

BIONIME CORPORATION AND SUBSIDIARIES**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Bionime Corporation as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 , "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Bionime Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Bionime Corporation and Subsidiaries

Chairman: HUANG, CHUN-MU

Date: March 13, 2025



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Independent Auditors' Report

To the Board of Directors of Bionime Corporation

Opinion

We have audited the consolidated financial statements of Bionime Corporation (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

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

Description of key audit matters:

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

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

How the matter was addressed in our audit

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

2. Assessment of Intangible Assets impairment

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

Description of key audit matters:

Since the Group's Intangible Assets- Patent and Development cost at fair value amounted to \$760,975 thousand, the management assessed the impairment test based on the provisions of International Accounting Standards No. 36 "Assets impairment". As the cash generating units determine the recoverable amount relating to future annual budget estimates, this subjective judgment is an accounting estimate with highly estimated uncertainty. Therefore, the Group's intangible assets have been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included:

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

Other Matter

The Company has prepared its parent-company-only-financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yen-Hui Chen and Shyh-Huar, Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023		Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (note 6 (a))	\$ 321,227	6	391,821	7	Short-term borrowings (note 6 (k) and 8)	\$ 867,540	15	404,872	8
Note receivables, net (note 6 (c))	5,187	-	6,365	-	Short-term notes and bills payable (note 6 (j))	99,902	2	99,866	2
Trade receivable, net (note 6 (c))	656,800	12	503,322	10	Notes payable	5	-	925	-
Trade receivable-related parties, net (note 6 (c) and 7)	8,779	-	10,701	-	Trades payable	191,406	3	147,685	3
Other receivables (note 6 (d))	52,054	1	7,357	-	Other payables (note 6 (l))	494,554	9	317,528	6
Inventories (note 6 (e))	571,144	10	491,259	9	Other payables related parties(note 6 (l) and note 7)	224	-	518	-
Prepayments	73,453	1	122,056	2	Payable on machinery and equipment	20,259	-	9,914	-
Other current assets (note 6 (i))	24,191	-	26,965	1	Current income tax liabilities	4,901	-	5,433	-
Other current financial assets (note 6 (i) and 8)	61,363	1	57,392	1	Current lease liabilities (note 6 (o))	9,931	-	9,887	-
	1,774,198	31	1,617,238	30	Other current liabilities(note 6 (m) and (u))	12,446	-	8,072	-
					Long-term borrowings, current portion (note 6 (n) and 8)	609,830	11	604,301	11
Non-current assets:						2,310,998	40	1,609,001	30
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	166,152	3	55,816	1	Non-Current liabilities:				
Property, plant and equipment (note 6 (f) and 8)	2,586,364	45	2,472,174	47	Long-term borrowings (note 6 (n) and 8)	1,578,190	27	1,686,997	32
Right-of-use assets (note 6 (g))	10,033	-	19,358	-	Deferred income tax liabilities (note 6 (q))	1,449	-	469	-
Intangible assets (note 6 (h))	776,081	13	643,672	12	Non-current lease liabilities (note 6 (o))	991	-	10,348	-
Deferred income tax assets (note 6 (q))	157,646	3	95,381	2	Guarantee deposits received	627	-	558	-
Prepayments for business facilities	277,986	5	357,698	7		1,581,257	27	1,698,372	32
Guarantee deposits paid	5,423	-	5,113	-		3,892,255	67	3,307,373	62
Defined benefit assets, net (note 6 (p))	2,642	-	2,642	-	Total liabilities				
Other non-current assets (note 6 (i))	24,746	-	31,483	1	Equity attributable to owners of parent:(note 6 (r))				
	4,007,073	69	3,683,337	70	Ordinary share	610,388	11	608,202	12
					Advance receipts for share capital	1,792	-	6,550	-
					Capital surplus	1,115,593	19	1,208,821	23
					Retained earnings	13,060	-	146,071	3
					Other equity	139,145	3	16,388	-
						1,879,978	33	1,986,032	38
					Total equity attributable to owners of parent:				
					Non-controlling interests	9,038	-	7,170	-
						1,889,016	33	1,993,202	38
					Total equity				
Total assets	\$ 5,781,271	100	5,300,575	100	Total liabilities and equity	\$ 5,781,271	100	5,300,575	100

See accompanying notes to consolidated financial statements.

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

BIONIME CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)**

	2024		2023	
	Amount	%	Amount	%
Net sales revenue (note 6 (u) and 7)	\$ 1,933,746	100	1,755,567	100
Total operating costs(note 6 (e), (p) and (v))	1,165,363	60	1,039,917	59
Gross profit from operations	<u>768,383</u>	<u>40</u>	<u>715,650</u>	<u>41</u>
Operating expenses (note 6 (o), (p), (s), (v) and 7))				
Selling expenses	327,634	17	279,359	16
Administrative expenses	247,473	13	243,806	14
Research and development expenses	322,326	17	242,338	14
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9(note 6 (c) and (d))	26,137	1	(36,514)	(2)
	<u>923,570</u>	<u>48</u>	<u>728,989</u>	<u>42</u>
Net operating income	<u>(155,187)</u>	<u>(8)</u>	<u>(13,339)</u>	<u>(1)</u>
Non-operating income and expenses (note 6 (w)) :				
Interest income	4,856	-	4,319	-
Other income	23,457	1	20,153	1
Other gains and losses	3,354	-	5,226	-
Finance costs (note 6 (o))	(62,191)	(3)	(48,234)	(2)
	<u>(30,524)</u>	<u>(2)</u>	<u>(18,536)</u>	<u>(1)</u>
Loss before income tax	<u>(185,711)</u>	<u>(10)</u>	<u>(31,875)</u>	<u>(2)</u>
Less: tax income (note 6 (q))	(59,712)	(3)	(38,406)	(2)
Loss	<u>(125,999)</u>	<u>(7)</u>	<u>6,531</u>	<u>-</u>
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	-	-	(63)	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	110,336	6	19,716	1
Components of other comprehensive income that will not be reclassified to profit or loss	<u>110,336</u>	<u>6</u>	<u>19,653</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	13,197	1	(68)	-
Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6 (q))	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>13,197</u>	<u>1</u>	<u>(68)</u>	<u>-</u>
Other comprehensive income (after tax)	<u>123,533</u>	<u>7</u>	<u>19,585</u>	<u>1</u>
Comprehensive income	<u>\$ (2,466)</u>	<u>-</u>	<u>26,116</u>	<u>1</u>
Profit attributable to:				
Owners of parent	\$ (127,216)	(7)	6,209	
Non-controlling interests	1,217	-	322	-
(Loss) profit	<u>\$ (125,999)</u>	<u>(7)</u>	<u>6,531</u>	
Comprehensive income attributable to:				
Owners of parent	\$ (4,459)	-	26,047	1
Non-controlling interests	1,993	-	69	-
Comprehensive income	<u>\$ (2,466)</u>	<u>-</u>	<u>26,116</u>	<u>1</u>
Basic per share (NT dollars) (note6 (t))				
Basic (loss) earnings per share	<u>\$ (2.09)</u>		<u>0.10</u>	
Diluted (loss) earnings per share	<u>\$ (2.09)</u>		<u>0.10</u>	

See accompanying notes to consolidated financial statements.

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

BIONIME CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													
	Share capital				Retained earnings				Other equity interest					
	Ordinary shares	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2023	\$ 606,870	3,405	610,275	1,302,633	134,799	14,787	13,444	163,030	(3,513)	-	(3,513)	2,072,425	8,111	2,080,536
Profit for the year ended December 31, 2023	-	-	-	-	-	-	6,209	6,209	-	-	-	6,209	322	6,531
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(63)	(63)	185	19,716	19,901	19,838	(253)	19,585
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	6,146	6,146	185	19,716	19,901	26,047	69	26,116
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	-	1,326	-	(1,326)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(11,274)	11,274	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	(23,105)	(23,105)	-	-	-	(23,105)	-	(23,105)
Other changes in capital surplus:														
Subsidiaries cash dividends on ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	(1,010)	(1,010)
Employee stock options compensation costs	-	-	-	4,781	-	-	-	-	-	-	-	4,781	-	4,781
Employee stock options exercised	1,332	(7,319)	(5,987)	5,987	-	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	10,464	10,464	-	-	-	-	-	-	-	-	10,464	-	10,464
Cash dividends of capital surplus	-	-	-	(104,580)	-	-	-	-	-	-	-	(104,580)	-	(104,580)
Balance at December 31, 2023	<u>\$ 608,202</u>	<u>6,550</u>	<u>614,752</u>	<u>1,208,821</u>	<u>136,125</u>	<u>3,513</u>	<u>6,433</u>	<u>146,071</u>	<u>(3,328)</u>	<u>19,716</u>	<u>16,388</u>	<u>1,986,032</u>	<u>7,170</u>	<u>1,993,202</u>
Balance at January 1, 2024	\$ 608,202	6,550	614,752	1,208,821	136,125	3,513	6,433	146,071	(3,328)	19,716	16,388	1,986,032	7,170	1,993,202
Profit for the year ended December 31, 2024	-	-	-	-	-	-	(127,216)	(127,216)	-	-	-	(127,216)	1,217	(125,999)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	12,421	110,336	122,757	122,757	776	123,533
Comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	(127,216)	(127,216)	12,421	110,336	122,757	(4,459)	1,993	(2,466)
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	-	615	-	(615)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(185)	185	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(5,795)	(5,795)	-	-	-	(5,795)	-	(5,795)
Other changes in capital surplus:														
Subsidiaries cash dividends on ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	(125)	(125)
Employee stock options compensation costs	-	-	-	13,479	-	-	-	-	-	-	-	13,479	-	13,479
Employee stock options exercised	2,186	(11,687)	(9,501)	9,501	-	-	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	6,929	6,929	-	-	-	-	-	-	-	-	6,929	-	6,929
Cash dividends of capital surplus	-	-	-	(116,208)	-	-	-	-	-	-	-	(116,208)	-	(116,208)
Balance at December 31, 2024	<u>\$ 610,388</u>	<u>1,792</u>	<u>612,180</u>	<u>1,115,593</u>	<u>136,740</u>	<u>3,328</u>	<u>(127,008)</u>	<u>13,060</u>	<u>9,093</u>	<u>130,052</u>	<u>139,145</u>	<u>1,879,978</u>	<u>9,038</u>	<u>1,889,016</u>

See accompanying notes to consolidated financial statements.

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

BIONIME CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
Cash flows from (used in) operating activities:		
Loss before tax	\$ (185,711)	(31,875)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	166,049	151,327
Amortization expense	16,756	12,095
Expected credit loss (gain)	26,137	(36,514)
Interest expense	62,191	48,234
Interest revenue	(4,856)	(4,319)
Dividend income	(192)	-
Share-based payments transactions	13,479	4,781
Loss from disposal of property, plant and equipment	75	12
Guarantee deposits paid transferred to expenses	106	-
Impairment loss on property, plant and equipment	3,976	-
Total adjustments to reconcile profit	283,721	175,616
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	1,178	4,638
Trade receivable	(179,600)	192,598
Trade receivable due from related parties	1,922	11,708
Other receivables	(44,712)	(200)
Inventories	(79,885)	47,175
Other operating assets	58,114	(21,499)
	(242,983)	234,420
Changes in operating liabilities:		
Notes payable	(920)	-
Trade payable	43,721	(31,508)
Other payable due from related parties	175,358	(91,185)
Other payables due from related parties	(294)	74
Other operating liabilities	4,374	(7,056)
	222,239	(129,675)
Total changes in operating assets and liabilities	(20,744)	104,745
Total adjustments	262,977	280,361
Cash inflow generated from operations	77,266	248,486
Interest received	4,856	4,319
Interest paid	(60,487)	(47,967)
Income taxes paid	(2,105)	(1,395)
Net cash flows from (used in) operating activities	19,530	203,443
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(68,493)	(81,416)
Proceeds from disposal of property, plant and equipment	9	-
(Increase) decrease in refundable deposits	(310)	140
Acquisition of intangible assets	(146,736)	(148,316)
Decrease in other financial assets	(3,971)	5,996
Increase in prepayments for business facilities	(117,591)	(211,665)
Dividends received	192	-
Net cash flows from (used in) investing activities	(336,900)	(435,261)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,082,676	1,776,731
Decrease in short-term borrowings	(1,636,651)	(1,712,530)
Increase in short-term notes and bills payable	1,400,000	1,400,000
Decrease in short-term notes and bills payable	(1,400,000)	(1,300,000)
Proceeds from long-term borrowings	600,000	1,200,000
Repayments of long-term borrowings	(703,278)	(816,425)
Decrease in guarantee deposits received	69	(72)
Payment of lease liabilities	(10,317)	(9,068)
Cash dividends paid	(122,003)	(127,685)
Proceeds from exercise of employee share options	6,929	10,464
Proceeds from exercise of employee share options	(125)	(1,010)
Net cash flows from (used in) financing activities	217,300	420,405
Effect of exchange rate changes on cash and cash equivalents	29,476	(11,255)
Net (decrease) increase in cash and cash equivalents	(70,594)	177,332
Cash and cash equivalents at beginning of period	391,821	214,489
Cash and cash equivalents at end of period	\$ 321,227	391,821

See accompanying notes to consolidated financial statements.

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

BIONIME CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 13, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

- 1) Financial assets at fair value through profit or loss (Available-for-sale financial assets) are measured at fair value.
- 2) The defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Investor	Subsidiary	Primary Business	Primary business	
			December 31, 2024	December 31, 2023
The Company	Bionime Incorporated (B.V.I.)	Investing and holding	100 %	100 %
	Bionime GmbH	Merchandise trading	100 %	100 %
	" Bionime USA Corporation	Merchandise trading	100 %	100 %
	" Bionime Australia Pty Limited	Merchandise trading	100 %	100 %
	" Bionime (Malaysia) Sdn Bnd	Merchandise trading	65.09 %	65.09 %
Bionime Incorporated (B.V.I.)	Bionime (Shenzhen) Limited Company	Merchandise trading	100 %	100 %
Bionime(Shenzhen) Limited Company	Bionime (Pingtan) Limited Company	Manufacturing	100 %	100 %

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Foreign currencies

(i) Foreign currency transaction

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

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

(ii) Foreign operations

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

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

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; Fair value through other comprehensive income (FVOCI) – financial assets; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

The Group recognizes its loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost.

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

- debt securities that are determined to have low credit risk at the reporting date ; and

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BIONIME CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- other debt securities and bank balances for which the credit risk (e.g. the risk of default occurs beyond the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

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

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

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

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

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

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 1 year past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

4) Derecognition of financial liabilities

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

On derecognition of a financial liability, the difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or extinguished assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) buildings and structures: 2~50 years
- 2) machinery and equipment: 2~10 years
- 3) molding equipment: 2~5 years
- 4) transportation equipment: 5 years
- 5) leasehold improvements: 3 years
- 6) office and other equipment: 2~20 years

Buildings and structures constitute mainly of building, wastewater treatment plant, and others. Each such part depreciates based on its useful life of 50 years, 30 years, and 2 years, respectively.

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

(j) Leases

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

Identifying a lease

(i) As a lessee

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

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification

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

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

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

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) As a lessor

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

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

(k) Intangible assets

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

- 1) Computer software: 1~7 years

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

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

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit (CGU)s.

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

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

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

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

(m) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

2) Financing components

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

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Share-based payment

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

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

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

(p) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) at the time of the transaction and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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BIONIME CORPORATION AND SUBSIDIARIES
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Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Assessment of Intangible Assets impairment

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

(6) Explanation of significant accounts

(a) Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Petty cash and cash on hand	\$ 462	658
Demand deposits	300,728	391,163
Time deposits	<u>20,037</u>	<u>-</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 321,227</u>	<u>391,821</u>

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

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Financial assets at fair value through other comprehensive income.

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income		
Domestic unlisted common share- Bonraybio Co., Ltd.	\$ -	55,816
Domestic common on share- Bonraybio Co., Ltd.	<u>166,152</u>	<u>-</u>
	<u>\$ 166,152</u>	<u>55,816</u>

On January 1, 2024 and 2023, the Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of December 31, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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

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

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

	December 31, 2024	December 31, 2023
Note receivables from operating activities	<u>\$ 5,187</u>	<u>6,365</u>
Trade receivables-measured as amortized cost	\$ 683,613	503,977
Trade receivables from related parties-measured as amortized cost	8,779	10,701
Less : Loss allowance	<u>(26,813)</u>	<u>(655)</u>
	<u>\$ 665,579</u>	<u>514,023</u>

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

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BIONIME CORPORATION AND SUBSIDIARIES
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	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 456,141	- %	-
1 to 90 days past due	181,502	5.08 %	9,216
91 to 180 days past due	45,525	25.06 %	11,409
181 to 360 days past due	14,411	42.94 %	6,188
More than 361 days past due	-	100.00 %	-
	\$ 697,579		26,813

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

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

	For the years ended December 31	
	2024	2023
Balance at January 1	\$ 655	37,169
Impairment losses recognized	26,122	-
Impairment losses reversed	-	(36,514)
Effect of movements exchange rates	36	-
Balance at December 31	\$ 26,813	655

None of the receivables was discounted or pledged as collateral as of December 31, 2024 and 2023.

(d) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	\$ 52,069	7,357
Less: Loss allowance	(15)	-
	\$ 52,054	7,357

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

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 82,509	97,325
Work in progress	411,029	283,852
Raw materials	77,606	110,082
	<u>\$ 571,144</u>	<u>491,259</u>

The details of the cost of sales were as follows:

	For the years ended December 31 2024	2023
Cost of goods sold	\$ 1,144,059	1,014,050
Provisions for inventory valuation and obsolescence	4,269	19,995
Losses on disposal of scrap	25,197	9,131
Gains on disposal of leftover bits and pieces	(8,096)	(2,987)
Gains on physical inventory	(66)	(272)
Operating costs recognized	<u>\$ 1,165,363</u>	<u>1,039,917</u>

As of December 31, 2024 and 2023, the Group did not provide any inventories as collateral for its loans.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Cost or deemed cost:								
Balance on January 1, 2024	\$ 1,420,840	902,585	933,027	176,819	1,588	19,469	540,945	3,995,273
Additions	-	23,912	42,147	4,080	-	600	8,099	78,838
Disposal	-	-	(16,291)	(4,091)	-	-	(5,364)	(25,746)
Reclassification	-	150,116	12,329	32,012	-	-	315	194,772
Effect of movements in exchange rates	-	267	277	340	-	144	320	1,348
Balance on December 31, 2024	<u>\$ 1,420,840</u>	<u>1,076,880</u>	<u>971,489</u>	<u>209,160</u>	<u>1,588</u>	<u>20,213</u>	<u>544,315</u>	<u>4,244,485</u>
Balance on January 1, 2023	\$ 1,420,840	883,604	848,621	154,104	1,588	19,291	531,929	3,859,977
Additions	-	19,126	32,187	6,614	-	219	11,249	69,395
Disposal	-	-	(2,481)	-	-	-	(3,364)	(5,845)
Reclassification	-	-	54,781	16,098	-	-	1,013	71,892
Effect of movements in exchange rates	-	(145)	(81)	3	-	(41)	118	(146)
Balance on December 31, 2023	<u>\$ 1,420,840</u>	<u>902,585</u>	<u>933,027</u>	<u>176,819</u>	<u>1,588</u>	<u>19,469</u>	<u>540,945</u>	<u>3,995,273</u>

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Depreciation and impairment loss :								
Balance on January 1, 2024	\$ -	219,697	741,072	151,547	1,588	18,013	391,182	1,523,099
Depreciation for the year	-	36,795	74,182	16,952	-	466	27,369	155,764
Impairment loss	-	-	3,945	-	-	-	31	3,976
Disposals	-	-	(16,291)	(4,091)	-	-	(5,280)	(25,662)
Effect of movements in exchange rates	-	74	216	340	-	63	251	944
Balance on December 31, 2024	<u>\$ -</u>	<u>256,566</u>	<u>803,124</u>	<u>164,748</u>	<u>1,588</u>	<u>18,542</u>	<u>413,553</u>	<u>1,658,121</u>
Balance on January 1, 2023	\$ -	194,959	674,935	139,710	1,564	17,565	358,701	1,387,434
Depreciation for the year	-	24,776	68,672	11,834	24	460	35,702	141,468
Disposal	-	-	(2,481)	-	-	-	(3,352)	(5,833)
Effect of movements in exchange rates	-	(38)	(54)	3	-	(12)	131	30
Balance on December 31, 2023	<u>\$ -</u>	<u>219,697</u>	<u>741,072</u>	<u>151,547</u>	<u>1,588</u>	<u>18,013</u>	<u>391,182</u>	<u>1,523,099</u>
Carrying amounts:								
Balance on December 31, 2024	<u>\$ 1,420,840</u>	<u>820,314</u>	<u>168,365</u>	<u>44,412</u>	<u>-</u>	<u>1,671</u>	<u>130,762</u>	<u>2,586,364</u>
Balance on January 1, 2023	<u>\$ 1,420,840</u>	<u>688,645</u>	<u>173,686</u>	<u>14,394</u>	<u>24</u>	<u>1,726</u>	<u>173,228</u>	<u>2,472,543</u>
Balance on December 31, 2023	<u>\$ 1,420,840</u>	<u>682,888</u>	<u>191,955</u>	<u>25,272</u>	<u>-</u>	<u>1,456</u>	<u>149,763</u>	<u>2,472,174</u>

(i) Impairment loss

As of December 31, 2024, the Group recognized impairment loss of \$3,976 thousand for part of the carrying amount of machinery and other equipment that are over the useful life and are expected to scrap.

(ii) Disclosures on pledges

As of December 31, 2024 and 2023, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to Note 8.

(iii) Property, plant and equipment under construction

For the years ended December 31, 2024 and 2023, capitalized borrowing costs related to the construction of the new plant amounted to \$10,436 thousand and \$7,680 thousand, with a capitalization rate of 4.1097%~4.1458% and 3.6712%~4.1250% respectively.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Right-of-use assets

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

	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Machinery and equipment</u>	<u>Total</u>
Costs:				
Balance at January 1, 2024	\$ 45,670	469	1,048	47,187
Additions	-	142	-	142
Disposal		-	(1,048)	(1,048)
Effects of retrospective application	<u>2,148</u>	<u>-</u>	<u>-</u>	<u>2,148</u>
Balance at December 31, 2024	<u>\$ 47,818</u>	<u>611</u>	<u>-</u>	<u>48,429</u>
Balance at January 1, 2023	\$ 26,073	469	1,048	27,590
Additions	20,044	-	-	20,044
Effects of retrospective application	<u>(447)</u>	<u>-</u>	<u>-</u>	<u>(447)</u>
Balance at December 31, 2023	<u>\$ 45,670</u>	<u>469</u>	<u>1,048</u>	<u>47,187</u>
Accumulated depreciation:				
Balance at January 1, 2024	\$ 26,404	431	994	27,829
Depreciation for the year	10,098	133	54	10,285
Disposal	-	-	(1,048)	(1,048)
Effects of retrospective application	<u>1,330</u>	<u>-</u>	<u>-</u>	<u>1,330</u>
Balance at December 31, 2024	<u>\$ 37,832</u>	<u>564</u>	<u>-</u>	<u>38,396</u>
Balance at January 1, 2023	\$ 17,100	274	785	18,159
Depreciation for the year	9,493	157	209	9,859
Effects of retrospective application	<u>(189)</u>	<u>-</u>	<u>-</u>	<u>(189)</u>
Balance at December 31, 2023	<u>\$ 26,404</u>	<u>431</u>	<u>994</u>	<u>27,829</u>
Carrying amount:				
Balance at December 31, 2024	<u>\$ 9,986</u>	<u>47</u>	<u>-</u>	<u>10,033</u>
Balance at January 1, 2023	<u>\$ 8,973</u>	<u>195</u>	<u>263</u>	<u>9,431</u>
Balance at December 31, 2023	<u>\$ 19,266</u>	<u>38</u>	<u>54</u>	<u>19,358</u>

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Notes to the Consolidated Financial Statements

(h) Intangible Assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2024 and 2023, were as follows:

	<u>Computer software</u>	<u>Development cost</u>	<u>Patent</u>	<u>Total</u>
Costs:				
Balance at January 1, 2024	\$ 45,758	-	628,559	674,317
Additions	14,245	-	-	14,245
Acquisition-internally developed	-	132,491	-	132,491
Reclassification	2,425	-	-	2,425
Disposal	(14,139)	-	-	(14,139)
Effect of movements in exchange rates	23	-	-	23
Balance on December 31, 2024	<u>\$ 48,312</u>	<u>132,491</u>	<u>628,559</u>	<u>809,362</u>
Balance on January 1, 2023	\$ 39,805	493,037	-	532,842
Additions	12,794	-	-	12,794
Acquisition-internally developed	-	135,522	-	135,522
Reclassification	607	(628,559)	628,559	607
Disposal	(7,436)	-	-	(7,436)
Effects of movements in exchange rates	(12)	-	-	(12)
Balance at December 31, 2023	<u>\$ 45,758</u>	<u>-</u>	<u>628,559</u>	<u>674,317</u>
Amortization and Impairment Loss:				
Balance at January 1, 2024	\$ 30,645	-	-	30,645
Amortization for the year	16,681	-	75	16,756
Disposal	(14,139)	-	-	(14,139)
Effects of movements in exchange rates	19	-	-	19
Balance at December 31, 2024	<u>\$ 33,206</u>	<u>-</u>	<u>75</u>	<u>33,281</u>
Balance at January 1, 2023	\$ 25,996	-	-	25,996
Amortization for the year	12,095	-	-	12,095
Disposal	(7,436)	-	-	(7,436)
Effects of movements in exchange rates	(10)	-	-	(10)
Balance at December 31, 2023	<u>\$ 30,645</u>	<u>-</u>	<u>-</u>	<u>30,645</u>
Carrying amounts:				
Balance on December 31, 2024	<u>\$ 15,106</u>	<u>132,491</u>	<u>628,484</u>	<u>776,081</u>
Balance on January 1, 2023	<u>\$ 13,809</u>	<u>493,037</u>	<u>-</u>	<u>506,846</u>
Balance on December 31, 2023	<u>\$ 15,113</u>	<u>-</u>	<u>628,559</u>	<u>643,672</u>

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BIONIME CORPORATION AND SUBSIDIARIES
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The Group is dedicated to developing its new product called Continuous Glucose Monitoring(CGM). For the year ended December 31, 2019, the product of 10-day model has met the criteria for capitalization. The CGM developed by the Group received the second-level medical device license approval notice issued by Taiwan Food and Drug Administration on October 13, 2023, resulting in the Group's capitalized cost of \$628,559 thousand to be reclassified to Patent and amortized using the units of production amortization method. For the year ended December 31, 2024,the product of 15-day model has met the criteria for capitalization. It is expected for be amortized using an appropriate method after the capitalization period end.

(i) Amortization

The amortization of intangible assets are included in the statement of comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Operating costs	\$ <u><u>1,205</u></u>	<u><u>1,312</u></u>
Operating expenses	\$ <u><u>15,551</u></u>	<u><u>10,783</u></u>

(ii) Impairment loss

The amount of recoverable future cash flows from the combined Company's expertise and development costs are based on the estimates of financial budgets approved by the management, wherein the appropriate valuation methods and assumptions are used to calculate the recoverable amount of the cash generating units. The discount rate used on December 31, 2024 and 2023 was 14% and 14% separately. According to the impairment test results of the Group, the recoverable amount of the Patent is greater than its carrying amount; hence, no impairment loss was recognized in 2024 and 2023.

(iii) Disclosures on pledges

As of December 31, 2024 and 2023, none of the intangible assets of the Group had been pledged as collateral.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	December 31, 2024	December 31, 2023
Other financial assets		
Other current financial assets	\$ <u>61,363</u>	<u>57,392</u>
Other current assets		
Overpaid sales tax	\$ 6,509	14,935
Temporary payments	13,032	10,416
Others	<u>4,650</u>	<u>1,614</u>
	\$ <u>24,191</u>	<u>26,965</u>
Other non-current assets		
Other non-current assets-other	\$ <u>24,746</u>	<u>31,483</u>

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

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

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

(j) Short-term notes and bills payable

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

December 31, 2024			
	Guarantee or acceptance institution	Range of interest rate (%)	Amounts
Commercial paper payable	CHINA BILLS FINANCE CORPORATION	2.088%	\$ 100,000
Less: Discount on short-term notes and bills payable			(98)
Total			\$ <u>99,902</u>
December 31, 2023			
	Guarantee or acceptance institution	Range of interest rate (%)	Amounts
Commercial paper payable	TAIWAN COOPERATIVE BILLS FINANCE CORPORATION	1.752%	\$ 100,000
Less: Discount on short-term notes and bills payable			(134)
Total			\$ <u>99,866</u>

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BIONIME CORPORATION AND SUBSIDIARIES
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(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	\$ 557,835	306,765
Secured bank loans	309,705	98,107
	<u>\$ 867,540</u>	<u>404,872</u>
Unused credit line	<u>\$ 900,196</u>	<u>1,003,852</u>
Range of Interest rates	<u>1.9250%~6.2896%</u>	<u>3.8000%~6.5008%</u>

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

(l) Other payables (including related parties)

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

	December 31, 2024	December 31, 2023
Accrued expenses	\$ 491,973	312,922
Other payables related parties	224	518
Others	<u>2,581</u>	<u>4,606</u>
	<u>\$ 494,778</u>	<u>318,046</u>

(m) Other current liabilities

The other current liabilities were as follows:

	December 31, 2024	December 31, 2023
Contract liability	\$ 1,875	1,923
Temporary receipts	1,384	2,050
Others	<u>9,187</u>	<u>4,099</u>
	<u>\$ 12,446</u>	<u>8,072</u>

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Long-term borrowings

The details were as follows:

December 31, 2024				
	Currency	Interest rates	Maturity year	Amount
Secured bank loans	NTD	1.875%~2.075%	2025~2030	\$ 2,188,020
Less: current portion				(609,830)
Total				<u>\$ 1,578,190</u>
Unused credit line				<u>\$ 300,000</u>

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

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

(o) Lease liabilities

The lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	<u>\$ 9,931</u>	<u>9,887</u>
Non-current	<u>\$ 991</u>	<u>10,348</u>

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

The amounts recognized in profit or loss was as follows:

	For the years ended December 31	
	2024	2023
Interest on lease liabilities	<u>\$ 830</u>	<u>1,186</u>
Expenses relating to short-term leases	<u>\$ 8,700</u>	<u>9,401</u>

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

	For the years ended December 31	
	2024	2023
Total cash outflow for leases	<u>\$ 19,847</u>	<u>19,655</u>

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Real estate leases

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

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

(ii) Other leases

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

(p) Employee Benefits

(i) Defined benefit plans

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

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	\$ 9	9
Fair value of plan assets	(2,639)	(2,639)
Suspend appropriation	(12)	(12)
Net defined benefit liabilities (assets)	<u><u>\$ (2,642)</u></u>	<u><u>(2,642)</u></u>

The Group's employee benefit liabilities were as follows:

	December 31, 2024	December 31, 2023
Short-term vacation liability	<u><u>\$ 9,907</u></u>	<u><u>9,391</u></u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

In 2024, the Group reached a pension settlement agreement with its employees and settled their seniority in accordance with the Labor Pension Regulations.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
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1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$2,959 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations of the Group were as follows:

	<u>2024</u>	<u>2023</u>
Defined benefit obligation at January 1	\$ 9	2,992
Current service costs and interest cost	-	37
Remeasurements loss (gain):		
Actuarial loss (gain) arising from:	-	85
—financial assumptions		
Past service credit	-	(609)
Benefit paid	-	(2,496)
Defined benefit obligation at December 31	<u>\$ 9</u>	<u>9</u>

3) Movements of defined benefit plan assets

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

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at January 1	\$ 2,639	5,050
Interest income	-	63
Remeasurements loss (gain):		
—Return on plan assets excluding interest income	-	22
Benefit paid	-	(2,496)
Fair value of plan assets at December 31	<u>\$ 2,639</u>	<u>2,639</u>

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

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

	<u>2024</u>	<u>2023</u>
Net interest of net liabilities for the defined benefit obligations	\$ -	(26)
Past service credit	-	(609)
	<u>\$ -</u>	<u>(635)</u>
Administration expenses	<u>\$ -</u>	<u>(635)</u>

5) Actuarial assumptions

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

	<u>December 31, 2023</u>
Discount rate	1.25 %
Future salary increase rate	3.00 %

For the years ended December 31, 2023 the weighted average lifetime of the defined benefit plans is 40.4 years.

For the years ended December 31, 2024 the Group doesn't have any employees eligible for the defined benefit plan.

6) Sensitivity analysis

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

	<u>Influences of defined benefit obligation</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023		
Discount rate	\$ (3)	5
	<u>Increase 1.00%</u>	<u>Decrease 1.00%</u>
Future salary increases rate	5	(3)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There were no changes in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined benefit plans

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

The pension costs incurred from the defined contribution plan have been contributed to the Bureau of the Labor Insurance. The amounts of \$2,045 thousand and \$2,159 thousand for the years ended December 31, 2024 and 2023, respectively were transferred to intangible assets as they were eligible for capitalization, please refer to note 6(h), and the remaining pension costs are \$23,798 thousand and \$23,556 thousand separately.

Other subsidiaries established their retirement plans in accordance with each local regulation. The Group recognized the pension costs of \$9,539 thousand and \$9,650 thousand for the years ended December 31, 2024 and 2023, respectively.

(q) Income Taxes

(i) Income Tax Income

The components of income tax in the years 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Current income tax (income) expense		
Current period	\$ 660	620
Adjustment for prior periods	913	(201)
5% surtax on un-distributed earnings	<u>-</u>	<u>6</u>
	<u>1,573</u>	<u>425</u>
Deferred tax expense (income)		
Origination and reversal of temporary differences	<u>(61,285)</u>	<u>(38,831)</u>
Tax income	<u><u>\$ (59,712)</u></u>	<u><u>(38,406)</u></u>

None of the amount of income tax recognized in other comprehensive income for 2024 and 2023.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reconciliation of income tax and profit before tax for 2024 and 2023, is as follows.

	2024	2023
Loss excluding income tax	\$ (185,711)	(31,875)
Income tax using the Company's domestic tax rate	\$ (37,142)	(6,375)
Effect of tax rates in foreign jurisdiction	(869)	409
Non-deductible expenses	1,725	2,025
Book-tax income differences of the revenue and expense	(27,898)	(29,136)
Recognition of previously unrecognized tax losses	(1,687)	(1,030)
Changes in unrecognized temporary differences	5,246	(4,104)
Prior years income tax adjustment	913	(201)
5% surtax on undistributed earnings	-	6
	\$ (59,712)	(38,406)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	\$ 13,394	8,148
The carry-forward of unused tax losses	44,347	46,034
	\$ 57,741	54,182

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

As of December 31 2024, the information of the group unused tax losses, for which no deferred tax assets were recognized, are as follows:

Subsidiaries	Year of loss	Unused tax loss	Remark
Bionime USA Corporation	2011	\$ 22,479	Number of declarations
Bionime USA Corporation	2012	140,649	Number of declarations
Bionime USA Corporation	2013	39,788	Number of declarations
Bionime USA Corporation	2014	8,259	Number of declarations
		\$ 211,175	

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the temporary differences associated with its investments in subsidiaries as at December 31, 2024 and 2023. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2024	December 31, 2023
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 69,409	55,833
Unrecognized deferred tax liabilities	\$ 13,882	11,167

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023, were as follows:

Deferred Tax Assets:

	Unrealized loss on inventory obsolescence	Unrealized foreign exchange loss	Unrealized inter- company profits resulting from sales to affiliated companies	Operating loss carry forward	Unrealized impairment loss	Total
Balance at January 1, 2024	\$ 5,747	331	3,895	85,408	-	95,381
Recognized in profit or loss	511	(331)	(1,505)	62,795	795	62,265
Balance at December 31, 2024	\$ 6,258	-	2,390	148,203	795	157,646
Balance at January 1, 2023	\$ 4,038	2,050	3,968	46,304	-	56,360
Recognized in profit or loss	1,709	(1,719)	(73)	39,104	-	39,021
Balance at December 31, 2023	\$ 5,747	331	3,895	85,408	-	95,381

Deferred Tax Liabilities:

	Unrealized foreign exchange gain	Others	Total
Balance at January 1, 2024	\$ -	469	469
Recognized in profit or loss	979	1	980
Balance at December 31, 2024	\$ 979	470	1,449
Balance at January 1, 2023	\$ -	279	279
Recognized in profit or loss	-	190	190
Balance at December 31, 2023	\$ -	469	469

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Subsidiaries	Year of loss	Unused tax loss	Last deduction year	Remark
Parent Company	2020	\$ 107,675	2030	Number of approval
Parent Company	2021	103,874	2031	Number of declarations
Parent Company	2022	19,970	2032	Number of declarations
Parent Company	2023	195,518	2033	Number of declarations
Parent Company	2024	<u>313,978</u>	2034	Number of declarations
		<u>\$ 741,015</u>		

(iii) Assessment of tax

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

(r) Capital and Other Equity

As of December 31 2024 and 2023 the numbers of authorized ordinary shares were 100,000 thousand shares, with par value of \$10 per share. The total value of authorized ordinary shares amounted to \$1,000,000 thousand (and of which \$90,000 thousand was reserved for the exercising of employee share options for each year). As of the date, 61,039 thousand (2023: 60,820 thousand) of ordinary thousand shares amounted to \$610,388 thousand (2023: \$608,202 thousand) were issued.

Reconciliation of shares outstanding for 2024 and 2023 was as follows:

	(in thousands of shares)	
	Ordinary Shares	
	2024	2023
Balance on January 1	60,820	60,687
Exercise of share options	219	133
Balance on December 31	<u>61,039</u>	<u>60,820</u>

(i) Ordinary shares

As of December 31, 2024 and 2023, the Group issued 218.6 thousand and 133.2 thousand new shares for employee stock options, with a par value of \$10 per share, totaling \$11,687 thousand and \$7,320 thousand, respectively, which were paid upon issuance. All relevant statutory registration procedures had since been completed, except for the remaining 34.4 thousand and 122.2 thousand shares, amounting to \$1,792 thousand and \$6,550 thousand, respectively, which have yet to be registered for the years then ended.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The balance of capital surplus as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Share capital	\$ 795,574	911,782
Share capital for employee share options exercised	139,585	130,084
Employee share options	75,885	63,612
Expired options	104,549	103,343
	<u>\$ 1,115,593</u>	<u>1,208,821</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increase by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

The company has determined to distribute \$116,208 thousand and \$104,580 thousand as cash dividends out of APIC (Additional Paid-In Capital) on March 14, 2024 and May 10, 2023 with approval subjected to the stockholders' meeting, respectively.

(iii) Retained Earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the Company Act, the distribution of dividends and bonus, or all or part, of legal reserve and capital reserve, distributed by way of cash, shall be decided during the board meeting approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be reported at the shareholders' meeting.

The Company's dividend policy depends on the Company's capital expenditure budget and required working capital. The remaining earnings will be distributed either in cash or in stock dividends, or both. However, the cash dividend cannot be less than 5% of the total dividends distributed.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve

During the earnings of distribution, the amount to be reclassified as a special reserve (which does not qualify for earnings distribution) should be equal to the total net current-period reduction of other shareholders' equity in accordance with the regulation of Taiwan Stock Exchange Authority. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the board meeting on March 14, 2024 and May 10, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders				
Cash	\$ <u>2.00</u>	<u>122,003</u> (NOTE1)	<u>2.10</u>	<u>127,685</u> (NOTE2)

Note 1: Of the total amount, \$116,208 thousand was used as capital reserve to distribute cash dividends.

Note 2: Of the total amount, \$104,508 thousand was used as capital reserve to distribute cash dividends.

The amounts of cash dividends on the appropriations of earnings for 2024 had been approved during the board meeting on March 13, 2025. The relevant dividend distributions to shareholders were as follows:

	2024	
	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders		
Stock	\$ <u>1.00</u>	<u>61,077</u> (Note3)

Note3: Of the total amount, \$61,077 thousand was used as capital reserve to distribute cash dividends.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity interests (net-of-taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (3,328)	19,716	16,388
Exchange differences on translation of foreign financial statements	12,421	-	12,421
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	110,336	110,336
Balance at December 31, 2024	\$ 9,093	130,052	139,145
Balance at January 1, 2023	\$ (3,513)	-	(3,513)
Exchange differences on translation of foreign financial statements	185	-	185
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	19,716	19,716
Balance at December 31, 2023	\$ (3,328)	19,716	16,388

(s) Share-Based Payment

(i) Employee stock options

As of December 31, 2024, details of the Employee Stock Option Plans (“ESOP”) issued by the Company were as follows:

	2019 ESOP	2024 ESOP
Grant date	2019.11.5	2024.4.9
Units issued	2,930,000	3,500,000
Term of grant	2019.11.5~2024.11.4	2024.4.9~2031.4.8
Grant object	Full-time employees of the Company and its subsidiaries	Full-time employees of the Company and its subsidiaries
Vesting conditions	Services of the next two years	Services of the next two years

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
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1) Determining the fair value of equity instruments granted

The Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2019 ESOP	
	2024	2023
Fair value at grant date	\$22.53~25.83	22.53~25.83
Share price at grant date	60.2	60.2
Exercise price	52.1~53.6	53.6~55.1
Expected volatility(%)	38.50%	38.50%
Expected life (years)	10 years	10 years
Expected dividend	-	-
Risk-free interest rate(%)	0.54%	0.54%

	2024 ESOP
	2024
Fair value at grant date	20.59~24.82
Share price at grant date	70.0
Exercise price	68.0~70.0
Expected volatility(%)	32.59%
Expected life (years)	7years
Expected dividend	-
Risk-free interest rate(%)	1.45%

Expected volatility is based on the weighted average of historical volatility, and it is adjusted when there is additional market information about the volatility. The Group determined the expected dividends and risk-free rate during the life of the option. These rates are determined based on government bonds, and they are in accordance with the regulations. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

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BIONIME CORPORATION AND SUBSIDIARIES
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2) Description of share-based payment arrangements

Details of the employee stock options are as follows:

	2024		2023	
(in dollars)	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at January 1 (number)	\$ 53.60	1,481,800	55.10	1,821,200
Granted during the year (number)	70.00	3,500,000		-
Forfeited during the year (number)		(316,600)		(111,400)
Exercised during the year (number)		(130,800)		(193,600)
Expired during the year (number)		(16,400)		(34,400)
Outstanding at December 31 (number)	63.52	<u>4,518,000</u>	53.60	<u>1,481,800</u>
Exercisable at December 31 (number)		<u>4,518,000</u>		<u>1,481,800</u>

3) Employee recognized in profit or loss

The Group incurred expenses and liabilities of share-based arrangements in 2024 and 2023 were as follows:

	2024	2023
Expenses resulting from granted employee share options	<u>\$ 13,479</u>	<u>4,781</u>

(t) (Loss) earnings per Share

The basic loss per share and diluted earnings per share of the group are calculated as follows:

(i) Basic (loss) earnings per share

The details on the calculation of basic (loss) earnings per share as of December 31, 2024 and 2023 were based on the profit attributable to ordinary shareholders of the Company amounting to \$(127,216) thousand and \$6,209 thousand, respectively; and the weighted average number of ordinary shares outstanding of 60,967 thousand shares and 60,757 thousand shares, respectively, were calculated as follows:

1) Loss attributable to ordinary shareholders of the Company

	2024	2023
(Loss) profit attributable to ordinary shareholders of the Company	<u>\$ (127,216)</u>	<u>6,209</u>

2) Weighted average number of ordinary shares

	2024	2023
Weighted-average number of ordinary shares at December 31	<u>60,967</u>	<u>60,757</u>

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
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	<u>2024</u>	<u>2023</u>
Basic (loss) earnings per share	\$ <u>(2.09)</u>	<u>0.10</u>

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31 2023 were based on profit attributable to ordinary shareholders of the Company amounting to \$6,209 thousand; and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares 61,252 thousand shares were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	<u>2023</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>6,209</u>
	<u>2023</u>
Weighted-average number of ordinary shares (basic)	60,757
Effect of dilutive potential ordinary shares	
Effect of issuance of employee share options	465
Effect of employee share bonus	<u>30</u>
Weighted-average number of ordinary shares (diluted)	<u>61,252</u>
Diluted earnings per share	<u>0.10</u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2024</u>	<u>2023</u>
<u>Primary geographical markets</u>		
Algeria	\$ 550,945	340,847
China	230,943	251,850
United State	170,976	204,375
Belarus	105,504	68,617
United Arab Emirates	38,068	88,883
Switzerland	57,281	101,643
Egypt	23,849	18,630
Other	<u>756,180</u>	<u>680,722</u>
	<u>\$ 1,933,746</u>	<u>1,755,567</u>
<u>Major products</u>		
Meter and Strips	<u>\$ 1,933,746</u>	<u>1,755,567</u>

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities(under other current liabilities)	\$ <u>1,875</u>	<u>1,923</u>	<u>10,712</u>

For details on trade receivables and allowance for impairment, please refer to note6(c).

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contact liability balance at the beginning of the period were \$1,892 thousand and \$10,693 thousand, respectively.

(v) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1.5% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2024 and 2023 is the net loss before tax, so the remuneration of employee and directors was not estimated.

(w) Non-operating Income and Expenses

(i) Interest income

The details of interest income for the years 2024 and 2023 were as follows:

	2024	2023
Interest income from bank deposits	\$ <u>4,856</u>	<u>4,319</u>

(ii) Other income

The details of other income were as follows:

	2024	2023
Rent income	\$ 535	535
Dividend income	192	-
Other income, others	<u>22,730</u>	<u>19,618</u>
	\$ <u>23,457</u>	<u>20,153</u>

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
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(iii) Other gains and losses

The details of other gains and losses were as follows:

	2024	2023
Foreign exchange gains	\$ 7,405	5,238
Losses on disposals of property, plant and equipment	(75)	(12)
Impairment loss on property, plant and equipment	(3,976)	-
	\$ 3,354	5,226

(iv) Finance costs

The details of financial costs were as follows:

	2024	2023
Interest expenses-bank loans	\$ 61,361	47,048
Interest of lease liabilities	830	1,186
	\$ 62,191	48,234

(x) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial represents the maximum exposure to credit risk assets recognized in the consolidated balance sheet.

2) Concentration of credit risk

The major clients of Group are concentrated in medical instruments market. To minimize credit risk, the Group periodically evaluates their financial positions and requests collateral if deemed necessary. It also periodically assesses the recoverability of the trade receivable and recognizes an allowance for impairment. The impairment loss is within management' s expectation. As of December 31, 2024 and 2023, 72% and 63%, respectively, of trade receivables were comprised of five major customers. Thus, credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6 (c).

Other financial assets at amortized cost includes other receivables and time deposits. For the details on loss allowance, please refer to note 6(d) .

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (g).

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contract ual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Secured bank loans	\$2,497,725	2,553,844	945,405	594,352	971,587	42,500
Unsecured bank loans	557,835	579,184	579,184	-	-	-
Short-term notes and bills payable	99,902	100,000	100,000	-	-	-
Notes and trade payables(including related parties)	191,411	191,411	191,411	-	-	-
Other payables (including related parties)	494,778	494,778	494,778	-	-	-
Payable on machinery and equipment	20,259	20,259	20,259	-	-	-
Guarantee deposits received	627	627	627	-	-	-
Lease liabilities (Current and Non-Current)	10,922	11,215	10,222	993	-	-
	<u>\$3,873,459</u>	<u>3,951,318</u>	<u>2,341,886</u>	<u>595,345</u>	<u>971,587</u>	<u>42,500</u>
December 31, 2023						
Non-derivative financial liabilities						
Secured bank loans	\$2,289,405	2,332,939	616,160	590,391	1,036,156	90,232
Unsecured bank loans	406,765	421,142	421,142	-	-	-
Short-term notes and bills payable	99,866	100,000	100,000	-	-	-
Notes and trade payables (including related parties)	148,610	148,610	148,610	-	-	-
Other payables (including related parties)	318,046	318,046	318,046	-	-	-
Payable on machinery and equipment	9,914	9,914	9,914	-	-	-
Guarantee deposits received	558	558	558	-	-	-
Lease liabilities (Current and Non-Current)	20,235	21,309	10,683	9,681	945	-
	<u>\$3,293,399</u>	<u>3,352,518</u>	<u>1,625,113</u>	<u>600,072</u>	<u>1,037,101</u>	<u>90,232</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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BIONIME CORPORATION AND SUBSIDIARIES
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(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	USD 20,464	32.77	670,605	USD 13,021	30.76	400,526
EUR	EUR 2,717	34.09	92,621	EUR 2,635	34.04	89,695
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	USD 19,508	32.77	639,290	USD 13,219	30.76	406,616
EUR	EUR 2,797	34.09	95,340	EUR 1,767	34.04	60,149

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 0.5% of the NTD against the USD and the EUR as of December 31, 2024 and 2023, would have (decreased) increased the net profit after tax by \$114 thousand and \$92 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain on monetary items is disclosed by total amount. For the years 2024 and 2023, the foreign exchange gain (including realized and unrealized portions) amounted to \$7,405 thousand and \$5,238 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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BIONIME CORPORATION AND SUBSIDIARIES
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If the interest rate had increased / decreased by 0.5%, the Group's net income would have increased / decreased by \$12,222 thousand and \$10,785 thousand for the year ended December 31, 2024 and 2023, respectively with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 166,152	166,152	-	-	166,152
Financial assets measured at amortized cost					
Cash and cash equivalents	321,227	-	-	-	-
Notes and trade receivables (including related parties)	670,766	-	-	-	-
Other receivables	52,054	-	-	-	-
Other financial assets-current	61,363	-	-	-	-
Guarantee deposits paid	5,423	-	-	-	-
Subtotal	1,110,833	-	-	-	-
Total	\$ 1,276,985	166,152	-	-	166,152
Financial liabilities					
Financial liabilities at amortized cost					
Short-term borrowings	\$ 867,540	-	-	-	-
Short-term notes and bills payable	99,902	-	-	-	-
Notes and trade payables, and other payables (including related parties)	686,189	-	-	-	-
Payable on machine and equipment	20,259	-	-	-	-
Lease liabilities (Current and Non-current)	10,922	-	-	-	-
Guarantee deposits received	627	-	-	-	-
Long-term borrowings, including current portion	2,188,020	-	-	-	-
	\$ 3,873,459	-	-	-	-

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BIONIME CORPORATION AND SUBSIDIARIES
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	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Stocks unlisted companies	\$ 55,816	-	-	55,816	55,816
Financial assets measured at amortized cost					
Cash and cash equivalents	391,821	-	-	-	-
Notes and trade receivables (including related parties)	520,388	-	-	-	-
Other receivables	7,357	-	-	-	-
Other financial assets-current	57,392	-	-	-	-
Guarantee deposits paid	5,113	-	-	-	-
Subtotal	982,071	-	-	-	-
Total	\$ 1,037,887	-	-	55,816	55,816
Financial liabilities					
Financial liabilities at amortized cost					
Short-term borrowings	\$ 404,872	-	-	-	-
Short-term notes and bills payable	99,866	-	-	-	-
Notes and trade payables, and other payables (including related parties)	466,656	-	-	-	-
Payable on machine and equipment	9,914	-	-	-	-
Lease liabilities (Current and Non-current)	20,235	-	-	-	-
Guarantee deposits received	558	-	-	-	-
Long-term borrowings, including current portion	2,291,298	-	-	-	-
	\$ 3,293,399	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value(IFRS 13.93(d))

Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

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BIONIME CORPORATION AND SUBSIDIARIES
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Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2024 and 2023.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2024	\$ 55,816
In other comprehensive income	110,336
Transfers out of Level 3	(166,152)
Ending balance, December 31, 2024	<u>\$ -</u>
Opening balance, 2023	\$ 36,100
In other comprehensive income	19,716
Ending balance, December 31, 2023	<u><u>\$ 55,816</u></u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	- Forecast annual revenue growth rate (December 31, 2023 ; 20%~40%) - Weight average capital cost (December 31, 2023 ; 9.92%)	- the annual revenue growth rate was higher, the fair value was higher - the weight average capital cost was higher, the fair value was lower

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Financial Risk Management

(i) Overview

The Group is exposed to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's Planning Department, which is responsible for developing and controlling the Group's risk management policies, periodically reports to the Board of Directors on its operation. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arise principally from the Group's receivables from customers and investment in debt securities.

1) Trade and other receivables

The Group has established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Group reviews external ratings, customers' general information, and other information. The Group grants credit line for each customer and carries out periodical reviews thereafter. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. The Group has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

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BIONIME CORPORATION AND SUBSIDIARIES
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2) Investments

The exposure to credit risk for bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantee

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2024, no guarantees were outstanding (2023: none).

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2024 and 2023, the Group's unused credit lines were amounted to \$1,200,196 thousand and \$1,003,852 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of in addition to keeping abreast of the trends and changes in major currencies in the international foreign exchange market, the Group flexibly adjusts its export quotations, and maintains a considerable position in foreign currency accounts receivable and payable to avoid currency risk.

2) Interest rate risk

The borrowing rate of the Group is agreed in accordance with the contract, and financing decisions are all approved by the Board of Directors.

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Other market price risk

The Company has equity price risk due to investment in listed OTC equity securities. This equity investment is not held for trading but is a strategic investment. The Company does not actively trade these investments, and the Company's management manages risk by holding a portfolio of various risky investments. The Company's equity price risk is mainly concentrated in equity instruments on exchanges in Taiwan. In addition, the Company regularly monitors price risk and evaluates when it is necessary to increase the safe-haven position of the evaded risk.

(z) Capital Management

The Group's objectives for managing capital to safeguard its capacity to continue to operate, to continue provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As of December 31, 2024, the Group's capital management strategy is consistent with that of the prior year as of December 31, 2023 and the gearing ratio is maintained within 30% to 75% to ensure financing at reasonable cost. The Group's debt to equity ratio at the end of the reporting period was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 3,892,255	3,307,373
Less: cash and cash equivalents	321,227	391,821
Net debt	<u><u>\$ 3,571,028</u></u>	<u><u>2,915,552</u></u>
Total equity	<u><u>\$ 1,889,016</u></u>	<u><u>1,993,202</u></u>
Total capital	<u><u>\$ 5,460,044</u></u>	<u><u>4,908,754</u></u>
Debt-to-equity ratio at 31 December	<u><u>65.40%</u></u>	<u><u>59.39%</u></u>

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BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows :

(i) For right-of-assets under leases, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes			December 31, 2024
			Additions	Foreign exchange movement	Interest expenses	
Long-term borrowings	\$ 2,291,298	(103,278)	-	-	-	2,188,020
Short-term borrowings	404,872	446,025	-	16,643	-	867,540
Short-term notes and bills payable	99,866	-	-	-	36	99,902
Lease liabilities (current and non-current)	20,235	(10,317)	142	862	-	10,922
Total liabilities from financing activities	<u>\$ 2,816,271</u>	<u>332,430</u>	<u>142</u>	<u>17,505</u>	<u>36</u>	<u>3,166,384</u>

	January 1, 2023	Cash flows	Non-cash changes			December 31, 2023
			Additions	Foreign exchange movement	Release the lease	
Long-term borrowings	\$ 1,907,723	383,575	-	-	-	2,291,298
Short-term borrowings	352,027	64,201	-	(11,356)	-	404,872
Short-term notes and bills payable	-	100,000	-	-	(134)	99,866
Lease liabilities (current and non-current)	9,526	(9,068)	20,044	(267)	-	20,235
Total liabilities from financing activities	<u>\$ 2,269,276</u>	<u>538,708</u>	<u>20,044</u>	<u>(11,623)</u>	<u>(134)</u>	<u>2,816,271</u>

(7) Related-party transactions

(a) Parent company and ultimate controlling company

The Company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with a related party during the periods covered in the consolidated financial statements.

<u>Name of related Party</u>	<u>Relationship with the Group</u>
Tonghua Dongbao Pharmaceutical Co., Ltd. (Tonghua Dongbao)	Director of the Company
HUANG, CHUN-MU	Key management personnel

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to its related party were as follows:

	<u>2024</u>	<u>2023</u>
Substantial related parties	<u>\$ 58,950</u>	<u>54,223</u>

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BIONIME CORPORATION AND SUBSIDIARIES
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The price given to the related-party is lower than general customers. The general customer's collection term is about 45 to 120 days or advance sales receipts, for the related-party personnel of the Group, the collection conditions is advance sales receipts or 45 days from the end of the month of when the invoice is issued.

(ii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Trade receivables	Substantial related parties	\$ <u>8,779</u>	<u>10,701</u>

(iii) Payables to Related Parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables	Substantial related parties	\$ <u>224</u>	<u>518</u>

(iv) Others

- 1) The sales expense of \$0 and \$74 thousand in 2024 and 2023, respectively, which caused by signing contract with key management personnel of the Group-Tonghua Dongbao was under selling expenses.
- 2) The Group entered into a patent license agreement with the key management. The agreement is from June 30, 2004, to April 17, 2023, and entitles the Company to use U.S. patent No. 10/354684 and No. 10/462904 without any charges.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 24,767	25,218
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	<u>2,245</u>	<u>344</u>
	<u>\$ 27,012</u>	<u>25,562</u>

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(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Property, plant and equipment	Guarantee for bank loans	\$ 2,235,550	2,098,039
Other financial assets-current	Purchase deposit	200	200
		<u>\$ 2,235,750</u>	<u>2,098,239</u>

(9) Significant commitments and contingencies

(a) Unrecognized contractual commitments are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	<u>\$ 12,651</u>	<u>34,779</u>

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:None

(12) Other:

(a) A summary of employee benefits, depreciation, depletion, and amortization, by function, is as follows:

By item	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	452,983	283,125	736,108	325,691	264,479	590,170
Labor and health insurance	38,814	23,460	62,274	37,182	25,480	62,662
Pension	15,907	17,430	33,337	15,086	17,485	32,571
Remuneration of directors	-	2,660	2,660	-	2,600	2,600
Others	19,629	14,036	33,665	19,303	13,626	32,929
Depreciation	123,227	42,822	166,049	106,756	44,571	151,327
Amortization	1,205	15,551	16,756	1,312	10,783	12,095

(b) As of December 31, 2024 and 2023 current assets were less than current liabilities mainly because of the Group's short-term and long-term bank loans due within one year. If the liabilities of bank loans are excluded, the current assets are still greater than the current payables, and the review of bank loans is based on the information from the consolidated financial statements as a reference for whether to approve loans or not.

The Group's cash flow in coming year taking into account the amount of bank loans and the extension of bank loans, the Group estimates that the short-term capital income in the coming year will be sufficient to meet the operating expenses.

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BIONIME CORPORATION AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions, required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2024 (excluding those investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
The company	Ordinary-Bonraybio Corporation	None	Financial assets measured at fair value through other comprehensive gains and losses-non-current	1,104	166,152	5.62%	166,152	1,104	5.62%	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD 300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with an amount exceeding the lower of NTD 300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD 100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Trade receivables (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
The Company	Bionime (Pingtan) Limited Company	Subsidiary	Sale	(123,900)	(6.41) %	Net 90 days from the end of the month of when the invoice issued	No comparison	Net 90 days from the end of the month of when the invoice issued	22,493	3.35%	

- (viii) Receivables from related parties with amounts exceeding the lower of NTD 100 million or 20% of the capital stock: None

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BIONIME CORPORATION AND SUBSIDIARIES
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(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions, 2024			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Bionime (Pingtan) Limited Company	1	Sales	123,900	90 days	6.41 %
0	The company	Bionime USA Corporation	1	Sales	47,379	120 days	2.45 %
0	The company	Bionime (Malaysia) Sdn Bhd	1	Sales	28,792	100 days	1.49 %
1	Bionime (Pingtan) Limited Company	Bionime (Shenzhen) Limited Company	3	Sales	955	90 days	0.05 %
0	The company	Bionime (Pingtan) Limited Company	1	Trade Receivables	22,493	90 days	0.39 %
0	The company	Bionime USA Corporation	1	Trade Receivables	6,659	120 days	0.01 %
0	The company	Bionime (Malaysia) Sdn Bhd	1	Trade Receivables	6,916	100 days	0.12 %
1	Bionime (Pingtan) Limited Company	Bionime (Shenzhen) Limited Company	3	Trade Receivables	353	90 days	0.12 %
0	The company	Bionime (Pingtan) Limited Company	1	Purchase	49	90 days	0.00 %
0	The company	Bionime (Pingtan) Limited Company	1	Trade payables	42	90 days	0.00 %
0	The company	Bionime GmbH	1	Professional service fees	22,298	No Comparison	1.15 %
0	The company	Bionime (Shenzhen) Limited Company	1	Professional service fees	30,362	No Comparison	1.57 %
1	Bionime (Pingtan) Limited Company	Bionime (Shenzhen) Limited Company	3	Professional service fees	12,289	No Comparison	0.64 %
0	The company	Bionime (Pingtan) Limited Company	1	Temporary payments	209	No Comparison	0.00 %
0	The company	Bionime (Pingtan) Limited Company	1	Other payables	530	No Comparison	0.01 %
0	The company	Bionime GmbH	1	Other payables	29,069	No Comparison	0.50 %

Note 1: The number filled in as follows:

- 1) Zero represents the parent company.
- 2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

- 1) 1 represents the transactions between parent company and subsidiaries.
- 2) 2 represents the transactions between subsidiaries and parent company.
- 3) 3 represents the transactions between subsidiary and subsidiary.

Note 3: The transactions mentioned above have been eliminated upon consolidation.

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BIONIME CORPORATION AND SUBSIDIARIES
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(b) Information on investees:

The following is the information on investees for the year 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The company	Bionime GmbH	Switzerland	Merchandise trading	CHF300	CHF300	Note1	100 %	28,735	1,060	1,060	Note 2
The company	Bionime Incorporated (B.V.I)	British Virgin Islands	Investing and holding	USD3,090	USD3,090	3.09	100 %	119,340	10,247	10,247	Note 2
The company	Bionime USA Corporation	America	Merchandise trading	USD11,150	USD11,150	1,115	100 %	113,088	6,757	6,757	Note 2
The company	Bionime Australia Pty Limited	Australia	Merchandise trading	AUD350	AUD350	Note1	100 %	(170)	(41)	(41)	Note 2
The company	Bionime (Malaysia) Sdn.Bhd	Malaysia	Merchandise trading	MYR1,046	MYR1,046	Note1	65.09 %	14,954	3,486	2,269	Note 2

Note1: A company is establish.

Note2: The transactions mentioned above have been eliminated upon consolidation.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, their main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Bionime (Shenzhen) Limited Company	Merchandise trading	USD2,300	Note 1	USD850	-	-	USD850	9,763 (Note3)	100%	9,763	112,530	USD2,087 (NTD63,084)
Bionime (Pingtan) Limited Company	Merchandise trading and manufacturing	RMB20,000	Note 2	-	-	-	-	10,988 (Note3)	100%	10,988	112,209	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
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(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

USD850 (NTD 27,520)	USD 2,300 (NTD 70,863)	NTD1,127,987
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Note 1: Indirectly investment in Mainland China through an existing company registered in the third region.

Note 2: Which is invested by Shenzhen subsidiary.

Note 3: Amount was recognized based on the audited financial statement.

Note 4: The transactions have been eliminated upon consolidation.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the “Business relationship and major transactions between parent company and subsidiary company”.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Tonghua Dongbao Pharmaceutical Co., Ltd		12,000,000	19.64 %
Hua Eng Wire And Cable Co., Ltd.		7,004,900	11.46 %

(14) Disclosures required for securities firm investing in countries or regions without securities authority:

(a) General information

The Group has one reportable segment, the biotechnology segment. This segment is mainly involved in the manufacturing and selling of medical instruments, providing biotechnology services, examining pharmaceuticals products, and selling precision instruments.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine the resource allocation and make a performance evaluation. The internal management report includes profit before taxation.

The profit or loss of the reportable segment of the Group includes depreciation and amortization expenses, income tax expense (income), any extraordinary activity, and other material non-cash items. The reportable amount is similar to that of the report used by the chief operating decision maker.

Accounting policies for the operating segments correspond to those stated in note 4.

(Continued)

BIONIME CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The reportable segment profit and loss, segment assets and segment liabilities of the Group are in accordance with the financial report, please refer to the Consolidated Balance sheet and Consolidated Statement of Comprehensive Income.

(c) Production and service information

Since the main industrial department of Group is the optical lens department, and its operating income, operating interests and the identifiable assets account for more than 90% of operating income and total assets, therefore, the Group is classified as a single product.

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and the segment non-current assets are based on the geographical location of the assets.

Revenue from external customers, please refer to note 6(u).

<u>Region</u>	<u>2024</u>	<u>2023</u>
Non-current assets :		
Taiwan	\$ 3,657,345	3,497,284
Other countries	17,865	27,101
Total	<u><u>\$ 3,675,210</u></u>	<u><u>3,524,385</u></u>

Non-current assets include property, plant and equipment, intangible assets, and other assets, excluding financial instruments and deferred tax assets.

(e) Major customers' information

	<u>2024</u>	<u>2023</u>
Customer A of biotechnology division	\$ 550,945	340,847
Customer B of biotechnology division	-	101,643
Customer C of biotechnology division	105,504	-
	<u><u>\$ 656,449</u></u>	<u><u>442,490</u></u>