales revenue	<u>\$-</u>	<u>\$1,501</u>	<u>\$1,685</u>

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

	For the years ended December 31,	
	2024	2023
The opening balance transferred to revenue	<u>\$(1,501)</u>	<u>\$184</u>

(15) Operating leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings and structures. The lease terms range 1-9 years.

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The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of	
	December 31, 2024	December 31, 2023
Buildings and structures	\$7,206	\$7,407
Transportation equipment	246	669
Total	<u>\$7,452</u>	<u>\$8,076</u>

During the year ended December 31, 2024 and 2023, the Company's additions to right-of-use assets amounting to NT\$1,735 thousand and NT\$8,697 thousand.

(ii) Lease liabilities

	As of	
	December 31, 2024	December 31, 2023
Lease liabilities	<u>\$7,525</u>	<u>\$8,098</u>
Current	\$2,175	\$1,453
Non-current	\$5,350	\$6,645

Please refer to Note 6. (17) (D) for the financial cost interest expense on lease liabilities recognized during the years ended December 31, 2024 and 2023 and refer to Note 12. (5) liquidity risk management for the maturity analysis for lease liabilities as at December 31, 2024 and 2023.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2024	2023
Buildings and structures	\$1,936	\$1,088
Transportation equipment	423	426
Total	<u>\$2,359</u>	<u>\$1,514</u>

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(c) Income and cost relating to leasing activities

	For the years ended December 31,	
	2024	2023
The expenses relating to short-term leases	\$4	\$-

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounting to NT2,448 thousand and NT\$1,552 thousand, respectively.

(e) Other information relating to leasing activities

(i) Extension and termination options

Some of the Company's agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Company as a lessor

Leases of owned investment properties, plant and equipment are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$3,664	\$4,351

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For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2024 and 2023 are as follow:

	As of	
	December 31, 2024	December 31, 2023
No later than one year	\$1,565	\$2,546
Later than one year but no later than two years	-	487
Total	<u>\$1,565</u>	<u>\$3,033</u>

(16) Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

	For the years ended December 31,					
	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$-	\$35,222	\$35,222	\$-	\$29,938	\$29,938
Labor and health insurance	-	2,490	2,490	-	2,311	2,311
Pension	-	1,274	1,274	-	1,167	1,167
Directors' remuneration	-	3,740	3,740	-	3,780	3,780
Other employee benefits expenses	-	1,281	1,281	-	1,092	1,092
Depreciation	2,552	3,765	6,317	3,002	2,573	5,575
Amortization	-	5,036	5,036	-	5,583	5,583

The average headcount of the Company were 38 and 37, including 11 non-employee directors for the years ended December 31, 2024 and 2023, respectively.

The average employee benefits expense were NT\$1,491 thousand and NT\$1,327 thousand for the years ended 2024 and 2023, respectively.

The average salaries expense were NT\$1,305 thousand and NT\$1,151 thousand for the years ended 2024 and 2023, respectively while the variance was 13.38%. The Company has established the Audit Committee in replacement of supervisors, therefore the supervisors' remuneration were not estimated.

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According to the wages and salaries policy of the Company, the payment depends on the position compared to the average salaries of comparable corporations in the market, on the responsibilities of the position, and on the contributions to the operational goal. The directors decide the salaries rely on the degree of the participation on the operation and the value of the contributions, and refer to the domestic and abroad comparable companies' average salaries. In addition, the Company evaluates the salaries of the management through the rules of the management's salaries. The salaries of the directors and the managers are adopted by the Remuneration Committee and reported to the Board of Directors for resolution.

According to the Company's Articles of Incorporation, 3%~6% of profit of the current year is distributable as employees' compensation and no higher than 4% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Because of the operating loss for the year ended December 31, 2024 and 2023, there was no estimated amounts of the employee bonuses and remuneration to directors and supervisors.

(17) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2024	2023
Financial assets measured at amortized cost-Interest on bank deposit	\$3,562	\$2,657
Imputed interest on deposits	4	-
Total	<u>\$3,564</u>	<u>\$2,657</u>

B. Other income

	For the years ended December 31,	
	2024	2023
Government grants	\$3,924	\$3,816
Rental income	1,670	1,662
Dividend income	900	405
Others	62	496
Total	<u>\$6,556</u>	<u>\$6,379</u>

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C. Other gains and losses

	For the years ended December 31,	
	2024	2023
Net loss on financial assets at fair value through profit or loss	\$-	\$(14)
Loss on disposal of property plant and equipment	(188)	(150)
Foreign exchange (loss) gains, net	(77)	68
Gain on disposal of investments	29	15
Gain on lease modification	-	1
Total	<u>\$(236)</u>	<u>\$(80)</u>

D. Financial costs

	For the years ended December 31,	
	2024	2023
Interest expense on lease liabilities	<u>\$136</u>	<u>\$51</u>

(18) Components of other comprehensive income

For the year ended December 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income-before tax	Tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	<u>\$5,116</u>	<u>\$-</u>	<u>\$5,116</u>	<u>\$-</u>	<u>\$5,116</u>

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income-before tax	Tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	<u>\$(681)</u>	<u>\$-</u>	<u>\$(681)</u>	<u>\$-</u>	<u>\$(681)</u>

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(19) Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

For the years ended December 31, 2024 and 2023, the Company recognized current income tax expense and deferred income tax expense to be both NT\$0 thousand.

Income tax relating to components of other comprehensive income

For the years ended December 31, 2024 and 2023, the Company recognized deferred income tax expense to be both NT\$0 thousand.

B. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2024	2023
Accounting loss before tax from continuing operations	<u>\$(50,577)</u>	<u>\$(45,314)</u>
Tax at the domestic rates applicable to profits in the country concerned	\$(10,115)	\$(9,063)
Tax effect of revenues exempt from taxation	(492)	(370)
Tax effect of expenses not deductible for tax purposes	1,068	1,162
Tax effect of deferred tax assets/liabilities	9,539	8,271
Total income tax expense recognized in profit or loss	<u>\$-</u>	<u>\$-</u>

C. Information of unused loss carry-forward and tax-exemption:

Current year	Amount	Remaining Carrying Amount		Expiring Year
		As of December 31		
		2024	2023	
2014	\$36,445	\$-	\$36,445	2024
2015	54,090	54,090	54,090	2025
2016	47,784	47,784	47,784	2026
2017	52,422	52,422	52,422	2027
2018	40,143	40,143	40,143	2028
2019	26,486	26,486	26,486	2029
2020	23,622	23,622	23,622	2030
2021	18,905	18,905	18,905	2031
2022	39,797	39,797	39,797	2032
2023	43,988	43,988	43,988	2033
2024	48,919	48,919	-	2034
Total		\$396,156	\$383,682	

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D. Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets have not been recognized in respect of unused tax losses and deductible temporary differences amounting to NT\$398,211 thousand, and NT\$387,842 thousand, respectively, as the future taxable profit may not be available.

E. The assessment of income tax returns

As of December 31, 2024, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2022

(20) Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2024	2023
Loss before tax attributable to ordinary equity holders of the Company (in thousands)	\$(50,577)	\$(45,314)
Weighted average number of ordinary shares outstanding-		
Basic loss per share (thousand shares)	57,708	53,227
Loss per share-basic (in NT\$)	\$(0.88)	\$(0.85)

The Company's employee stock options have anti-dilutive effect when the Company encounters loss. Therefore, calculations of diluted loss per share is no required.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the financial statements were authorized for issue.



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7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Maywufa Co., Ltd.	Entity with joint control or significant influence over the Company
PhytoHealth Co., Ltd.	Parent company

Significant transactions with the related parties

(1) Sales

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Maywufa Co., Ltd.	<u>\$42</u>	<u>\$311</u>

The sales of goods to related parties were made at the Company's usual list prices.

(2) Purchases

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
PhytoHealth Co., Ltd.	<u>\$3</u>	<u>\$-</u>

The purchase prices of the Company's from related parties is not significantly different from that of general manufactures.

(3) Accounts receivable

	<u>As of</u>	
	<u>December 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Maywufa Co., Ltd.	<u>\$11</u>	<u>\$14</u>

(4) Other payables

	<u>As of</u>	
	<u>December 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Maywufa Co., Ltd.	<u>\$138</u>	<u>\$112</u>

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(5) Lease agreement

Name of the related parties	Account	As of	
		December 31, 2024	December 31, 2023
Maywufa Co., Ltd.	Right-of-use assets	\$6,338	\$7,407

Name of the related parties	Account	As of	
		December 31, 2024	December 31, 2023
Maywufa Co., Ltd.	Lease liabilities	\$6,394	\$7,426

Name of the related parties	Account	For the years ended December 31,	
		2024	2023
Maywufa Co., Ltd.	Interest expense	\$86	\$42

The determination of the rental amount and the payment method in lease agreements with related parties were according to comparable market rental transactions.

(6) Other transactions with related parties

AmCad BioMed Corporation had commissioned Maywufa Co., Ltd. to market and sell its “AmCAD-UT®” in Taiwan. The contract term was set to start on April 24, 2015 and end on September 30, 2018. If neither party were not notified in writing by the expiration date that the contract would not be renewed, then it would automatically be renewed for one more year. The Group requested Maywufa Co., Ltd. to issue a guarantee note for NT\$10,000 thousand as collateral of payment.

(7) Key management personnel compensation

	For the years ended December 31,	
	2024	2023
Short-term employee benefits	\$11,190	\$10,839
Post-employment benefits	163	161
Share-based payment	98	204
Total	\$11,451	\$11,204

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8. Assets pledged as security

Item	Carrying amount		Secured liabilities
	December 31, 2024	December 31, 2023	
Financial assets at amortized cost, current	\$4,000	\$-	Guarantee of pledged deposit
Refundable deposits	-	\$600	Guarantee of grants
Total	<u>\$4,000</u>	<u>\$600</u>	

9. Commitments and contingencies

- (1) The Company entered into an agreement with the National Taiwan University and Professor King-Jen Chang to obtain the specialized technology licensing of “Thyroid CAD system.” The contract price of NT\$ 2,500 thousand was paid with NT\$ 1,000 thousand cash and the Company’s shares at face value NT\$ 1,500 thousand. The total payment was recognized as intangible asset. The term of the agreement was six years, from January 23, 2009 to January 22, 2015. The agreement will extend automatically annually when the term expires. According to the agreement, the Company paid royalties depending on the net sales generated from the medical equipment.
- (2) The Company entered into an agreement with the National Taiwan University and Professor Chiung-Nien Chen to obtain the specialized technology licensing of “AmCAD-US platform.” The contract price of NT\$ 4,500 thousand was paid in cash. The agreement came into effect on July 1, 2014 and will expire in 20 years following the final application date of R.O.C. patent or American patent. The term of patent right shall ends on February 19, 2034. The Company shall pay royalties depending on the sales of the products that apply this technology during the 10 years following the day the inspection registration is obtained.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

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12. Other disclosure

(1) Categories of financial instruments

Financial assets

	As of	
	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss:		
Designated fair value through profit or loss at initial recognition	\$4,000	\$5,000
Financial assets at fair value through other comprehensive income	125,676	28,059
Financial assets measured at amortized cost:		
Financial assets measured at amortized cost	255,370	155,060
Cash and cash equivalents (excluding cash on hand)	7,888	16,980
Receivables	5,574	973
Refundable deposits	862	1,292
Subtotal	269,694	174,305
Total	\$399,370	\$207,364

Financial liabilities

	As of	
	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Payables	\$13,842	\$11,733
Lease liabilities	7,525	8,098
Guarantee deposit received	288	288
Total	\$21,655	\$20,119

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

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The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with the relevant regulations. Important financial activities have to be reviewed by the board of directors and the audit committee in accordance with relevant regulations and internal control systems. During the implementation of the financial management activities, the Company must strictly comply with the relevant provisions of the financial risk management.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency). The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period.

The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by NT\$37 thousand and NT\$0 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified as financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports of the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's board of directors reviews and approves all equity investment decisions.

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A change of 5% in the price of the listed companies stock classified as equity instruments measured at fair value through other comprehensive income could increase/decrease the Company's equity after tax for the years ended December 31, 2024 and 2023 by NT\$6,187 thousand and NT\$1,029 thousand respectively.

Please refer to Note 12. (8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

The Company's exposure to credit risk arises from potential default of the counterparty or other third party. The level of exposure depends on several factors including concentrations of credit risk, components of credit risk, the price of contract and customer credit policy. As of December 31, 2024, and 2023, the Company's credit risk amount is estimated from the contracts with positive fair value on the balance sheet date.

The Company's exposure to credit risk arising from the default of counterparties is limited to the carrying amount of these instruments. The Company mitigates the credit risks from financial institutions by limiting its counterparties to only reputable domestic or international financial institutions with good credit standing and the Company has no derivative financial instrument transactions. Consequently, there is no significant credit risk for these counterparties.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, ratings from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. The Company's exposure to credit risk arising from the default of counterparties is limited to the carrying amount of accounts receivable and notes receivable.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of accounts receivable is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

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Notes to Parent Company Only Financial Statements (Continued)  
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Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Company's investment in the financial assets accounted for at fair value through profit or loss has active market. The Company expected the financial assets to be sold easily in the market at a price close to fair value. The Company is not expected to have liquidity risk. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2024					
Payables	\$13,842	\$-	\$-	\$-	\$13,842
Lease liabilities (Note)	2,263	2,236	2,236	1,081	7,816
Guarantee deposit received	-	288	-	-	288
As of December 31, 2023					
Payables	\$11,733	\$-	\$-	\$-	\$11,733
Lease liabilities (Note)	1,552	2,489	2,236	2,199	8,476
Guarantee deposit received	-	288	-	-	288

Notes:

1. Including cash flows resulted from short-term leases or leases of low-value assets.
2. Information about the maturities of lease liabilities is provided in the table below:

	Maturities			
	Less than 1 year	1 to 5 years	6 to 10 years	Total
December 31, 2024	\$2,175	\$4,295	\$1,055	\$7,525
December 31, 2023	\$1,453	\$4,498	\$2,147	\$8,098

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
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(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for year ended December 31, 2024:

	Leases liabilities	Guarantee deposit received	Total liabilities from financing activities
As of January 1, 2024	\$8,098	\$288	\$8,386
Cash flows	(2,444)	-	(2,444)
Non-cash changes	1,871	-	1,871
As of December 31, 2024	<u>\$7,525</u>	<u>\$288</u>	<u>\$7,813</u>

Reconciliation of liabilities for year ended December 31, 2023:

	Leases liabilities	Guarantee deposit received	Total liabilities from financing activities
As of January 1, 2023	\$1,103	\$288	\$1,391
Cash flows	(1,552)	-	(1,552)
Non-cash changes	8,547	-	8,547
As of December 31, 2023	<u>\$8,098</u>	<u>\$288</u>	<u>\$8,386</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.



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- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivable, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Company's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of	
	December 31, 2024	December 31, 2023
Financial assets:		
Financial assets at amortized cost	\$255,370	\$155,060
	Fair value as of	
	December 31, 2024	December 31, 2023
Financial assets:		
Financial assets at amortized cost	\$255,370	\$155,060

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
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C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12. (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair values measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss				
Listed open-ended fund	\$4,000	\$-	\$-	\$4,000
Equity instrument measured at fair value through other comprehensive income				
Stock of listed company	\$123,720	\$-	\$-	\$123,720
Stock of unlisted company	-	-	1,956	1,956

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Listed open-ended fund	\$5,000	\$-	\$-	\$5,000
Equity instrument measured at fair value through other comprehensive income				
Stock of listed company	\$20,588	\$-	\$-	\$20,588
Stock of unlisted company	-	-	7,471	7,471

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period

Total unrealized losses recognized in financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are NT\$5,515 thousands and NT\$3,269 thousands, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurement categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks.	20% increase (decrease) in the discount for lack of marketability would result in decrease /increase in the Company's equity by NT\$489 thousand

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As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks.	20% increase (decrease) in the discount for lack of marketability would result in decrease /increase in the Company's equity by NT\$1,868 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The external evaluation institute ensures the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Company's accounting department analysis the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets measured at amortized cost	\$255,370	\$-	\$-	\$255,370

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets measured	\$155,060	\$-	\$-	\$155,060

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
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at amortized cost

(9) Capital risk management

The primary objective of the Company's capital management is to ensure that it continues to operate and maintains an optimal capital structure in order to reduce the capital cost. The strategy of the Company in 2024 is the same as that in 2023. The Company did not borrow cash from banks and monitored the capital by debt to equity ratio. The Company's debt to equity ratio is as follow (in thousands):

	As of	
	December 31, 2024	December 31, 2023
Total liabilities	\$22,025	\$21,900
Total equity	\$568,652	\$380,583
Ratio	3.87%	5.75%

(10) Significant assets and liabilities denominated in foreign currencies

There is no significant assets and liabilities denominated in foreign currencies for the years ended December 31, 2024 and 2023 .

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below (in thousands):

	December 31, 2024		
	Foreign Currency	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary item:			
USD	\$113	32.79	\$3,710
	December 31, 2023		
	Foreign Currency	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary item:			
USD	\$-	30.71	\$-

AmCad BioMed Corporation  
Notes to Parent Company Only Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

13. Other disclosure

(1) Information of significant transactions:

- A. Financing provided to others: None.
- B. Endorsement/Guarantee provided to others: None.
- C. Securities held: Please refer to Attachment 1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.
- I. Financial instruments and derivative transactions: None.
- J. Others: business relationships and significant transaction between parent and subsidiary and among subsidiaries: None.

(2) Information on investees

Names, locations, and related information of investees over which AmCad BioMed Corporation exercises significant influence (excluding information on investment in Mainland China): Please refer to Attachment 2.

(3) Information on investments in mainland China

None.

(4) Information on major shareholders

Names, number of shares, percentage of membership, and related information of shareholders with ownership over 5%: Please refer to Attachment 3.

AMCAD BIOMED CORPORATION  
(Expressed in Thousands of New Taiwan Dollars)

Attachment 1 : Securities held as of December 31, 2024

Company	Type and Name of Securities	Relationship	Financial statement accounts	December 31, 2024				Note
				Units/Shares	Book value	Percentage of ownership	Fair value	
<u>AMCAD BIOMED CORPORATION</u>	Listed stock-							
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,000,000 shares	\$68,300	-	\$68,300	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	825,000 shares	28,050	-	28,050	
	CTBC Financial Holding Co, Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	700,000 shares	27,370	-	27,370	
	Unlisted stock-							
	Preferred stock-Apollo Medical Optics Inc.	-	Financial assets at fair value through other comprehensive income, non-current	1,666,667 shares	1,956	3.48%	1,956	
	Fund-							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss, current	237,808 units	4,000	-	4,000	

AMCAD BIOMED CORPORATION  
(Expressed in Thousands of New Taiwan Dollars)

Attachment 2 : Disclose information of investees when the Group directly or indirectly exercises significant influence or control over investees

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investment Income (Loss)	Note
				Ending balance	Beginning balance	Shares (in thousands)	Percentage of Ownership	Carrying Value			
<u>AMCAD BIOMED CORPORATION</u>	Broadsound Corporation	Hsinchu, Taiwan	Research and development, manufacturing and sales of precision medical equipment and instruments.	\$105,425	\$105,425	8,073	40%	\$94,878	\$(1,374)	\$(1,532)	None



AMCAD BIOMED CORPORATION  
(Expressed in Thousands of New Taiwan Dollars)

Attachment 3 : Information on major share holders

<div>Shares</div> <div>Name of major shareholders</div>	Number of shares	Percentage of ownership
PhytoHealth Co., Ltd.	22,155,049	34.98%
Maywufa Co., Ltd.	3,994,996	6.30%

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Statements of property, plant and equipment	Notes 6. (8)
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AMCAD BIOMED CORPORATION

1. Statements of cash and cash equivalents

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand		\$10	
Cash in banks			
Savings accounts-New Taiwan Dollars		7,782	
Savings accounts-Foreign Currency		106	
Total		<u>\$7,898</u>	

AMCAD BIOMED CORPORATION

2. Statements of financial assets at fair value through profit and loss, current

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Name of Investments	Description	Shares/unit (Thousand shares/unit)	Par value	Total amount	Interest rate	Acquisition cost	Fair value		Note
							Unit price	Total amount	
Funds- Capital Money Market Fund		237,808	\$-	\$4,000	-	\$4,000	\$16.820	\$4,000	
Total				<u>\$4,000</u>		<u>\$4,000</u>		<u>\$4,000</u>	

AMCAD BIOMED CORPORATION

3. Statements of financial assets measured at cost, current

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Name of Investments	Description	Number of sheets	Par value	Total amount	Interest rate	Accumulated impairment	Note
<u>Time deposits - current</u>							
Shanghai Bank	2024/04/01-2025/04/01	-	-	\$4,990	Interest rate 1.645% , Flexible interest rate	None	
	2024/06/28-2025/06/28	-	-	4,990	Interest rate 1.645% , Flexible interest rate	"	
	2024/08/20-2025/01/20	-	-	5,500	Interest rate 1.450% , Fixed interest rate	"	
	2024/08/20-2025/02/20	-	-	11,000	Interest rate 1.500% , Fixed interest rate	"	
	2024/08/20-2025/03/20	-	-	5,500	Interest rate 1.500% , Fixed interest rate	"	
	2024/08/20-2025/04/20	-	-	6,000	Interest rate 1.500% , Fixed interest rate	"	
Yuanta Bank	2024/04/01-2025/04/01	-	-	9,000	Interest rate 1.655% , Flexible interest rate	"	
	2024/04/11-2025/04/11	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/04/26-2025/04/26	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/07/11-2025/07/11	-	-	9,500	Interest rate 1.655% , Fixed interest rate	"	
	2024/07/12-2025/07/12	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/07/14-2025/07/14	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/07/18-2025/07/18	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/07/27-2025/07/27	-	-	9,600	Interest rate 1.655% , Flexible interest rate	"	
	2024/07/28-2025/07/28	-	-	9,500	Interest rate 1.655% , Flexible interest rate	"	
	2024/08/13-2025/08/13	-	-	70,300	Interest rate 1.745% , Fixed interest rate	"	
SinoPac Bank	2024/06/27-2025/06/27	-	-	9,990	Interest rate 1.690% , Flexible interest rate	"	
	2024/08/27-2025/08/27	-	-	9,000	Interest rate 1.690% , Flexible interest rate	"	
	2024/08/28-2025/08/28	-	-	9,000	Interest rate 1.690% , Flexible interest rate	"	
Taichung Bank	2024/07/29-2025/07/29	-	-	30,000	Interest rate 1.690% , Flexible interest rate	"	
Fubon Bank	2024/07/15-2025/07/15	-	-	4,000	Interest rate 0.660% , Flexible interest rate	"	
Total				<u>\$255,370</u>			