Stock code: 4116

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Financial Statements with Independent Auditors' Review Report

For the Years Ended December 31, 2023 and 2022 (Restated)

Company Address: 7F., No. 46, Zhouzi St., Neihu Dist., Taipei 11493, Taiwan
Telephone: (02)8797-5533

The independent auditors' review report and the accompanying financial statements are the English translation of 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Declaration

The entities that are required to be included in the Consolidated Financial Statements of the Company for 2023 (from January 01, 2023 to December 31, 2023) under the Criteria Governing 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 and issued into effect. In addition, the information required to be disclosed in the consolidated financial statements is included in the Consolidated Financial Statements. Consequently, the Company and its subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Chairman: Peter Chen

Date: February 29, 2024

Independent Auditors' Report

The Board of Directors
BENQ MEDICAL TECHNOLOGY CORP.

Audit Opinion

We have audited the restated Consolidated Balance Sheets as of December 31, 2022 and Consolidated Balance Sheets as of December 31, 2023, and the restated Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows for January 01 to December 31, 2022 and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows from January 01 to December 31, 2023, as well as Notes to the consolidated financial statements (including summary of significant accounting policies) of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the restated consolidated financial position of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES January 01 to December 31, 2022, its restated consolidated financial performance and cash flows as of December 31, 2022 and the consolidated financial position and consolidated financial performance and cash flows for January 01 to December 31, 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRICs), and SIC Interpretations (SICs) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are in compliance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and independent of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasized matters

As stated in Note 12(2) to the consolidated financial statements, BENQ MEDICAL TECHNOLOGY COR. and its subsidiary, AsiaConnect International Co., Ltd., acquired 40% stake in K2 International Medical Inc., a subsidiary of Qisda Corporation in cash on September 01, 2023.

Pursuant to the Interpretations (2012) No. 301 and IFRS 3 guidance dated October 26, 2018, “Accounting Treatment for Business Combination under Common Control”, issued by Accounting Research and Development Foundation, the aforementioned transaction is a group reorganization under common control and is regarded as a Combination from beginning. Based on this, BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES prepared the 2023 consolidated financial statements and restated the 2022 consolidated financial statements. We have not revised our audit opinion for this reason.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the Consolidated Financial Statements of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole. In forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the year ended December 31, 2023 are stated as follows:

1. Assessment of impairment of goodwill

For accounting policy on the impairment loss of non-financial asset, please see Note 4(15) to Consolidated Financial Statements; for accounting estimate and assumptions of the impairment loss assessment on goodwill, please see Note 5(1) to Consolidated Financial Statements; for the details of goodwill impairment test, please see Note 6(10) to Consolidated Financial Statements.

Key Audit Matters:

For the goodwill arising from business combinations, BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES are required to conduct an annual impairment assessment or as and when there is an indicator that the goodwill may be impaired. As the recoverable amount in the goodwill involves many assumptions and estimations made by the cash-generating unit owning the goodwill, the impairment assessment of goodwill is a key audit matter.

Audit Procedures:

Our main audit procedures for the above key audit matters include obtaining the goodwill impairment assessment and test form self-assessed by the management. We also reviewed the estimation basis and important assumptions adopted by the management to measure the recoverable amounts, including the discount rate, expected growth rate and the reasonableness of their prediction of future cash flow. We also ran a sensitivity analysis on the test results and checked if BENQ MEDICAL TECHNOLOGY CORP. and its subsidiaries have properly disclosed the information on the impairment assessment.

Other Matters

BENQ MEDICAL TECHNOLOGY CORP. has prepared the 2023 and 2022 Standalone Financial Statements, and we have issued an unqualified opinion with emphasis of matter paragraph and an unqualified opinion, respectively.

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

Management is responsible for the preparation and fair representation of the Consolidated Financial Statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines it 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 BENQ MEDICAL TECHNOLOGY CORP.'S AND SUBSIDIARIES' 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 BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES or to cease operations or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing BENQ MEDICAL TECHNOLOGY CORP.'S AND SUBSIDIARIES' 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement in the Consolidated Financial Statements 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 based on these Consolidated Financial Statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain 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 to express an opinion on the effectiveness of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES' 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 BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES 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 entities' financial information or business activities 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 for the years ended December 31, 2023 and are, therefore, key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the review resulting in this independent auditors’ review report are Tang, Tzu-Chieh and Kao, Ching-Wen.

KPMG
Taipei, Taiwan (Republic of China)
February 29, 2024

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023.12.31		2022.12.31 (restated)	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 830,508	18	979,783	21
1150-1170	Notes and accounts receivable (Note 6(3) and (21))	842,489	18	801,679	17
1181	Accounts receivable - related parties (Note 6(3)(21) and 7)	3,988	-	38,811	1
1200	Other receivables (Note 6(5))	53,872	1	9,324	-
1212	Other receivables - related parties (Note 7)	-	-	56	-
130x	Inventories (Note 6(4))	515,751	11	486,284	10
1410-1470	Prepayments and other current assets (Note 7)	118,862	2	167,115	4
1476	Other financial assets-current (Note 6(2) and 8)	366,873	8	238,193	5
	Total current assets	2,732,343	58	2,721,245	58
	Non-current assets:				
1518	Financial assets measured at fair value through other comprehensive income - non-current	123	-	123	-
1550	Investments accounted for using the equity method (Note 6(5))	-	-	34,293	1
1600	Property, plant and equipment (Note 6(7), 7 and 8)	902,167	19	884,144	19
1755	Right-of-use assets (Note 6(8) and 7)	166,204	3	119,137	3
1760	Investment properties - net (Note 6(9) and 8)	475,961	10	489,294	10
1780	Intangible assets (Note 6(6), (10) and 7)	334,437	7	348,332	7
1840	Deferred income tax assets (Note 6(18))	25,221	1	31,438	1
1900	Other non-current assets (Note 6(11) and (17))	75,705	2	63,126	1
	Total non-current assets	1,979,818	42	1,969,887	42
	Total assets	$ 4,712,161	100	4,691,132	100

		2023.12.31		2022.12.31 (restated)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Note 6(12) and 8)	384,472	8	399,071	9
2131	Contract liabilities - current (Note 6(21))	32,382	1	56,167	1
2150-2170	Notes and accounts payable	505,900	11	537,032	12
2181	Accounts payable - related parties (Note 7)	23,112	-	18,397	-
2200	Other payables (Note 6(22))	265,973	6	270,821	6
2220	Other payable - related parties (Note 7)	5,719	-	2,028	-
2230	Current income tax liabilities	55,506	1	58,792	1
2250	Provisions for liabilities - current (Note 6(15))	6,191	-	8,842	-
2280	Lease liabilities-current (Note 6(14) and 7)	74,518	2	68,343	2
2300	Other current liabilities	13,816	-	8,880	-
2322	Long-term loans due within a year (Note 6(13) and 8)	8,628	-	17,902	-
	Total current liabilities	1,376,217	29	1,446,275	31
	Non-current liabilities:				
2540	Long-term loans (Note 6(13) and 8)	843,130	18	404,758	8
2570	Deferred income tax liabilities (Note 6(18))	32,371	1	36,511	1
2580	Lease liabilities-non-current (Note 6(14) and 7)	261,084	6	226,646	5
2645	Guarantee deposit received	6,808	-	8,456	-
2670	Other non-current liabilities (Note 6(17))	12,221	-	2,542	-
	Total non-current liabilities	1,155,614	25	678,913	14
	Total liabilities	2,531,831	54	2,125,188	45
	Equity attributable to shareholders of the parent company (Note 6(6) and (19))				
3110	Common stock	445,660	9	445,660	10
3200	Capital Surplus	297,921	6	297,921	6
3300	Retained earnings	361,807	8	457,384	10
3400	Other equity	(5,561)	-	(2,235)	-
	Total equity attributable to shareholders of the parent company	1,099,827	23	1,198,730	26
35XX	**Equity attributable to former owner of business combination under common control**	-	-	293,313	6
355X	**Equity attributable to non-controlling interest before business combination under common control**	-	-	536,125	11
36XX	**Non-controlling interests (Note 6(6) and (19))**	1,080,503	23	537,776	12
	Total equity	2,180,330	46	2,565,944	55
	Total liabilities and equity	$ 4,712,161	100	4,691,132	100

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023		2022 (restated)	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(16), (21), 7, and 14)**	$ 4,543,001	100	4,376,505	100
5000	**Operating costs (Notes 6 (4), (7), (8), (9), (10), (14), (15), (16), (17), (22), 7, and 12)**	(3,199,099)	(70)	(3,129,360)	(72)
	Gross profit	1,343,902	30	1,247,145	28
5910	Realized (unrealized) sales profit	1,532	-	(726)	-
	Realized gross profit	1,345,434	30	1,246,419	28
	Operating expenses (Notes 6(3), (7), (8), (9), (10), (14), (16), (17), (22), 7, and 12):				
6100	Selling expenses	(759,361)	(17)	(658,821)	(15)
6200	General and administrative expenses	(187,807)	(4)	(196,310)	(4)
6300	Research and development expenses	(31,960)	(1)	(39,582)	(1)
6450	Loss allowance for expected credit losses	(868)	-	(1,442)	-
	Total operating expenses	(979,996)	(22)	(896,155)	(20)
	Operating income	365,438	8	350,264	8
	Non-operating income and expenses (Notes 6(5), (6), (14), (16), (23), and 7)				
7100	Interest income	10,213	-	5,237	-
7010	Other income	17,152	1	95,369	2
7020	Other gains and losses	2,687	-	7,760	-
7050	Financing costs	(27,941)	(1)	(17,834)	-
7375	Share of profit of joint ventures accounted for using equity method	5,549	-	3,438	-
	Total non-operating income and expenses	7,660	-	93,970	2
	Income before income tax	373,098	8	444,234	10
7950	**Less: Income tax expense (Note 6(18))**	(109,906)	(2)	(79,146)	(2)
	Net income	263,192	6	365,088	8
	Other comprehensive income (loss) (Notes 6(5), (17), (18), and (19)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of the defined benefit plan	855	-	2,474	-
8349	Income tax expense related to components that will not be reclassified to profit or loss	(171)	-	(494)	-
		684	-	1,980	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(95)	-	21,118	1
8370	Share of other comprehensive income of joint ventures accounted for using the equity method	1,772	-	465	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		1,677	-	21,583	1
	Other comprehensive income for the period	2,361	-	23,563	1
	Total comprehensive income for the period	**$ 265,553**	**6**	**388,651**	**9**
	Profit attributable to:				
8610	Shareholders of the parent company	$ 114,581	3	180,244	4
8620	Non-controlling interests	85,680	2	56,353	1
	Equity attributable to former owner of business combination under common control	20,888	-	43,077	1
	Equity attributable to non-controlling interest before business combination under common control	42,043	1	85,414	2
		$ 263,192	**6**	**365,088**	**8**
	Comprehensive income (loss) attributable to:				
8710	shareholders of the parent company	$ 111,939	2	182,935	4
8720	Non-controlling interests	72,928	2	56,353	1
	Equity attributable to former owner of business combination under common control	25,425	1	48,507	1
	Equity attributable to non-controlling interest before business combination under common control	55,261	1	100,856	3
		$ 265,553	**6**	**388,651**	**9**
	Earnings per share (Unit: New Taiwan dollars, Note 6(20))				
9750	**Basic earnings per share**	**$**	**2.57**		**4.04**
9850	**Diluted earnings per share**	**$**	**2.56**		**4.02**

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of the parent company											
			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal	Exchange differences on translation of foreign operations	Total equity attributable to shareholders of the parent company	Non-controlling interests	Equity attributable to former owner of business combination under common control	Interests were not attributable to the common controlling interests before the merger	Total equity
Balance as of January 01, 2022	$ 445,660	297,921	102,356	3,195	191,892	297,443	(2,946)	1,038,078	61,708	-	-	1,099,786
Retroactive adjustment for reorganization under common control	-	-	-	-	-	-	-	-	-	272,806	490,123	762,929
Balance as of January 01, 2022 (restated)	445,660	297,921	102,356	3,195	191,892	297,443	(2,946)	1,038,078	61,708	272,806	490,123	1,862,715
Net income	-	-	-	-	180,244	180,244	-	180,244	56,353	43,077	85,414	365,088
Other comprehensive income for the period	-	-	-	-	1,980	1,980	711	2,691	-	5,430	15,442	23,563
Total comprehensive income for the period	-	-	-	-	182,224	182,224	711	182,935	56,353	48,507	100,856	388,651
Earnings appropriation and distribution:												
Legal reserve	-	-	2,839	-	(2,839)	-	-	-	-	-	-	-
Special reserve	-	-	-	(250)	250	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(22,283)	(22,283)	-	(22,283)	-	-	-	(22,283)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(30,776)	-	-	(30,776)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	450,491	-	-	450,491
Reorganization regarded as a combination from beginning	-	-	-	-	-	-	-	-	-	(28,000)	(54,854)	(82,854)
Balance as of December 31, 2022 (restated)	445,660	297,921	105,195	2,945	349,244	457,384	(2,235)	1,198,730	537,776	293,313	536,125	2,565,944
Net income	-	-	-	-	114,581	114,581	-	114,581	85,680	20,888	42,043	263,192
Other comprehensive income for the period	-	-	-	-	684	684	(3,326)	(2,642)	(12,752)	4,537	13,218	2,361
Total comprehensive income for the period	-	-	-	-	115,265	115,265	(3,326)	111,939	72,928	25,425	55,261	265,553
Earnings appropriation and distribution:												
Legal reserve	-	-	18,222	-	(18,222)	-	-	-	-	-	-	-
Special reserve	-	-	-	(711)	711	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(93,589)	(93,589)	-	(93,589)	-	-	-	(93,589)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(46,365)	-	-	(46,365)
Reorganization regarded as a combination from beginning	-	-	-	-	(117,253)	(117,253)	-	(117,253)	516,164	(318,738)	(591,386)	(511,213)
Balance as of December 31, 2023	**$ 445,660**	**297,921**	**123,417**	**2,234**	**236,156**	**361,807**	**(5,561)**	**1,099,827**	**1,080,503**	**-**	**-**	**2,180,330**

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022 (restated)
Cash flows from operating activities:			
Profit before income tax	$	373,098	444,234
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation		203,030	199,957
Amortization		26,192	26,298
Loss allowance for expected credit losses		868	1,442
Interest expense		27,941	17,834
Interest income		(10,213)	(5,237)
Share of profit of joint ventures accounted for using equity method		(5,549)	(3,438)
(Gains) losses on disposals of property, plant and equipment		34	(3,845)
(Realized) unrealized sales profit		(1,532)	726
Gains on disposal of investment accounted for using equity method		(5,129)	-
Gains on lease modification		(93)	(477)
Dividend income		(3)	-
Gain recognized in bargain purchase transaction		-	(81,089)
Total adjustments to reconcile profit (loss)		235,546	152,171
Changes in operating assets and liabilities:			
Changes in operating assets:			
Notes and accounts receivable		(14,407)	(73,841)
Accounts receivable - related parties		12,958	(16,644)
Other receivables		4,887	22,888
Other receivables - related parties		56	1,756
Inventories		(40,811)	1,322
Prepayments and other current assets		48,253	(63,903)
Total changes in operating assets		10,936	(128,422)
Changes in operating liabilities:			
Contract liabilities		(23,785)	30,925
Notes and accounts payable		(31,132)	53,476
Accounts payable - related parties		4,715	(13,188)
Other payables		(4,959)	29,357
Other payables - related parties		3,691	127
Provisions for liabilities		(2,651)	(980)
Other current liabilities		4,936	(6,628)
Net defined benefit assets		(2)	(604)
Total changes in operating liabilities		(49,187)	92,485
Total changes in operating assets and liabilities		(38,251)	(35,937)
Total adjustments		197,295	116,234
Cash inflow from operations		570,393	560,468
Interest received		9,705	5,237
Dividend received		3	-
Interest paid		(27,830)	(17,578)
Income tax paid		(109,925)	(65,290)
Net cash inflow provided by operating activities		442,346	482,837

(Continued on next page)

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued from the preceding page)

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022 (restated)
Cash flows from investing activities:		
Financial assets measured at fair value through other comprehensive income - capital returned from capital reduction	$ -	87
Net cash inflow from merger and acquisition of subsidiaries	-	76,241
Acquisition of property, plant and equipment	(133,466)	(76,886)
Proceeds from disposals of property, plant and equipment	5,447	25,599
Increase in refundable deposits	(1,068)	(7,338)
Acquisition of intangible assets	(5,810)	(2,939)
Increase in other financial assets	(128,680)	(140,673)
Decrease (Increase) in other non-current assets	(15,406)	369
Net cash outflow used in investing activities	(278,983)	(125,540)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(14,599)	73,854
Increase in long-term loans	871,000	235,000
Repayments of long-term loans	(441,902)	(198,648)
Decrease in guarantee deposit received	(1,648)	(141)
Payment of lease liabilities	(77,444)	(67,712)
Disbursement of cash dividend	(93,589)	(22,283)
Cash dividends distributed by subsidiaries to non-controlling interests	(46,365)	(30,776)
Cash dividends to non-controlling interest before business combination under common control	(72,018)	(54,854)
Equity attributable to former owner of business combination under common control	(436,000)	(28,000)
Net cash outflow used in financing activities	(312,565)	(93,560)
Effect of changes in foreign exchange rates	(73)	18,315
Net (decrease) increase in cash and cash equivalents for the current period	(149,275)	282,052
Cash and cash equivalents at the beginning of the period (restated)	979,783	697,731
Cash and cash equivalents at the end of the period	**$ 830,508**	**979,783**

(Please see Notes to Consolidated Financial Statements)

1. History and Organization

BENQ MEDICAL TECHNOLOGY CORP. (hereafter the Company), formerly known as Trident Medical Corp., received authorization from the Ministry of Economic Affairs for its incorporation on March 21, 1989, at 7F., No. 46, Zhouzi St., Neihu Dist., Taipei 11493, Taiwan. The main business operation of the Company and Subsidiaries (hereafter the Group) includes the manufacturing, installation, maintenance, repair of medical devices and various types of medical equipment, and the wholesales and retailing of medical devices and equipment, medication and health supplements, as well as the provision of leasing, management and consultation services of medical devices.

2. Authorization of the Consolidated Financial Statements

These Consolidated Financial Statements were approved by the Board of Directors on February 29, 2024 before being issued.

3. Application of New Standards, Amendments, and Interpretations

(1) Effects of the adoption of new standards, amendments, and interpretations as endorsed by the Financial Supervisory Commission (FSC) of the Republic of China

The Group began to apply the following amendments to International Financial Reporting Standards from January 01, 2023 onward, and there has been no significant impact on the Group's Consolidated Financial Statements.

- Amendments to IAS 1, “Disclosure of Accounting Policies”
- Amendments to IAS 8, “Definition of Accounting Estimates”
- Amendments to IAS 12, “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Group began to apply the following amendments to International Financial Reporting Standards from May 23, 2023 onward, and there has been no significant impact on the Group's Consolidated Financial Statements.

- Amendments to IAS 12 “International Tax Reform-Pillar Two Model Rules”-

(2) Impacts of IFRSs endorsed by FSC but not yet effective

The Group evaluated and began to apply the following new amendments to International Financial Reporting Standards from January 01, 2024 onward. There has been no significant impact on the Group's Consolidated Financial Statements.

- Amendments to IAS 1, "Classifying 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"

(3) New standards, amendments and interpretations that have yet endorsed by FSC

The Group expects the following new standards, amendments and interpretations that have yet to be endorsed by FSC shall not pose a significant impact on the 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
- Amendment to IAS 21, "Lack of Exchangeability"

4. Summary of Significant Accounting Policies

The significant accounting policies presented in the Consolidated Financial Statements are summarized as follows. The following accounting policies were applied consistently to all periods presented in these financial statements.

(1) Statement of compliance

The Group's accompanying Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRSs").

(2) Basis of preparation

1. Basis of measurement

The consolidated financial statements have been prepared at historical cost except the important items in the balance sheet below:

(1) Financial assets measured at fair value through other comprehensive income.

(2) Net defined benefit assets (liabilities) measured at the fair value of pension plan assets, less the present value of the defined benefit obligation.

2. Functional and presentation currency

The functional currency of each entity of the Group is determined based on the primary economic environment in which the entity operates. The Group's Consolidated Financial Statements are presented in New Taiwan dollars, the Group's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(3) Basis of consolidation

1. Principles of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements incorporate the financial statements of the Company and its controlled entities (the subsidiaries). The Company controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances and unrealized income and loss are eliminated in preparing the Consolidated Financial Statements. Total comprehensive income (loss) of a subsidiary is attributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, financial statements of subsidiaries are adjusted to align to the accounting policies with those adopted by the Company.

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. The difference between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2. Subsidiaries included in the Consolidated Financial Statements

Subsidiaries included in these Consolidated Financial Statements:

Name of investor	Subsidiary	Main business activities	Consolidated ownership (%) 2023.12.31	Consolidated ownership (%) 2022.12.31 (restated)	Description
The Company	AsiaConnect International Co., Ltd. ("ACI")	Sales of medical consumables and equipment and wholesaling and retailing of information software	99.75%	99.75%	
The Company	Highview Investments Limited ("Highview")	Investment and holding company	100.00%	100.00%	
The Company	LILY Medical Corporation ("LILY")	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	
The Company	BenQ AB DentCare Corporation ("BABD")	Wholesaling and retailing of medical consumables and equipment	88.00%	88.00%	
The Company	BenQ Healthcare Corporation ("BHS")	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	
The Company	Eastech Co., Ltd ("ETC")	Wholesaling and retailing of medical consumables and equipment	70.00%	70.00%	
The Company	Concord Medical Co., Ltd. ("CCD")	Sale of medical drugs, leasing of medical equipment and provision of management consultation	40.00%	40.00%	(Note 1)

Name of investor	Subsidiary	Main business activities	Consolidated ownership (%) 2023.12.31	2022.12.31 (restated)	Description
		services			
The Company and CCD	Concord HealthCare Co., Ltd. ("CCHC")	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	40.00%	60.00%	(Note 3)
LILY	LILY Medical (Suzhou) Co., Ltd. ("ALS")	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	
Highview	BenQ Medical Technology (Shanghai) Ltd. ("BMTS")	Agency of international and entrepot trade business	100.00%	100.00%	
BHS	New Best Hearing International Trade Co., Ltd. ("NBHIT")	Wholesaling and retailing of medical consumables and equipment	52.00%	52.00%	
BHS	CKCARE Co., Ltd. ("CKCARE")	Retail of medical devices, over-the-counter drugs, and health supplements.	60.00%	60.00%	(Note 2)
The Company and ACI	K2 International Medical Inc. ("K2")	Sale of medical consumables and equipment	40.00%	40.00%	(Note 4)
K2	K2 Medical (Thailand) Co.,Ltd	Sale of medical consumables and equipment	19.60%	19.60%	(Note 4) (Note 6)
K2	K2 (Shanghai) International Medical Inc.	Sale of medical consumables and equipment	40.00%	40.00%	(Note 4) (Note 5)
K2	PT.Frismed Hoslab Indonesia("K2 Indonesia")	Blood banking equipment and supplies	26.80%	26.80%	(Note 4) (Note 5)

(Note 1): The Group has a shareholding of 40% of CCD and represents the single largest shareholder. The remaining 60% shareholding of CCD does not concentrate on any specific shareholder, and as per the participation level of shareholders in the previous general shareholder's meeting, the Group proved to possess more than half of the total voting rights amongst the shareholders attending the meeting. Thus, the Group deems itself to have control over CCD, which has been included in the Consolidated Financial Statements since January 2022.

(Note 2): In January 2022, the Group acquired the control of the company and it has become a subsidiary of the Group, which shall be integrated into the Consolidated Financial Statements.

(Note 3): It is a new subsidiary established in the second quarter of 2022. In addition, the Company originally held 33.33% of the equity of CCHC and sold it to CCD in January 2023.

(Note 4): The Group acquired 40% of the shares of K2 from Qisda Corporation and its subsidiaries on September 01, 2023, and acquired more than half of the seats on the Board. After assessment, the Company has control over the said company. The above transaction is a reorganization under common control, and is deemed to have been consolidated from the beginning. When the Group prepared the 2023 consolidated financial statements, the Group's financial statements for 2022 have been retrospectively restated.

(Note 5): Although the Group's comprehensive shareholding ratio of the company does not exceed half of the company, the Group has control over the company as it directly and indirectly holds more than half of the voting shares of the company.

(Note 6): Although the Group does not hold more than half of the voting rights of the company, the Group signed a contract with other shareholders to entrust the authorization of voting rights to the company to exercise the voting rights. After assessment, the Group has control over such company.

3. List of subsidiaries that are not included in the Consolidated Financial Statements: None.

(4) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. At the end of each reporting period ("the reporting date"), monetary items denominated in foreign currencies are translated into the functional currency 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 currency using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

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

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated into the presentation currency of the Group's Consolidated Financial Statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Group's Consolidated Financial Statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

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

An asset is classified as current when one of the following criteria is met; all other assets are classified as non-current assets:

Current Assets:

1. It is expected to be realized or intended to be sold or consumed in the normal operating cycle of the Group;
2. The asset is held primarily for trading;
3. It is expected to be realized within 12 months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when one of the following criteria is met; all other liabilities are classified as non-current liabilities:

Current Liabilities:

1. It is expected to be settled in the normal operating cycle of the Group;
2. It is held primarily for trading;
3. It is to be settled within 12 months after the Balance Sheets; or

4. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(6) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and 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 that meet the aforementioned criteria and are held for short-term cash commitment and not for investing and other purposes are also classified as cash equivalents.

(7) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are recognized initially when the Group becomes a party to the contractual provisions of the instrument. The initial recognition of a financial asset (unless it is an accounts receivable without a significant financing component) or financial liability measured at fair value through profit or loss (FVTPL) is measured at the fair value plus transaction costs directly attributable to its acquisition or issuance. An account receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

When financial assets are initially recognized, they are classified as financial assets at amortized cost and financial assets at fair value through other comprehensive income or at fair value through profit or loss. The Group adopts trade date accounting when trading financial assets in accordance with trading practices. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets. All affected financial assets are reclassified on the first day of the first reporting period following the business model's change.

(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 fair value through profit or loss (FVTPL):

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

After initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments in alignment with the following criteria and not designated as measured at fair value through profit or loss, are measured at fair value through other comprehensive income:

- It is held under a certain business model for the purpose of collecting contractual cash flows and selling.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the Group may make an irrevocable election to recognize the subsequent changes in the fair value of investments in equity instruments not held for trading in other comprehensive income. The foregoing election is made based on an instrument-by-instrument basis.

Investments in debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss, and the remaining net gains and losses are recognized in other comprehensive income. Upon derecognition, the cumulative other comprehensive income under equity is reclassified to profit or loss.

Investments in equity instruments are subsequently measured at fair value. Dividend income is recognized in profit or loss, unless it clearly represents a recovery of part of the investment cost. The remaining net gains and losses are recognized in other comprehensive income. Upon derecognition, the cumulative other comprehensive income under equity will be reclassified to retained earnings and not reclassified to profit or loss. Dividend income from equity investments is recognized on the date the Group is entitled to receive the dividend (usually on the ex-dividend date).

(3) Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortized cost or as described above or at fair value through other comprehensive income (e.g., financial assets held for trading or managed at fair value with performance assessed) are measured at fair value through profit or loss, including derivative financial assets. At the time of initial recognition, to eliminate or significantly reduce the accounting mismatch, the Group may irrevocably designate financial assets in line with the criteria for being measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss.

Such assets are subsequently measured at fair value, and the net gain or loss thereof (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following financial assets, which are measured using 12-month expected credit losses:

・Bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses resulting from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the instrument's expected life is less than 12 months).

The maximum period taken into consideration when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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

For the time deposits of the Group, the transaction counterparts and contractual parties are financial institutions with investment grades. As such, time deposits are deemed to have a low credit risk.

Expected credit losses are probability-weighted estimates of credit losses over the expected life of financial assets. 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). Expected credit losses are discounted at the effective interest rate of the financial asset.

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

The gross carrying amount in a financial asset is reduced when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually assesses with respect to the timing and amount in 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. Based on the experience of the Group, the overdue amount is not recoverable after 90 to 365 days.

(5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights of the cash inflow from the assets are terminated, when the Group transfers substantially all the risks and rewards of ownership of the financial assets to other enterprises, or when the Group neither transfers nor retains substantially all of the risks and rewards of ownership. It does not retain control of the financial asset.

Where the Group enters into transactions to transfer a financial asset recognized in its balance sheets but retains either all or substantially all of the risks and rewards of the financial asset, the financial asset is not derecognized.

2. Financial liabilities

(1) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost use 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.

(2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been fulfilled, cancelled, or has expired. The Group also derecognizes a financial liability when its terms are modified. 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.

The difference between the carrying amount in a financial liability derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(3) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only in the balance sheet when the Group has the legally enforceable right to offset one another and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(8) Inventories

The initial cost of inventories includes expenditure incurred in bringing them to the location and condition ready for sale. The fixed manufacturing overhead is allocated to finished products and work in process based on the higher of normal capacity or actual capacity. In contrast, the variable manufacturing overhead is allocated based on the actual capacity of machinery and equipment. Subsequently, inventories are measured at the lower cost and net realizable value. The cost of inventories is calculated based on the weighted-average method. The net realizable value represents the estimated selling price in the ordinary course of business, less, all estimated costs of completion and necessary selling expenses as of the reporting date.

(9) Investment in associates

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, plus any transaction costs. The carrying amount in the investment in associates includes goodwill identified on the acquisition, net of any accumulated impairment losses. When necessary, the entire carrying amount in the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount in the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount in the investment subsequently increases.

The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss. Its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income with a corresponding adjustment to the carrying amount in the investment. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the change in ownership interests of its associate as capital surplus in proportion to its ownership.

Unrealized profits resulting from transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, only to the extent that there is no evidence of an impairment loss of the underlying asset.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Group.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When an associate issues new shares and the Group does not subscribe to the new shares in proportion to its original ownership percentage, the Group's interest in the associate's net assets will be changed. The equity interest change is adjusted through the capital surplus and investment accounted for using the equity method. If the Group's capital surplus is insufficient to offset the adjustment to investment accounts, the difference is charged as a reduction of retained earnings. If the Group's interest in an associate is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount in the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(10) Joint arrangements

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures" unless the Group qualifies for exemption from that Standard. For the accounting of the equity method, please refer to Note 4(9).

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When facts and circumstances change, the Group shall reevaluate whether the joint arrangement classification has to change accordingly.

(11) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured at initial acquisition cost less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment properties are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment properties is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupation.

(12) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost, (including 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 the disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

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

3. Depreciation

Depreciation is calculated based on the cost of assets less their residual values. It 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 property, plant and equipment are as follows: buildings, 35 to 50 years; machinery and equipment, 2 to 10 years; office and other equipment, 2 to 10 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

4. Reclassification to investment properties

A property is reclassified to investment properties at its carrying amount when the purpose of the property changes from owner-occupation to investment.

(13) Leases

At the 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.

1. 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 in 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 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 evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

(1) Fixed payments, including in-substance fixed payments;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
(3) Exercise price when it is reasonably certain that the purchase option will be exercised or payments of penalties for terminating the lease.

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

(1) There is a change in future lease payments arising from the change in an index or rate;
(2) There is a change in the amounts expected to be payable under a residual value guarantee;
(3) There is a change in the assessment of an option to purchase the underlying asset;
(4) There is a change in the lease term resulting from a change of the Company’s assessment on whether it will exercise an extension or termination option;
(5) There are any lease modifications in the lease subject, the scope of the lease, or other terms.

When the lease liability is remeasured due to a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in the amounts expected to be payable under a residual value guarantee and a change in assessment in terms of options to purchase, extend or terminate a lease, a corresponding adjustment is made to the carrying amount in the right-of-use asset. Or, if the carrying amount in the right-of-use asset has been reduced to zero, any remaining amount in the remeasurement shall be recognized in profit or loss.

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 in the right-of-use asset to reflect the partial or full termination of the lease. It recognizes any remeasurement gain or loss in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities as a separate line item respectively in the Consolidated Balance Sheets.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases with 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.

2. 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 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.

For an operating lease, the Group recognizes rental income on a straight-line basis over the lease term

(14) Intangible asset

1. Goodwill

Goodwill arising from the acquisition of subsidiaries is accounted for as intangible assets. Goodwill is not amortized but is measured at cost, less, accumulated impairment losses.

2. Other intangible assets

Other separately acquired intangible assets, including acquired software, customer relationships, sales distribution channels and other intangible assets, are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the following estimated useful lives: customer relationships, 9 years; sales distribution channels 10 years; acquired software, 1 to 5 years; other intangible assets, 2 to 10 years.

The residual value, amortization period, and amortization method are reviewed at least at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the combination's synergies.

The recoverable amount in an individual asset or CGU is the higher 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 in 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 in any goodwill allocated to the CGU and reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not subject to reversal. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss recognized for the assets in prior years.

(16) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event. It is probable that the Group will be required to settle the obligation using resources with economic benefits, and a reliable estimate can be made of the amount in the obligation.

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(17) Revenue recognition

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 service to a customer. The accounting policies for the Group's main types of revenue are explained below:

1. Sale of goods

The Group recognizes revenue when control of the goods has been transferred to the customer, whereby the goods are delivered to the customer, and the customer is able to determine the party and price the goods can be subsequently sold to. There is no unfulfilled obligation that could affect the customer's acceptance of the goods. The delivery occurs when the goods are sent to a specific location. The risk of inventory obsolescence and loss has been transferred to the customer. The customer has accepted the goods in accordance with the terms of sales, or the Group has objective evidence that all criteria for acceptance have been satisfied.

For the Group's obligation in providing a standard warranty for the medical equipment and a refund for faulty goods sold, which are recognized as a provision for warranty, please see Note 4(16).

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

2. Rendering of services

The Group's revenue from providing consultation and maintenance services is recognized in the accounting period in which services are rendered.

3. Rental income

The assets held by the Group for leasing are to earn rental income, and rental income is recognized depending on the conditions of the lease contracts during the period in which it is realized.

4. Financial components

The Group expects the time lapse between the transfer of the promised goods or services to the customer according to any contracts, and the payment made by the customer, not to exceed one year. As such, the Group does not adjust any transaction prices for the time value of money.

(18) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

2. Defined benefit plans

The liability recognized in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, less, the fair value of plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the term of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expense related to the increased obligations resulting from the services rendered by employees in the past years is recognized immediately in profit or loss.

The remeasurement of net defined benefit liabilities (asset), including actuarial gains or losses, return on plan assets (not including interest) and any change in the effect of the asset ceiling (not including interest), shall be recognized immediately in other comprehensive income (loss) and accumulated in retained earnings.

When the Group makes plan amendment or curtailment, the gains or losses arising from benefit changes of past service cost or curtailment are recognized in profit or loss immediately. When making settlements, the Group recognizes gains or losses on settlements of the defined benefit plans.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense during the period in which employees render services. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and that the payments can be reliably recognized.

(19) Share-based payment

The equity-settled payment arrangement is measured at the fair value of the equity instrument as at the settlement date and recognized as an expense and a corresponding increase in equity at the award's vesting period. The expense recognized is adjusted based on the expected service condition fulfilled and the number of awards subject to non-market vesting conditions. The final amount recognized is based on the service condition fulfilled as at the vesting date and the number of awards that are subject to non-market vesting conditions

The share-based payment's non-vesting conditions are already reflected in the fair value measurement of the equity instrument as at the settlement date. Adjustment for the difference between the expected and actual measurement is not necessary.

For the cash capital increase reserved for employee stock options subscription, the settlement date refers to the day when the Group announces the subscription price and the number of shares for subscription to the employees.

(20) Income tax

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

Current taxes comprise the expected tax payable 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 in current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is measured and recognized on temporary differences between the carrying amount of assets and liabilities and their tax bases at the reporting date. Deferred taxes are not recognized for:

1. Assets or liabilities initially recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference have been incurred;
2. 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, probably, they will not reverse in the foreseeable future; and
3. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, 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 reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

1. The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. 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.

(21) Business combinations

The Group uses the acquisition method for acquisitions of new subsidiaries. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred (including any non-controlling interest in the acquiree) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Group shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed and record any additional assets or liabilities that are identified in that review, and thereafter, shall recognize a gain on the bargain purchase.

Acquisition-related costs are expensed as incurred except for the costs related to the issuance of debt or equity instruments.

For components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation, based on each business combination, the Group shall opt to measure at fair value or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree’s identifiable net assets at the acquisition date.

In an acquisition of a new subsidiary achieved in stages, the previously held equity interest in the acquiree at its acquisition date fair value is remeasured by the Group. The resulting gain or loss, if any, is recognized in profit or loss. For all amounts recognized in other comprehensive income arising from a change in acquiree equity prior to the acquisition date, the Group shall treat it on the same basis as if the Group directly dispose of the previously held equity interest. If the amounts previously recognized in other comprehensive income shall be reclassified to profit or loss as would be required. In contrast, disposal of such interest, the Group shall reclassify it to profit or loss.

If the initial accounting for an acquisition is incomplete by the end of the reporting period in which the acquisition occurs, provisional amounts for the items in which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted to reflect new information obtained regarding the facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(22) Reorganization under common control

If the business combination results from the transfer of equity of the enterprise controlled by the controlling shareholder of the Group, the Group deems that the acquisition occurred in the earliest comparable period expressed in the financial statements, or after joint control is established comparative information shall be restated accordingly. The above assets and liabilities acquired under common control are recognized based on their carrying amounts in the previous consolidated financial statements of the Group.

In preparing the consolidated balance sheet, the equity from acquisition records as "Equity attributable to former owner of business combination under common control"; in preparing the consolidated statements of comprehensive income, the profit or loss belong to former controlling shareholders records as "Profit (loss), attributable to former owner of business combination under common control".

(23) Earnings per share (EPS)

The basic and diluted EPS attributable to stockholders of the Group are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to the Group's stockholders by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to the Group's stockholders and weighted average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Group's dilutive potential common shares are profit sharing for employees to be settled in the form of common stock, which is yet to be resolved by the Board of Directors.

(24) Segment Information

The operating departments are the forming units of the Group that engage in business activities to earn revenue and incur expenses (including the revenue earned from and expenses incurred in transactions with other units within the Group). The operating results of all operating departments are subject to regular review of the decision makers of the Group. They shall determine the resources provided to the operating departments and assess their performance. Each operating department has its own financial information.

5. Critical Accounting Judgments and key sources of Estimates and Assumptions on Uncertainty

When preparing the consolidated financial statements, the management must make judgments, estimates and assumptions, which will affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. The actual amount might differ from the estimated amount.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized when the estimates are revised and the future periods affected.

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

(1) Assessment of impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount in relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could significantly alter future years. For impairment assessment on goodwill, please see Note 6 (10) to Consolidated Financial Statements.

6. Significant Accounts Disclosure

(1) Cash and cash equivalents

		2023.12.31	2022.12.31 (restated)
Cash on hand and revolving funds	$	5,105	8,973
Demand deposits and checking accounts		738,433	814,684
Time deposits with an initial maturity date within three months		86,970	156,126
	$	**830,508**	**979,783**

(2) Other financial assets-current

		2023.12.31	2022.12.31 (restated)
Time deposits with an initial maturity date of more than three months	**$**	**366,873**	**238,193**

The estimation of the Group is based on the collection of contractual cash flows when the asset reaches maturity. The cash flows of the financial asset consist of principal and interest on the principal amount outstanding. Therefore, it is measured at amortized cost.

(3) Notes and accounts receivable (measured at amortized cost)

		2023.12.31	2022.12.31 (restated)
Notes receivable	$	99,108	97,306
Accounts receivable		752,929	713,077
Less: Loss allowance		(9,548)	(8,704)
		842,489	801,679
Accounts receivable - related parties		3,988	38,811
	$	**846,477**	**840,490**

The Group applies the simplified approach to make an estimation for the expected credit losses of notes and accounts receivable, i.e. measuring the lifetime expected credit losses and includes forward-looking information. Analysis of expected credit loss on notes and accounts receivable of the Group is as follows:

	2023.12.31		
	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	$ 771,725	0.15%	1,194
Less than 90 days overdue	39,752	3.50%	1,392
91 - 180 days overdue	37,135	9.63%	3,576
181 - 270 days overdue	57	31.58%	18
271 - 365 days overdue	189	100.00%	189
1 year or above overdue	3,179	100.00%	3,179
	$ 852,037		9,548

	2022.12.31 (restated)		
	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	$ 747,103	0.23%	1,733
Less than 90 days overdue	31,681	4.56%	1,444
91 - 180 days overdue	29,509	11.76%	3,471
181 - 270 days overdue	74	54.05%	40
1 year or above overdue	2,016	100.00%	2,016
	$ 810,383		8,704

As of December 31, 2023 and 2022, the Group has no expected credit losses from accounts receivable - related parties. The aging analysis is as follows:

	2023.12.31	2022.12.31 (restated)
Current	$ 3,988	38,012
Less than 90 days overdue	-	799
	$ 3,988	38,811

Movements of the loss allowance for notes and accounts receivable of the Group is as follows:

	2023	2022 (restated)
Beginning balance	$ 8,704	4,896
Impairment losses	868	1,442
Impairment losses due to merger and acquisition	-	2,269
Exchange rate effect	(24)	97
End balance	$ 9,548	8,704

(4) Inventory

	2023.12.31	2022.12.31 (restated)
Raw materials	$ 67,500	73,627
Work-in-progress	27,297	28,165
Finished goods	28,259	45,187
Merchandise Inventories	387,966	334,925
Inventories in transit	4,729	4,380
	$ 515,751	**486,284**

Cost of goods sold relating to Inventories expenses for the current period:

	2023	2022 (restated)
Cost of inventories sold	$ 3,092,921	3,026,862
Inventories loss due to falling prices	4,430	10,241
Gains on physical inventory	(349)	(924)
Loss on inventory obsolescence	3,029	6,706
	$ 3,100,031	**3,042,885**

The write-down of inventories above was the amount in inventories written down to net realizable value.

(5) Investments accounted for using the equity method

The joint ventures that the Group accounted for using the equity method are not significant. The financial information is listed below and the amounts integrated into the Consolidated Financial Statements are as follows:

		Carrying amount	
Investee company	**Main business activities**	**2023.12.31**	**2022.12.31**
TDX Medical Technology (Jiangsu) Co., Ltd (TDX)	Wholesaling and retailing of medical consumables and equipment	**$ -**	**34,293**

The profit and loss of the joint venture attributable to the Group are as follows:

	2023	2022
Net income	$ 5,549	3,438
Other comprehensive income (loss)	1,772	465
Total comprehensive income (loss)	**$ 7,321**	**3,903**

In December 2023, the 40% equity in TDX held by the Group in was disposed of at NTD 48,275 thousand, resulting in a disposal gain of NTD 5,129 thousand. As of December

31, 2023. As of one day, there was an uncollected receivable of NTD 46,914, recorded under other receivables.

(6) Subsidiaries

1. Acquisition of subsidiary - Concord Medical Co., Ltd.

On December 27, 2021, the Board of Director resolved that apart from participating in the cash capital increase via private placement to acquire 25% of the shares of Concord Medical Co., Ltd. (hereafter CCD), the Group also acquired 15% of the shares of CCD via public tender offer on January 20, 2022. In conclusion, the Group has accumulated a shareholding of 40% of CCD and represents the single largest shareholder. Although it holds less than half of the total voting rights, considering the remaining shareholding of CCD does not concentrate on any specific shareholder, and as per the participation level of shareholders in the previous general shareholder's meeting, the Group proved to possess more than half of the total voting rights amongst the shareholders attending the meeting. Thus, the Group deems itself to have control over CCD, which shall be integrated into the Consolidated Financial Statements.

The main business activities of CCD include sale of medical drugs, leasing of medical equipment and provision of management consultation services. The acquisition of CCD allows the Group to expand the sales distribution channels of medical management services and medical consumables and optimize the medical related services, thus expanding the diversity of medical services.

(1) Consideration transferred

On December 30, 2021, the Group acquired a shareholding of 25% of CCD with cash of NTD100,000 thousand by participating in the private placement. Furthermore, via public tender offer, on January 20, 2022, the Group acquired a shareholding of 15% of CCD with cash of NTD90,000 thousand. No earnouts or other equity instrument serves as consideration transferred.

(2) According to IFRS, the identifiable assets and liabilities arising from the acquisition at fair value should be measured as at the acquisition date. The valuation conducted by experts appointed by the Company is as follows:

Consideration transferred:				
Cash			$	190,000
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of identifiable net assets)				406,633
Identifiable net assets acquired at fair value:				
Cash and cash equivalents	$	206,843		
Notes and accounts receivable		312,836		
Other receivables		12,474		
Inventories		13,363		
Prepayments and other current assets		25,682		
Other current financial assets -		2,777		
Property, plant and equipment		143,993		
Right-of-use assets		5,841		
Investment properties		424,700		
Intangible asset		1,745		
Deferred income tax assets		403		
Refundable Deposits		3,656		
Other non-current assets		6,036		
Contract liabilities - current		(38)		
Notes and accounts payable		(257,718)		
Other payables		(14,315)		
Income tax payable		(5,964)		
Lease liabilities (current and non-current)		(189,200)		
Other current liabilities		(1,628)		
Other non-current liabilities		(4,800)		
Deferred income tax liabilities		(8,964)		677,722
Gain recognized in bargain purchase transaction			**$**	**(81,089)**

2. Acquisition of subsidiary - CKCARE Co., Ltd.

On November 24, 2021, the Board of Directors approved by resolution the acquisition of a 60% shareholding of CKCARE Co., Ltd. (hereafter CKCARE) by the subsidiary of the Group, BenQ Healthcare Corporation (hereafter BHS). From the acquisition date (January 03, 2022) onward, CKCARE shall be incorporated into the Consolidated Financial Statements. The main business of CKCARE is running regional professional chain compounding pharmacies which mainly engages in sale of over-the-counter drugs, baby formula, paper products and medical devices. The acquisition of CKCARE allows the Group to expand the sales distribution channels of medical products and optimize the medical related services, thus expanding the diversity of medical services.

(1) Consideration transferred

According to the equity interest transfer agreement, on January 03, 2022,BHS purchased a 60% stake of CKCARE with cash payment of NTD105,300 thousand, and without contingent consideration or other equity instrument as consideration transferred.

(2) According to IFRS, the identifiable assets and liabilities arising from the acquisition at fair value should be measured as at the acquisition date. The valuation conducted by experts appointed by the Company is as follows:

Consideration transferred:				
Cash			$	105,300
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of identifiable net assets)				43,858
Identifiable net assets acquired at fair value:				
Cash and cash equivalents	$	64,698		
Notes and accounts receivable		1,474		
Other receivables		18,340		
Inventories		37,675		
Financial assets measured at fair value through other comprehensive income		210		
Property, plant and equipment		74,802		
Right-of-use assets		16,510		
Intangible asset - branding		20,417		
Intangible asset - customer relationship		9,648		
Intangible asset - computer software		220		
Refundable Deposits		746		
Short-term loans		(29,300)		
Notes and accounts payable		(27,411)		
Other payables		(49,817)		
Lease liabilities (current and non-current)		(16,533)		
Other current liabilities		(6,021)		
Deferred income tax liabilities		(6,013)		109,645
Goodwill			**$**	**39,513**

(3) Intangible asset

Intangible asset -- branding is amortized over the estimated future economic useful life of 10 years according to straight-line amortization.

Intangible asset -- customer relationship is amortized over the estimated future economic useful life of 12 years according to straight-line amortization.

Goodwill is mainly arising from the profitability of CKCARE in the retail pharmacy market. No income tax effect is expected.

3. Acquisition of subsidiary - K2 International Medical Inc. and its subsidiaries

On September 01, 2023 (the date of acquisition), the Group acquired 40% of the shares of K2 International Medical Inc. (hereinafter referred to as “K2”) with cash NTD 400,000 thousand, and acquired more than half of the seats on the Board of the company. After assessment, the Group has control over the said company. K2 served as an agency, and is engaged in the sale of hemodialysis machines and related accessories and consumables of well-known brand. The acquisition of K2 is mainly for the business development in the long term and achieve the synergy effects of the group.

The aforementioned acquisition of K2 by cash is a reorganization under common control and regarded as a combination from beginning. On September 01, 2023 (the acquisition date), the carrying amounts of assets and liabilities from the acquisition are as follows:

Consideration transferred:		
Cash		$ 400,000
Add: Non-controlling interest		516,164
Assets acquired and liabilities assumed:		
Cash and cash equivalents	$ 343,254	
Notes and accounts receivable	283,819	
Inventories	261,224	
Prepayments and other current assets	108,706	
Other current financial assets -	52,227	
Property, plant and equipment	80,899	
Right-of-use assets	3,857	
Intangible asset	196,109	
Deferred income tax assets	5,687	
Refundable Deposits	40,969	
Financial liabilities measured at fair value through profit or loss	(665)	
Short-term loans	(345,150)	
Notes and accounts payable	(80,039)	
Other payables	(54,415)	
Income tax payable	(14,093)	
Lease liabilities (current and non-current)	(4,029)	
Other current liabilities	(2,696)	
Long-term loans	(50,796)	
Other non-current liabilities	(9,681)	
Deferred income tax liabilities	(16,276)	798,911
Debited retained earnings		$ 117,253

4. Subsidiaries that the Group has material non-controlling interests

Subsidiaries in which the Group has material non-controlling interests were as follows:

Subsidiary	Principal place of business/country of incorporation	Percentage of ownership and voting rights held by non-controlling interests 2023.12.31	2022.12.31 (restated)
NBHIT	Taiwan	48%	48%
CCD	Taiwan	60%	60%
CKCARE	Taiwan	40%	40%
K2	Taiwan	60%	60%

The summarized financial information of subsidiaries prepared in accordance with

IFRSs endorsed by FSC was as follows. The information includes the fair value adjustment made by the Group during the acquisition as at the acquisition date:

(1) The summarized financial information of NBHIT:

		2023.12.31	2022.12.31
Current assets	$	137,855	135,187
Non-current assets		165,218	137,521
Current liabilities		(103,063)	(110,758)
Non-current liabilities		(62,730)	(39,034)
Net assets	**$**	**137,280**	**122,916**
The carrying amount in non-controlling interests	**$**	**52,375**	**45,480**

		2023	2022
Net sales	**$**	**397,919**	**347,916**
Net income	$	48,405	34,840
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)	**$**	**48,405**	**34,840**
Net income attributable to non-controlling interests	**$**	**23,235**	**16,723**
Total comprehensive income attributable to non-controlling interests	**$**	**23,235**	**16,723**

		2023	2022
Cash flows provided by operating activities	$	63,391	89,112
Cash flows used in investing activities		(10,797)	(25,415)
Cash flows used in financing activities		(62,132)	(55,878)
Net increase (decrease) in cash and cash equivalents	**$**	**(9,538)**	**7,819**
Cash dividends paid to non-controlling interests	**$**	**(16,340)**	**(15,271)**

(2) The summarized financial information of CCD:

		2023.12.31	2022.12.31
Current assets	$	638,341	678,167
Non-current assets		558,404	543,644
Current liabilities		(282,539)	(298,720)
Non-current liabilities		(196,688)	(174,089)
Net assets	**$**	**717,518**	**749,002**
The carrying amount in non-controlling interests	**$**	**430,510**	**465,410**

		2023	2022.01.20~ 2022.12.31
Net sales	$	833,202	846,958
Net income	$	41,833	47,945
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)	$	41,833	47,945
Net income attributable to non-controlling interests	$	25,100	28,777
Total comprehensive income attributable to non-controlling interests	$	25,100	28,777

		2023	2022.01.20~ 2022.12.31
Cash flows provided by operating activities	$	113,226	154,561
Cash flows used in investing activities		(188,080)	(110,314)
Cash flows used in financing activities		(60,797)	3,866
Increase (decrease) in cash and cash equivalents	$	(135,651)	48,113
Cash dividends paid to non-controlling interests	$	(20,000)	(10,000)

(3) The summarized financial information of CKCARE:

		2023.12.31	2022.12.31
Current assets	$	92,878	107,111
Non-current assets		186,753	169,802
Current liabilities		(89,147)	(92,907)
Non-current liabilities		(37,389)	(25,896)
Net assets	$	153,095	158,110
The carrying amount in non-controlling interests	$	45,433	47,439

		2023	2022.01.3~ 2022.12.31
Net sales	$	291,902	304,521
Net income	$	8,797	12,951
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)	$	8,797	12,951
Net income attributable to non-controlling interests	$	3,519	5,180
Total comprehensive income attributable to non-controlling interests	$	3,519	5,180

		2023	2022.01.3~ 2022.12.31
Cash flows provided by operating activities	$	3,129	26,664
Cash flows used in investing activities		(10,055)	(7,004)
Cash flows used in financing activities		(14,313)	(21,939)
Net decrease in cash and cash equivalents	$	(21,239)	(2,279)
Cash dividends paid to non-controlling interests	$	(5,525)	(1,599)

(4) The summarized financial information of K2:

		2023.12.31	2022.12.31
Current assets	$	1,057,377	1,001,941
Non-current assets		306,404	293,424
Current liabilities		(460,891)	(449,239)
Non-current liabilities		(78,466)	(16,688)
Net assets	$	824,424	829,438
The carrying amount in non-controlling interests	$	537,538	536,125

		2023	2022
Net sales	$	1,582,618	1,431,821
Net income	$	105,981	128,491
Other comprehensive income (loss)		217	20,872
Total comprehensive income (loss)	$	106,198	149,363
Net income attributable to non-controlling interests	$	72,956	85,414
Total comprehensive income attributable to non-controlling interests	$	73,424	100,856

		2023	2022
Cash flows provided by operating activities	$	138,977	103,432
Cash flows used in investing activities		(49,291)	(18,521)
Cash flows used in financing activities		(35,391)	(98,385)
Effect of changes in foreign exchange rates		87	18,115
Increase in cash and cash equivalents	$	54,382	4,641
Cash dividends paid to non-controlling interests	$	(72,018)	(54,854)

(7) Property, plant and equipment

Movements of the costs, accumulated depreciation and impairment loss of property, plant and equipment of the Group are as follows:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements of (continued)

	Land	Buildings	Machinery	Instruments and equipment (for rental)	Leasehold improvement	Leasehold improvements (for rental)	Office and other equipment	Construction in progress	Total
Cost:									
Balance as of January 01, 2023 (restated)	$ 346,860	362,780	304,763	193,569	4,479	146,350	137,680	-	1,496,481
Additions	-	1,777	36,935	63,334	23	13,430	14,368	3,599	133,466
Disposals	-	-	(15,105)	(35,525)	-	(24,286)	(11,815)	-	(86,731)
Reclassification	-	-	5,543	(143)	-	(1,017)	4,292	-	8,675
Effect of changes in foreign exchange rates	-	-	552	-	10	(2)	(51)	-	509
Balance as of December 31, 2023	$ 346,860	364,557	332,688	221,235	4,512	134,475	144,474	3,599	1,552,400
Balance as of January 01, 2022 (restated)	$ 282,492	362,715	285,970	-	3,291	53,659	111,118	-	1,099,245
Acquisition through business combination (Note 6(6))	64,368	-	920	267,598	-	102,156	18,572	-	453,614
Additions	-	65	20,315	28,691	292	11,838	15,685	-	76,886
Disposals	-	-	(8,924)	(102,720)	-	(21,303)	(9,971)	-	(142,918)
Reclassification	-	-	3,001	-	-	-	1,783	-	4,784
Effect of changes in foreign exchange rates	-	-	3,481	-	896	-	493	-	4,870
Balance as of December 31, 2022 (restated)	$ 346,860	362,780	304,763	193,569	4,479	146,350	137,680	-	1,496,481
Accumulated depreciation:									
Balance as of January 01, 2023 (restated)	$ -	80,563	221,126	109,182	2,150	96,192	103,124	-	612,337
Depreciation	-	10,628	34,885	40,872	554	17,952	13,981	-	118,872
Disposals	-	-	(13,916)	(34,272)	-	(24,191)	(8,871)	-	(81,250)
Reclassification	-	-	-	-	-	(191)	191	-	-
Effect of changes in foreign exchange rates	-	-	361	-	49	(50)	(86)	-	274
Balance as of December 31, 2023	$ -	91,191	242,456	115,782	2,753	89,712	108,339	-	650,233
Balance as of January 01, 2022 (restated)	$ -	69,773	183,413	-	483	29,093	88,198	-	370,960
Acquisition through business combination (Note 6(6))	-	-	193	158,456	-	66,025	10,145	-	234,819
Depreciation	-	10,790	43,877	36,233	919	19,807	14,069	-	125,695
Disposals	-	-	(7,566)	(85,507)	-	(18,733)	(9,358)	-	(121,164)
Effect of changes in foreign exchange rates	-	-	1,209	-	748	-	70	-	2,027
Balance as of December 31, 2022 (restated)	$ -	80,563	221,126	109,182	2,150	96,192	103,124	-	612,337
Carrying value:									
December 31, 2023	$ 346,860	273,366	90,232	105,453	1,759	44,763	36,135	3,599	902,167
December 31, 2022 (restated)	$ 346,860	282,217	83,637	84,387	2,329	50,158	34,556	-	884,144

For information on the property, plant and equipment of the Group serving as collateral for a credit line of bank loans, please see Note 8.

(8) Right-of-use assets

Movements of the costs and depreciation of buildings that the Group leases as office spaces and branch offices, and transportation equipment are as follows:

		Buildings	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 01, 2023 (restated)	$	224,763	12,415	237,178
Additions		102,170	3,629	105,799
Lease modification		(1,733)	-	(1,733)
Write-off		(37,946)	(832)	(38,778)
Effect of changes in foreign exchange rates		(224)	-	(224)
Balance as of December 31, 2023	**$**	**287,030**	**15,212**	**302,242**
Balance as of January 01, 2022 (restated)	$	165,259	9,710	174,969
Acquisition through business combination (Note 6(6))		25,586	1,215	26,801
Additions		58,939	7,511	66,450
Lease modification		(1,619)	(1,230)	(2,849)
Write-off		(23,907)	(4,791)	(28,698)
Effect of changes in foreign exchange rates		505	-	505
Balance as of December 31, 2022 (restated)	**$**	**224,763**	**12,415**	**237,178**
Accumulated depreciation of right-of-use assets:				
Balance as of January 01, 2023 (restated)	$	113,938	4,103	118,041
Depreciation for the current period		54,226	3,506	57,732
Lease modification		(991)	-	(991)
Write-off		(37,946)	(832)	(38,778)
Effect of changes in foreign exchange rates		34	-	34
Balance as of December 31, 2023	**$**	**129,261**	**6,777**	**136,038**
Balance as of January 01, 2022 (restated)	$	85,873	5,694	91,567
Acquisition through business combination (Note 6(6))		3,439	1,011	4,450
Depreciation for the current period		48,985	2,804	51,789

		Buildings	Transportation equipment	Total
Lease modification		(729)	(615)	(1,344)
Write-off		(23,907)	(4,791)	(28,698)
Effect of changes in foreign exchange rates		277	-	277
Balance as of December 31, 2022 (restated)	$	**113,938**	**4,103**	**118,041**
Carrying value:				
December 31, 2023	$	**157,769**	**8,435**	**166,204**
December 31, 2022 (restated)	$	**110,825**	**8,312**	**119,137**

(9) Investment properties

		Self-owned		Right-of-use assets	
		Land	Buildings	Buildings	Total
Cost:					
Balance as of January 01, 2023	$	225,083	126,893	237,579	589,555
Additions		-	-	13,093	13,093
Disposals		-	-	(2,128)	(2,128)
Balance as of December 31, 2023	$	**225,083**	**126,893**	**248,544**	**600,520**
Balance as of January 01, 2022	$	31,822	54,762	-	86,584
Acquisition through business combination (Note 6(6))		193,261	72,131	232,770	498,162
Additions		-	-	8,627	8,627
Disposals		-	-	(3,818)	(3,818)
Balance as of December 31, 2022	$	**225,083**	**126,893**	**237,579**	**589,555**
Accumulated depreciation:					
Balance as of January 01, 2023	$	-	27,692	72,569	100,261
Depreciation		-	4,361	22,065	26,426
Disposals		-	-	(2,128)	(2,128)
Balance as of December 31, 2023	$	**-**	**32,053**	**92,506**	**124,559**
Balance as of January 01, 2022	$	-	7,136	-	7,136
Acquisition through business combination (Note 6(6))		-	17,132	56,330	73,462
Depreciation		-	3,424	19,049	22,473
Disposals		-	-	(2,810)	(2,810)
Balance as of December 31,	$	**-**	**27,692**	**72,569**	**100,261**

	Self-owned		Right-of-use assets	
	Land	Buildings	Buildings	Total
2022				
Carrying value:				
December 31, 2023	$ 225,083	94,840	156,038	475,961
December 31, 2022	$ 225,083	99,201	165,010	489,294
Fair value:				
December 31, 2023				$ 613,309
December 31, 2022				$ 624,101

For investment properties leased to third parties, the proportion of land ownership, and right-of-use assets sub-leased to other parties, please see Note 6(16). The fair value evaluation of the aforementioned self-owned investment properties was performed by the management based on transaction prices of similar properties in the same area or by independent valuer. As for the right-of-use assets that are for sub-leasing purposes, the fair value evaluation is estimated by discounting future cash flow. The inputs to valuation technique for the aforementioned fair value are level 3 inputs.

For investment properties serving as collateral for a credit line of bank loans, please see Note 8.

(10) Intangible asset

	Goodwill	Computer software	Customer relationships and sales channels	Other intangible assets	Total
Cost:					
Balance as of January 01, 2023 (restated)	$ 207,648	21,420	151,923	80,566	461,557
Addition	-	5,582	-	228	5,810
Write-off	-	(2,085)	-	-	(2,085)
Other adjustments	6,486	-	-	-	6,486
Effect of exchange rate changes	-	1	-	-	1
Balance as of December 31, 2023	$ 214,134	24,918	151,923	80,794	471,769
Balance as of January 01, 2022 (restated)	$ 168,135	17,198	142,275	27,582	355,190
Acquisition through business combination (Note 6(6))	39,513	3,834	9,648	20,732	73,727
Addition	-	2,939	-	-	2,939
Write-off	-	(2,079)	-	(1,089)	(3,168)
Reclassification	-	900	-	33,341	34,241
Effect of exchange rate changes	-	(1,372)	-	-	(1,372)
Balance as of December 31, 2022 (restated)	$ 207,648	21,420	151,923	80,566	461,557
Accumulated amortization:					
Balance as of January 01, 2023	$ -	13,497	73,349	26,379	113,225

	Goodwill	Computer software	Customer relationships and sales channels	Other intangible assets	Total
(restated)					
Amortization	-	4,775	13,792	7,625	26,192
Write-off	-	(2,085)	-	-	(2,085)
Balance as of December 31, 2023	$ -	16,187	87,141	34,004	137,332
Balance as of January 01, 2022 (restated)	$ -	10,366	57,168	21,481	89,015
Acquisition through business combination (Note 6(6))	-	2,089	-	95	2,184
Amortization	-	4,225	16,181	5,892	26,298
Write-off	-	(2,079)	-	(1,089)	(3,168)
Effect of exchange rate changes	-	(1,104)	-	-	(1,104)
Balance as of December 31, 2022 (restated)	$ -	13,497	73,349	26,379	113,225
Carrying value:					
December 31, 2023	$ 214,134	8,731	64,782	46,790	334,437
December 31, 2022 (restated)	$ 207,648	7,923	78,574	54,187	348,332

2. Impairment test on goodwill

The goodwill obtained from the business combinations based on setting individual subsidiaries as the cash generation units is as follows:

	2023.12.31	2022.12.31
LILY	$ 13,576	13,576
NBHIT	34,253	34,253
ETC	9,044	9,044
CKCARE	39,513	39,513
K2	38,214	38,214
K2 Indonesia	79,534	73,048
	$ 214,134	207,648

Each CGU above to which the goodwill is allocated represents the lowest level within the Group, at which the goodwill is monitored for internal management purposes. Based on the results of impairment tests for the goodwill of CGUs conducted by the Group for the year ended 2023 and 2022, the recoverable amount exceeded its carrying amount. As such, no impairment loss was recognized. The recoverable amount in a CGU was determined based on the value in use, and the related key assumptions were as follows:

The key assumptions of the estimated value in use were as follows:

	2023.12.31					
	LILY	**NBHIT**	**ETC**	**CKCARE**	**K2**	**K2 Indonesia**
Revenue growth rate	(3.6)%~2.2%	(11.4)%~0.5%	0.8%~7.3%	4.9%~19.3%	1%~6%	5%~18.5%
Discount rates	11.26%	9.19%	13.91%	9.95%	16.82%	22.53%

	2022.12.31					
	LILY	**NBHIT**	**ETC**	**CKCARE**	**K2**	**K2 Indonesia**
Revenue growth rate	2.5%	0.5%~1.4%	3.7%~15%	0%~14.1%	(3.9)%~15.0%	(12.1)%~20.1%
Discount rates	15.66%	9.46%	14.76%	7.97%	16.37%	17.77%

(1) The cash flow projections were based on historical operating performance and future financial budgets, covering a period of 5 years, approved by the Management and estimated terminal values at the end of the 5-year period. Cash flows beyond the 5-year period have been extrapolated using a 0% growth rate.

(2) The estimation of the discount rate is based on the weighted average cost of capital.

(11) Other non-current assets

	2023.12.31	2022.12.31 (restated)
Prepayments for equipment	$ 17,824	6,147
Net pension plan assets	7,166	5,472
Refundable Deposits	45,433	44,365
Long-term accounts receivable	500	3,725
Other receivables -long-term	152	2,165
Long-term lease receivable	4,630	962
Others	-	290
	$ 75,705	63,126

(12) Short-term loans

	2023.12.31	2022.12.31 (restated)
Unsecured bank loans	$ 353,164	356,550
Secured bank loans	31,308	42,521
	$ 384,472	399,071
Unused credit facilities	$ 1,954,003	1,794,994
Interest rate bracket	1.88%~6.70%	1.69%~5.71%

For assets pledged as collateral to secure bank loans, please see Note 8.

(13) Long-term loans

	2023.12.31	2022.12.31 (restated)
Secured bank loans	$ 190,000	40,000
Unsecured bank loans	661,758	382,660
Less: current portion of long-term debt	(8,628)	(17,902)
	$ 843,130	404,758
Unused credit facilities	$ 461,049	611,061
Interest rate bracket	0.50%~5.92%	1.68%~7.24%

For assets pledged as collateral to secure bank loans, please see Note 8.

The Group's loan contract with some of the lending banks stipulated that the agreed financial indicators must be maintained in the semi-annual and annual consolidated financial statements for the duration of the loan. The Group's annual consolidated financial statements of 2023 and the semi-annual consolidated financial statements of 2023 conformed to the abovementioned standards agreed with the lending bank.

(14) Lease liabilities

The lease liabilities of the Group are as follows:

	2023.12.31	2022.12.31 (restated)
Current	$ 74,518	68,343
Non-current	$ 6,808	8,456

For the maturity analysis, please see Note (25) on financial risk management.

Profit and loss recognized are as follows:

	2023	2022 (restated)
Interest expense of lease liabilities	$ 5,101	4,932
Short-term lease expense	$ 13,277	8,939

Items recognized in Cash Flows Statement:

	2023	2022 (restated)
Total cash outflow for leases	$ 95,822	81,583

1. Lease of buildings

Pertaining to office spaces and branch offices of the Group, the lease tenors for office spaces range from 3 to 20 years, and for branch offices, 3 to 9 years, of which some of the leases have a renewal option for tenor as per the original lease contract. Part of the right-of-use assets are subleased to other parties to earn rental income. For more information, please see Note 6(9). Further, the lease term of some buildings or offices and warehouses leased by the Group is one year or less and thus deemed to be short-term leases. The Group chooses to adopt recognition exemption and does not recognize the relevant right-of-use assets and lease liabilities.

2. Other leases

The lease tenors of transportation equipment of the Group range from one to five years.

(15) Provision for product warranties

	2023	2022
Beginning balance	$ 8,842	9,822
Provisions made	3,298	5,316
Amount utilized	(5,949)	(6,296)
End balance	**$ 6,191**	**8,842**

The provision for product warranties is mainly pertaining to the sales of medical equipment. The provision for warranties is estimated based on historical warranty data associated with similar products and services. The Group expects to settle most of the warranty liability within one to two years from the date of the sale of the products.

(16) Operating leases - lessor

The Group leases out its property, plant and equipment (mainly instruments and equipment) and investment properties. As almost all of the risk and reward of the ownership of the properties have not been transferred, the lease contracts are classified as operating leases.

The maturity analysis of the lease payments receivable showing the undiscounted lease payments after the reporting date is as follows:

	2023.12.31	2022.12.31
Less than 1 year	$ 73,614	43,746
1 to 2 years	18,399	13,036
2 to 3 years	16,621	8,091
3 to 4 years	13,377	6,522
4 to 5 years	4,495	3,331
More than 5 years	15,627	416
Total undiscounted lease payments	**$ 142,133**	**75,142**

The rental income from property, plant and equipment and investment property during this period is listed as follows:

		2023	2022
Recognized in operating revenue:			
Property, plant and equipment	$	57,705	50,896
Investment properties		31,839	27,063
	$	89,544	77,959

		2023	2022
Recognized in non-operating income and expenses:			
Property, plant and equipment	$	5,257	6,143
Investment properties		6,037	5,769
	$	11,294	11,912

The direct operating expenses (recognized in "operating costs" and "operating expenses") incurred due to investment properties are as follows:

		2023	2022
Those generating rental income	$	25,634	23,009
Those not generating rental income		519	497
	$	26,153	23,506

(17) Employee benefits

1. Defined benefit plans

The adjustments to the present value of the defined benefit plans and net defined benefit liabilities (pension plan assets) are as follows:

		2023.12.31	2022.12.31
Present value of defined benefit obligations	$	3,626	3,554
Fair value of plan assets		(1,086)	(1,012)
Net defined benefit liabilities (listed as other current liabilities)	$	2,540	2,542

		2023.12.31	2022.12.31
Present value of defined benefit obligations	$	21,443	25,345
Fair value of plan assets		(28,609)	(30,817)
Pension plan assets (listed as other non-current assets)	$	(7,166)	(5,472)

The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The payments that a retired employee is entitled to receive are based on years of service and the average salary for the six months prior to the employee's retirement.

(1) Composition of plan assets

The pension fund (the "Fund") contributed by the Group is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the Fund's utilization, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2023 and 2022, the Group's labor pension fund account balance at Bank of Taiwan amounted to NTD29,695 thousand and NTD31,829 thousand, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets, including the asset portfolio and yield of the fund.

(2) Movements in the present value of defined benefit obligations

	2023	2022
Present value of defined benefit obligations as at January 01	$ 28,899	29,549
Current interest expense and service costs	492	184
Remeasurement on the net defined benefit liabilities (assets):		
－Actuarial losses (gains) arising from changes in financial assumptions	(458)	259
－Actuarial losses (gains) arising from experience adjustments	(269)	(436)
Benefits paid by the plan	(3,595)	(657)
Present value of defined benefit obligations as at December 31	**$ 25,069**	**28,899**

(3) Movements of the fair value of plan assets

	2023	2022
Fair value of plan assets as at January 01	$ 31,829	29,236
Interest income	551	184
Remeasurement on the net defined benefit liabilities (assets):		
－Return on plan assets (not including interest income for the current period)	128	2,297
Contributions by the employer	782	769
Benefits paid by the plan	(3,595)	(657)
Fair value of plan assets as at December 31	**$ 29,695**	**31,829**

(4) Expenses recognized in profit or loss

	2023	2022
Net interest income on the net defined benefit liabilities (assets)	$ (59)	-
Operating costs	$ (1)	11
Selling expenses	(24)	-
General and administrative expenses	(23)	(11)
Research and development expenses	(11)	-
	$ (59)	-

(5) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	2023	2022
Discount rates	1.375%~1.625%	1.750%
Future salary rate increases	3.000%	3.000%~3.500%

The Group expects to contribute NTD781 thousand to the defined benefit plans within one year following December 31, 2023. The weighted average duration of the defined benefit plans is ranged from 9.93 years to 12.64 years.

(6) Sensitivity analysis

For the present value of defined benefit obligations, the Group has to practice judgment and make estimates to determine the actuarial assumptions as at the reporting date, including the discount rates and future salary rate increases. Any change in actuarial assumptions may significantly affect the defined benefit obligations of the Group.

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2023 and 2022:

	Increase (decrease) in the present value of defined benefit obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2023		
Discount rates	(624)	648
Future salary rate increases	623	(604)
December 31, 2022		
Discount rates	(715)	744
Future salary rate increases	716	(696)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets. The method and assumptions for the sensitivity analysis are the same as the previous reporting period.

2. Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Foreign subsidiaries make contributions in compliance with their respective local regulations.

For the years ended December 31, 2023 and 2022, the Group recognized pension expenses of NTD21,668 thousand and NTD19,973 thousand respectively, in relation to the defined contribution pension plans.

(18) Income tax

1. Income tax expense

		2023	2022 (restated)
Current income tax expense			
Income tax expense for the current period	$	100,421	90,426
Adjustment to income tax expense for the previous periods		7,579	(93)
		108,000	90,333
Deferred income tax (benefit) expense			
Origination and reversal of temporary differences		1,906	(11,187)
	$	**109,906**	**79,146**

In 2023 and 2022, there was no income tax recognized by the Group directly in equity.

Income tax expense (gain) recognized directly in other comprehensive income:

		2023	2022
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of the defined benefit plan	**$**	**171**	**494**

Reconciliation of income tax expense and profit before tax was as follows:

		2023	2022 (restated)
Income before income tax	$	373,098	444,234
Income tax using the Company's statutory tax rate	$	74,620	88,847
Effect of different tax rates in foreign jurisdictions		18,147	15,606
Non-deductible tax losses		15,306	-
Change in unrecognized temporary differences and tax loss		(9,663)	(9,970)
Adjustment to income tax expense for the previous periods		7,579	(93)
Surtax on unappropriated earnings		5,393	200
Others		(1,476)	(15,444)
	$	109,906	79,146

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred income tax assets:

		2023.12.31	2022.12.31 (restated)
Deductible temporary differences	$	502	378
Tax losses		4,134	5,675
Aggregate taxable temporary differences associated with investments in subsidiaries		2,389	4,156
	$	7,025	10,209

Unrecognized deferred income tax liabilities:

		2023.12.31	2022.12.31 (restated)
Aggregate taxable temporary differences associated with investments in subsidiaries	$	28,207	21,292

The temporary difference related to the investment in subsidiaries referred to above was not recognized as deferred income tax assets and liabilities as the Group can control the timing of the temporary differences will not be reversed in the foreseeable future, such temporary differences are not recognized as deferred income tax assets. In addition, certain subsidiaries determined that it is not probable that future taxable profits will be available against which the temporary differences and operating loss carryforwards can be utilized, these items were not recognized as deferred income tax assets:

According to the Income Tax Act, the losses of the previous ten years of the subsidiaries assessed by the tax authorities may be deducted from the net profits of the current year before levying the income tax.

As of December 31, 2023, the Group's unrecognized tax losses due to deferred income tax assets in the amounts, and the amount and deduction deadline are as follows:

Year with losses	Tax effects of tax losses	Year of expiry
2014	$ 997	2024
2015	9,095	2025
2016	3,314	2026
2017	3,459	2026
2020	932	2026
2023	2,871	2033
	$ 20,668	

(2) Recognized deferred income tax assets and liabilities

Changes in the amount in deferred income tax assets and liabilities were as follows:

Deferred income tax assets:

	Provision for inventory obsolescence	Provision for warranties	Tax losses	Others	Total
January 01, 2023 (restated)	$ 7,598	1,768	12,363	9,709	31,438
Recognized in profit or loss	2,831	(530)	(10,247)	1,900	(6,046)
Recognized in other comprehensive income (loss)	-	-	-	(171)	(171)
December 31, 2023	**$ 10,429**	**1,238**	**2,116**	**11,438**	**25,221**
January 01, 2022 (restated)	$ 6,758	1,964	7,229	10,051	26,002
Acquisition through business combination (Note 6(6))	219	-	-	184	403
Recognized in profit or loss	621	(196)	5,134	(32)	5,527
Recognized in other comprehensive income (loss)	-	-	-	(494)	(494)
December 31, 2022 (restated)	**$ 7,598**	**1,768**	**12,363**	**9,709**	**31,438**

Deferred income tax liabilities:

	Reserve for land revaluation increment tax	Intangible assets from acquisition through business combination	Foreign investment gains under equity method	Others	Total
January 01, 2023 (restated)	$ 5,727	23,322	3,120	4,342	36,511
Recognized in profit or loss	-	(3,287)	(853)	-	(4,140)
December 31, 2023	**$ 5,727**	**20,035**	**2,267**	**4,342**	**32,371**
January 01, 2022 (restated)	$ 5,727	16,650	4,814	3	27,194
Acquisition through business combination (Note 6(6))	-	10,635	-	4,342	14,977
Recognized in profit or loss	-	(3,963)	(1,694)	(3)	(5,660)
December 31, 2022 (restated)	**$ 5,727**	**23,322**	**3,120**	**4,342**	**36,511**

As of December 31, 2023, the Company recognized the loss deduction of deferred income tax assets, and the amount and deduction deadline are as follows:

Year incurring tax losses	Deductible loss amount	Last deductible year
2014	$ 740	2024
2015	1,380	2025
2016	2,124	2026
2017	2,986	2027
2020	3,350	2030
	$ 10,580	

2. Income tax audit

The Company's income tax returns for the years through 2021 have been examined and approved by the R.O.C. income tax authorities.

(19) Capital and other equity

1. Common shares

As of December 31, 2023 and 2022, the Company's authorized shares of common stock amounted to NTD1,500,000 thousand, with a par value of NTD10 per share, totaling 150,000 thousand shares, of which 44,566 thousand shares have been issued and outstanding.

2. Capital Surplus

	2023.12.31	2022.12.31
Additional paid-in capital in excess of par issued	**$ 297,921**	**297,921**

Pursuant to the Company Act, any realized capital surplus is initially used to offset an accumulated deficit. The balance, if any, could be used for issuing stock dividends or distributing cash dividends based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations from stockholders received by the Group. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

3. Retained earnings

(1) Legal reserve

In accordance with the Company Act, the Group shall appropriate 10% of its net profit after-tax as the legal reserve to the extent that the legal reserve is on par with the authorized capital. If the Group has no accumulated deficit, it may, pursuant to a resolution passed by the shareholders' meeting, distribute its legal reserve to shareholders by issuing new shares or distributing cash for the portion in excess of 25% of the paid-in capital.

(2) Special reserve

According to the regulations of the FSC, when the Company distributes the distributable earnings, the net amount debited to other shareholders' equity in the current year shall be added to the items other than the after-tax profit of the current period and included in the current year's unappropriated earnings, and the prior year's unappropriated earnings. The amount of surplus and the unappropriated earnings of the previous period shall be set aside as special reserve. The amount of the deduction of other shareholders' equity in the previous period shall be set aside as special reserve in the same amount from the unappropriated earnings of the previous period, but shall not be distributed. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

(3) Earnings distribution

According to the Articles of Incorporation, any profit that the Company makes shall first be appropriated for tax payment and used for offsetting accumulated losses, and 10% of the appropriation goes to legal reserve, as well as setting aside for or reversing special reserve. The remaining balance of the annual net profit, together with unappropriated earnings from the beginning of the year, if any, can be distributed as dividends after the earning distribution or loss offsetting plan proposed by the Board of Directors is approved during the shareholders' meeting. For the aforementioned earning distribution, if a cash dividend is distributed, the Board of Directors is authorized to approve and report to the Shareholders' meeting.

The Company adopts a residual dividend policy to enhance future growth and sustainable development. If profit is available, the distribution of dividends shall not be lower than 10% of the net profit for the year. The dividend distribution should take into account the future development of operational scale and the cash flows need. The yearly cash dividend disbursed shall not be lower than 10% of the cash and stock dividends combined.

By resolutions of the Board meeting on March 02, 2023 and March 07, 2022, the cash dividend of earnings distribution for 2022 and 2021 is as follows:

	2022		2021	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends per share:				
Cash	$ 2.10	**93,589**	0.50	**22,283**

By resolution of the Board meeting on February 29, 2024, the cash dividend of 2023 earnings distribution of the Company is as follows:

	2023	
	Dividend per share (NTD)	**Amount**
Dividends per share:		
Cash	$ 2.00	**89,132**

4. Other equity (net after-tax)

Exchange differences on translation of foreign operations

	2023	2022
Beginning balance	$ (2,235)	(2,946)
Foreign exchange differences arising from the translation of foreign operations	(5,098)	246
Shares of foreign currency translation differences of joint ventures	1,772	465
End balance	**$ (5,561)**	**(2,235)**

5. Non-controlling interests (net after-tax)

	2023	2022
Beginning balance	$ 537,776	61,708
Equity attributable to non-controlling interests:		
Net income	85,680	56,353
Exchange differences on translation of foreign operations	(12,752)	-
Cash dividend	(46,365)	(30,776)
Increase in non-controlling interests	-	450,491
Reorganization regarded as a combination from beginning	516,164	-
End balance	**$ 1,080,503**	**537,776**

(20) Earnings per share (EPS)

1. Basic EPS

	2023	2022
Net profit attributable to shareholders of the Company	**$ 114,581**	**180,244**
Weighted-average number of ordinary shares outstanding (in thousands)	**44,566**	**44,566**
Basic EPS (NTD)	**$ 2.57**	**4.04**

2. Diluted EPS

	2023	2022
Net profit attributable to shareholders of the Company	**$ 114,581**	**180,244**
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	44,566	44,566
Effect of dilutive potential common stock (in thousands)		
Effects of remuneration to employees	253	282
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	**44,819**	**44,848**
Diluted EPS (NTD)	**$ 2.56**	**4.02**

(21) Revenue from contracts with customers

1. Disaggregation of revenue

		2023	2022 (restated)
Primary geographical markets:			
Taiwan	$	3,178,630	3,066,631
Mainland China		639,983	588,026
Indonesia		281,612	309,423
Thailand		268,914	202,416
India		75,651	60,450
Italy		2,014	43,350
Others		96,197	106,209
	$	4,543,001	4,376,505
Main products:			
Medical equipment	$	688,163	703,588
Medical consumables		2,650,058	2,531,586
Medical services		1,204,780	1,141,331
	$	4,543,001	4,376,505
Timing of Revenue Recognition:			
Revenue recognized at a point in time	$	4,410,401	4,260,364
Revenue recognized over time		43,056	38,182
Lease income		89,544	77,959
	$	4,543,001	4,376,505

2. Contract balances

		2023.12.31	2022.12.31 (restated)	2022.01.01 (restated)
Notes and accounts receivable (including related parties)	$	856,025	849,194	445,758
Less: Loss allowance		(9,548)	(8,704)	(4,896)
	$	846,477	840,490	440,862
Contract liabilities	$	32,382	56,167	25,242

For disclosure on notes and accounts receivable and the related loss allowance, please refer to Note 6(3).

The changes in contract liabilities are mainly due to the timing difference between product transferred or service rendered, i.e. satisfying contractual obligations by the Group and payment made by customers.

The amount in revenue recognized for the years ended December 31, 2023 and 2022 included in the contract liability balance at January 01, 2023 and 2022, were NTD52,459 thousand and NTD25,129 thousand respectively.

(22) Remuneration to employees and Directors

According to the Articles of Incorporation, if any profit is available, 5% to 20% should be set aside as employee compensation and no more than 1% should be set aside as Directors' remuneration. However, the profit should be appropriated to offset the accumulated deficit first, if any. The aforementioned employees eligible for stock options or cash compensation may include employees of affiliated companies that meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its remuneration to employees to amount to NTD13,289 thousand and NTD17,394 thousand, respectively, and the remuneration to Directors to amount to NTD1,107 thousand and NTD1,449 thousand, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and Directors), multiplied by a certain percentage of the remuneration to employees and Directors. The estimations are recognized as operating costs or operating expenses respectively in 2023 and 2022. The aforementioned amounts corresponded to the disbursed remuneration to employees and Directors, which was resolved by the Board meeting, and had been disbursed in cash. For details, please see the Market Observation Post System.

(23) Non-operating income and loss

1. Interest income

	2023	2022 (restated)
Interest income from bank deposits	$ 10,213	5,237

2. Other income

	2023	2022 (restated)
Rental income	$ 11,294	11,912
Dividend income	3	-
Gain recognized in bargain purchase transaction (Note 6(6))	-	81,089
Others	5,855	2,368
	$ 17,152	95,369

3. Other gains and losses

		2023	2022 (restated)
Gains (losses) on the disposal of property, plant and equipment	$	(34)	3,845
Disposal of investment gains		5,129	-
Net foreign currency exchange gains (losses)		(2,501)	3,438
Gains on lease modification		93	477
	$	2,687	7,760

4. Financing costs

		2023	2022 (restated)
Interest expense of bank loans	$	22,840	12,902
Financial expense of lease liabilities		5,101	4,932
	$	27,941	17,834

(24) Financial instruments

1. Categories of financial instruments

(1) Financial assets

		2023.12.31	2022.12.31 (restated)
Financial assets measured at fair value through other comprehensive income	$	123	123
Financial assets measured at amortized cost:			
Cash and cash equivalents		830,508	979,783
Notes and accounts receivable and other receivables (including related parties)		900,349	849,870
Other financial assets-current		366,873	238,193
Other non-current assets - refundable deposits		45,433	44,365
Other non-current assets - long-term receivables		652	5,890
Other non-current assets - Long-term lease receivables		4,630	962
Subtotal		2,148,445	2,119,063
	$	2,148,568	2,119,186

(2) Financial liabilities

	2023.12.31	2022.12.31 (restated)
Financial liabilities measured at amortized cost:		
Short-term loans	$ 384,472	399,071
Notes and accounts payable and other payables (including related parties)	800,704	828,278
Lease liabilities (current and non-current)	335,602	294,989
Long-term debt (including current portion)	851,758	422,660
Guarantee deposit received	6,808	8,456
	$ 2,379,344	1,953,454

2. Fair value

(1) Financial instruments not measured at fair value

The Management of the Group opines that carrying values of financial assets and liabilities of the Group measured at amortized cost in the consolidated financial statements are similar to their fair values.

(2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis. The following table provides analysis of financial instrument measured at fair value subsequent to the initial recognition according to observable inputs from level 1 to 3. The definitions of fair value hierarchy are as follows:

A. Level 1 inputs: Similar assets or liabilities with quoted prices in an active market (unadjusted).

B. Level 2 inputs: Apart from quoted prices in level 1 inputs, the inputs for assets or liabilities are directly (i.e. prices) or indirectly (i.e. derived from prices) observable.

C. Level 3 inputs: The inputs for assets or liabilities are not based on observable market information (non-observable parameters).

	2023.12.31			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets measured at fair value through other comprehensive income:				
Share of non-public companies	$ -	-	123	123

	2022.12.31			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets measured at fair value through other comprehensive income:				
Share of non-public companies	$ -	-	123	123

There was no transfer between fair values from January 01 to December 31, 2023 and 2022.

(3) Fluctuation of level 3 inputs:

	Financial assets measured at fair value through other comprehensive income	
	2023	2022
Balance as of January 01	$ 123	-
Acquisition through business combination (Note 6(6))	-	210
Decrease in the current period	-	(87)
Balance as of December 31	$ 123	123

(25) Financial risk management

The Group is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Group has disclosed the information on exposure of the aforementioned risks and the Group's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Board of Directors is responsible for developing and monitoring the Group's risk management policies, which are established to identify and analyze the risks facing the Group, set appropriate risk limits and controls, and monitor adherence to the controls. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations.

The Management monitors and reviews the Group's financial activities in accordance with procedures stipulated by the relevant regulations and internal control system. The internal auditors undertake both regular and ad hoc reviews of the risk management controls and procedures, in which the results are reported to the Board of Directors.

1. Credit risk

Credit risk is the risk of financial loss to the Group when a counterparty of a financial asset transaction fails to meet its contractual obligations. It arises primarily from cash and cash equivalents, receivables from customers, and other financial assets. The maximum exposure to credit risk amounts to the carrying amount in the Group's financial assets.

The Group deposits its cash in reputable financial institutions, resulting in no significant credit risk.

The Group has established a credit policy and determined the credit limit of each customer according to its financial status pursuant to the policy. As of December 31, 2023 and 2022, 24% and 25% of the balances of notes and accounts receivable are made up of three customers combined. The Group evaluates the financial status of the customers on a regular basis to mitigate credit risk. For information on maximum exposure to credit risk that arises from notes and accounts receivable, please see Note 6(3).

Other financial assets-current measured at amortized cost include other receivables and certificate of deposit (certificate of deposit is classified as other financial assets-current. For details, please see Note 6(2)). For financial assets with low credit risk exposure, the loss allowance was made based on 12-month expected credit losses (for how the Group comes to a conclusion of low risk, please see Note 4(8)). The balances as at December 31, 2023 and 2022 amounted to NTD420,745 thousand and NTD247,573 thousand, respectively. There were no expected credit losses after assessment.

2. Liquidity risk

Liquidity risk is the risk that arises when the Group has difficulty in settling its financial liabilities either by cash or other financial assets. The Group manages its liquidity risk by monitoring the current and medium to long-term cash demand regularly and maintaining adequate cash and cash equivalents and line of credit at banking facilities. As at December 31, 2023 and 2022, the unused credit facilities of the Group amounted to NTD2,415,052 thousand and NTD2,406,055 thousand, respectively.

The following table summarizes the maturity profile of the Group's financial liabilities based on the earliest repayment dates and is prepared according to the contractual undiscounted payments.

		Contractual cash flows	Within 6 months	6-12 months	1-2 years	More than 2 years
December 31, 2023						
Non-derivative financial liabilities:						
Short-term loans	$	386,646	339,014	47,632	-	-
Long-term loans		883,826	12,802	12,342	687,336	171,346
Accounts payable and other payables (including related parties)		800,704	800,704	-	-	-
Guarantee deposit received		6,808	225	105	25	6,453
Lease liabilities		354,067	43,147	35,841	61,880	213,199
	$	**2,432,051**	**1,195,892**	**95,920**	**749,241**	**390,998**
December 31, 2022 (restated)						
Non-derivative financial liabilities:						
Short-term loans	$	401,674	279,056	122,618	-	-
Long-term loans		438,123	14,413	12,523	369,735	41,452
Accounts payable and other payables (including related parties)		828,278	828,278	-	-	-
Guarantee deposit received		8,456	220	-	-	8,236

	Contractual cash flows	Within 6 months	6-12 months	1-2 years	More than 2 years
Lease liabilities	312,878	37,434	34,755	52,597	188,092
	$ 1,989,409	1,159,401	169,896	422,332	237,780

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

3. Market risk

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

(1) Foreign exchange risk

The foreign exchange risk of the Group is mainly due to translation differences, gains, or losses of cash and cash equivalents, accounts receivable (including related-party transactions), accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and bank loans that are not denominated in functional currencies. The carrying amounts of significant monetary assets and liabilities that are not denominated in functional currencies at the reporting date (including monetary items eliminated in the consolidated financial statements that are not denominated in functional currencies) and the related sensitivity analysis are as follows:

Unit: NTD thousand

	2023.12.31				
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Profit and loss effect
Financial assets					
USD	$ 4,392	30.750	135,054	1%	1,351
EUR	740	34.034	25,185	1%	252
RMB	32,759	4.336	142,043	1%	1,420
JPY	80,955	0.218	17,648	1%	176
Financial liabilities					
USD	2,793	30.750	85,885	1%	859
EUR	86	34.034	2,927	1%	29
RMB	226	4.336	980	1%	10
JPY	122,002	0.218	26,596	1%	266

	2022.12.31 (restated)				
	Foreign currency	**Exchange rate**	**NTD**	**Change in exchange rate**	**Profit and loss effect**
Financial assets					
USD	$ 7,498	30.730	230,414	1%	2,304
EUR	919	32.820	30,162	1%	302
RMB	8,230	4.406	36,261	1%	363
JPY	1,842	0.233	429	1%	4
Financial liabilities					
USD	2,948	30.730	90,592	1%	906
EUR	149	32.820	4,890	1%	49
RMB	299	4.406	1,317	1%	13
JPY	20,816	0.233	4,850	1%	49

Since the Group has a wide variety of functional currencies, the information on foreign exchange gains and losses on monetary items is disclosed in a summarized manner. For 2023 and 2022 foreign exchange gains and losses (including realized and unrealized), please refer to Note 6 (23).

(2) Interest rate risk

The Group's bank loans carry floating interest rates. To mitigate the interest rate risk, the Group periodically assesses the interest rates of different banks and currencies and maintains good relationships with financial institutions for a lower financing cost. The Group also strengthens the management of working capital to reduce the dependence on bank loans and diversify the risk arising from the fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate of bank loans as at the reporting date. The sensitivity analysis assumes the liabilities recorded as of the reporting date had been outstanding for the entire period. The internal reporting to the Management on the fluctuation of 1% increase or decrease in yearly interest rate also represents the evaluation of the Management on the reasonable changes of the interest rate.

If the yearly interest rate increased/decreased by 1%, all variables remained unchanged, the net profit before tax of the Group for January 01 to December 31, 2023 and 2022 would have decrease/increase by NTD12,362 thousand and NTD8,217 thousand respectively.

(26) Capital management

Considering the industry dynamics and future developments of the Group, as well as external environmental factors, the Group maintains optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, R&D

expenditures, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

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

1. For the right-of-use assets and investment property acquired by lease, please refer to Note 6(8) and (9).
2. Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes	
	2023.1.1 (restated)	**Cash flows**	**Change of lease**	**2023.12.31**
Short-term loans	$ 399,071	(14,599)	-	384,472
Long-term loans	422,660	429,098	-	851,758
Lease liabilities	294,989	(77,444)	118,057	335,602
Guarantee deposit received	8,456	(1,648)	-	6,808
Liabilities from financing activities	$ 1,125,176	335,407	118,057	1,578,640

			Non-cash changes		
	2022.1.1 (restated)	**Cash flows**	**Change of lease**	**Acquisition through a business combination**	**2022.12.31 (restated)**
Short-term loans	$ 295,917	73,854	-	29,300	399,071
Long-term loans	386,308	36,352	-	-	422,660
Lease liabilities	84,881	(67,712)	72,087	205,733	294,989
Guarantee deposit received	3,797	(141)	-	4,800	8,456
Liabilities from financing activities	$ 770,903	42,353	72,087	239,833	1,125,176

7. Related-party Transactions

(1) Parent company and ultimate controlling company

BenQ Corporation is the parent company of the Company. Qisda Corporation is the ultimate controlling company of the Company. Its indirect ownership of the outstanding common stocks amounts to 54.96%, and its consolidated financial statements are made available to the public.

(2) Related party name and categories

During the reporting period of these Consolidated Financial Statements, the related parties that transacted with the Group were as follows:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Ultimate controlling company of the Group
BenQ Corporation (BenQ)	The parent company of the Group
TDX Medical Technology (Jiangsu) Co., Ltd (TDX)	Joint venture of the Group (Note 2)
Suzhou Trident Original Medical Technology Co., Ltd. (STOMT)	Subsidiary of joint venture, TDX (Note 2)
Other related parties:	
BenQ Co., Ltd.	Subsidiary of BenQ (Note 1)
BenQ Technology (Shanghai) Co., Ltd.	Subsidiary of BenQ
BenQ Intelligent Technology (Shanghai) Co., Ltd	Subsidiary of BenQ
BenQ Materials Corporation (BMC)	Subsidiary of Qisda
BenQ Materials (Suzhou) Corp.	Subsidiary of BMC
Sigma Medical Supplies Corp.	Subsidiary of BMC
WEB-PRO Corp.	Subsidiary of BMC
Visco Vision Inc.	Associate of BenQ Materials
BenQ Asia Pacific Corp.	Subsidiary of Qisda
BENQ (Thailand) Co., Ltd.	Subsidiary of Qisda
Nanjing BenQ Hospital Co., Ltd.	Subsidiary of Qisda
Suzhou BenQ Hospital Co., Ltd.	Subsidiary of Qisda
BenQ Medical (Shanghai) Co., Ltd	Subsidiary of Qisda
Darly2 Venture, lnc. (Darly2)	Subsidiary of Qisda
BenQ Dialysis Technology Corporation	Subsidiary of Qisda
Ace Pillar Co., Ltd.	Subsidiary of Qisda
Standard Technology Corporation	Subsidiary of Qisda
Golden Spirit Co., Ltd.	Subsidiary of Qisda
Data Image Corporation	Subsidiary of Qisda
Hitron technologies inc.	Subsidiary of Qisda
Aewin Technologies Co., Ltd	Subsidiary of Qisda
E-Strong Medical Technology Co., Ltd.	Subsidiary of Qisda
Simula Technology Inc.	Subsidiary of Qisda
Action Star Technology Co., Ltd.	Subsidiary of Qisda
Interactive Digital Technologies Inc.	Subsidiary of Qisda
ACE Energy Co., Ltd.	Subsidiary of Qisda
MetaAge Corporation (MetaAge)	Subsidiary of Qisda
Epic Cloud Co., Ltd.	Subsidiary of MetaAge
Global Intelligence Network Co., Ltd.	Subsidiary of MetaAge
DSI Group co., Ltd.	Subsidiary of MetaAge
AdvancedTEK International Corp.	Subsidiary of MetaAge
Metaguru Corporation (MRU)	Subsidiary of Qisda

Name of related party	Relationship with the Group
Partner Tech Corporation (Partner)	Subsidiary of Qisda
La Fresh information Co., Ltd	Subsidiary of Partner
Mace Digital Corporation	Subsidiary of Partner
Webest Solution Corporation	Subsidiary of Partner
Alpha Networks Inc.	Subsidiary of Qisda
DFI Inc.	Subsidiary of Qisda
DIVA Laboratories Ltd.	Subsidiary of Qisda
Darfon Electronics Corporation (Darfon)	Associates of Qisda
Astro Tech Co., Ltd.	Subsidiary of Darfon
Darad Innovation Corporation	Subsidiary of Darfon
Q.S.Control Corporation	Associates of Qisda
NORBEL BABY CO., LTD.	Associates of Qisda
AU Optronics Corporation (AU Optronics)	Corporate shareholder of Qisda Corporation accounted using the equity method
AUO Education Service Corporation	Subsidiary of AU Optronics
Darwin Precisions Corporation	Subsidiary of AU Optronics
BenQ Foundation	Substantive related party of Qisda

(Note 1): BenQ disposed of its 100% equity in BenQ Co., Ltd. on September 30, 2022, so the latter was no longer a related party of the Group since that date.

(Note 2): As the Company sold the entire equity of TDX on December 21, 2023, TDX was no longer a related party from that date.

(3) Related-party transactions

1. Operating revenues

The sales to related parties were as follows:

	2023	2022 (restated)
Ultimate controlling company	$ 1,061	9,910
Parent company	90	981
Joint venture	33,949	13,393
Other related parties	9,833	31,528
	$ 44,933	**55,812**

Except for some merchandise with different specifications, the sales to related parties by the Group were not comparable to the sales prices for third-party customers. For the other transactions, there were no significant differences between the sales prices for related parties and those for third-party customers. Meanwhile, the credit period did not significantly differ from normal sales.

2. Purchases

The purchases made by the Group with related parties were as follows:

		2023	2022 (restated)
Ultimate controlling company	$	54,443	82,218
Joint venture		63,842	57,518
Other related parties		30,324	25,731
	$	148,609	165,467

The conditions of procurement between the Group and the related parties above do not differ significantly from transactions with an external party.

3. Leases

(1) The Group leases in factory plant and offices from Qisda and other related parties, and the rental was set by referring to the rental market of the area. In March 2022, the Group signed an agreement with other related parties to lease an office and recognized right-of-use assets and lease liabilities of the same amount, i.e. NTD1,085 thousand. The interest expenses related to lease liabilities recognized in 2023 and 2022 were NTD 222 thousand and NTD 413 thousand (restated), respectively. As of December 31, 2023 and 2022, the balance of the lease liabilities amounted to NTD 7,420 thousand and NTD 19,404 thousand (restated), respectively.

(2) The Group has leased offices from Qisda and other related parties, and the agreements are short-term leases. The Group opted for exemption of recognition and did not recognize the related right-of-use assets and lease liabilities. For the years ended December 31, 2023 and 2022, the rental expense amounted to NTD1,064 thousand and NTD1,312 thousand (restated), respectively. As at December 31, 2023 and 2022, the related payables are classified under other payables.

4. Acquisition and disposal of property, plant and equipment

The Group purchased intangible assets and fixed assets from other related parties in 2023 for NTD 508 thousand and NTD 1,440 thousand respectively. As of December 31, 2023, the related payables were recorded under other payables payment.

The Group purchased intangible assets and fixed assets from Qisda Corporation and other related parties in 2022 for NTD 1,996 thousand and NTD 307 thousand, respectively. As of December 31, 2022, the related payables had been paid.

The Group sold machinery and equipment to other related parties during 2022 at the price of NTD320 thousand, creating a gain on the disposal of NTD320 thousand. As of December 31, 2022, the relevant payments have all been received.

5. Others

(1) Prepayment for purchases

The Group has been making purchases from joint venture, STOMT. The payment terms agreed on payment in advance. As of December 31, 2022, the prepayment for purchases amounted to NTD 6,748 thousand, and was classified as prepayment and other current assets.

The Group has been making purchases from joint venture, TDX. The payment terms agreed on payment in advance and within 60 days at the end of each month. As of December 31, 2022, the prepayment for purchases amounted to NTD2,387 thousand, and was classified as prepayment and other current assets.

(2) For 2023 and 2022, the donation made by the Group to BenQ Foundation amounted to NTD 1,000 thousand and NTD 1,500 thousand respectively, and was classified under general and administrative expenses. The related payables had been paid.

(3) The Company and its parent company, BenQ Corp. entered into a trademark licensing agreement. BenQ Corp. authorized the Company to use its trademark on products and services. The trademark licensing stipulated by the contract took effect on June 10, 2014 and shall end upon termination by either party.

(4) Reorganization

On September 01, 2023, the Group acquired 40% equity in K2 from the ultimate controlling party, Qisda and its subsidiary, Darly2, for NTD 400,000 thousand in cash. The transaction was an organizational reorganization under common control. Please refer to the relevant description Note 6(6).

(5) The Company provided manpower dispatch services to the ultimate controlling company with an income of NTD770 thousand in 2022. As of December 31, 2022, the relevant payments have all been received.

6. Operating costs and expenses

The operating costs and operating expenses of the Group due to the provision of labor services, miscellaneous purchases, various expenses and miscellaneous expenses by the ultimate controller, the parent company, joint ventures and other related parties are as follows:

Account	**Related-party categories**	**2023**	**2022 (restated)**
Operating costs	Ultimate controlling company	$ 2,923	2,692
	Other related parties	157	819
		3,080	3,511
Operating expenses	Ultimate controlling company	12,301	5,646
	Parent company	632	559
	Joint venture	75	65
	Other related parties	2,404	1,685
		15,412	7,955
		$ 18,492	**11,466**

7. Receivables from related parties

The receivables from related parties of the Group are as follows:

Account	**Related-party categories**	**2023.12.31**	**2022.12.31 (restated)**
Accounts receivable - related parties	Ultimate controlling company	$ 235	1,056
Accounts receivable - related parties	Joint venture	-	29,309
Accounts receivable - related parties	Other related parties	3,753	8,446
Other receivables - related parties	Other related parties	-	56
		$ 3,988	**38,867**

8. Payables to related parties

The payables to related parties of the Group are as follows:

Account	Related-party categories	2023.12.31	2022.12.31 (restated)
Accounts payable - related parties	Ultimate controlling company	$ 9,789	7,515
Accounts payable - related parties	Parent company	-	42
Accounts payable - related parties	Joint venture	-	1,500
Accounts payable - related parties	Other related parties	13,323	9,340
Other payables - related parties	Ultimate controlling company	4,163	1,532
Other payables - related parties	Parent company	43	-
Other payables - related parties	Other related parties	1,513	496
Lease liabilities - current	Ultimate controlling company	6,773	11,372
Lease liabilities - current	Other related parties	-	609
Lease liabilities - non-current	Ultimate controlling company	647	7,420
Lease liabilities - non-current	Other related parties	-	3
		$ 36,251	39,829

(4) Transaction with key management personnel

Compensation for key management personnel:

	2023	2022
Short-term employee benefits	$ 12,748	13,166
Post-employment benefits	144	108
	$ 12,892	13,274

8. Pledged Assets

The carrying value of pledged assets of the Group is as follows:

Pledged Assets	Pledged to secure	2023.12.31	2022.12.31 (restated)
Other financial assets-current	Performance bond	$ 43,699	51,071
Land and buildings	Credit lines of bank loans	441,450	507,988
Investment properties	Credit lines of bank loans	243,092	277,340
Refundable Deposits	Guarantee for customs duties	-	200
		$ 728,241	836,599

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant unrecognized contractual commitments:

	2023.12.31	2022.12.31 (restated)
Letter of credit issued and yet to be used	$ 50,000	42,500

10. Significant Loss from Disaster: None.

11. Significant Subsequent Events: None.

12. Others

(1) Employee benefits, depreciation, and amortization are as follows:

Item / Category	2023 Operating costs	2023 Operating expenses	2023 Total	2022 (restated) Operating costs	2022 (restated) Operating expenses	2022 (restated) Total
Employee benefits						
Salaries	107,009	444,903	551,912	120,725	376,703	497,428
Insurance	11,070	37,862	48,932	11,782	32,003	43,785
Pension	4,948	16,661	21,609	5,186	14,787	19,973
Other employee benefits	6,565	17,598	24,163	7,131	15,603	22,734
Depreciation	111,735	91,295	203,030	121,033	78,924	199,957
Amortization	1,410	24,782	26,192	1,130	25,168	26,298

(2) Reorganization

The Company and its subsidiary, AsiaConnect International Co., Ltd. acquired a 40% stake in K2 International Medical Inc., a subsidiary of Qisda Corporation, in cash on September 01, 2023. The above transaction is an organizational reorganization under common control and should be considered as a merger from the beginning in accordance with the Interpretations (2012) No. 301 and IFRS 3 guidance dated October 26, 2018, “Accounting Treatment for Business Combination under Common Control”. Based on this, the Group restated the 2022 consolidated financial statements.

2022.12.31 Consolidated Balance Sheets	Before restatement	Amount affected	Restatement
Current assets	$ 1,721,617	999,628	2,721,245
Non-current assets	1,676,463	293,424	1,969,887
Total assets	**$ 3,398,080**	**1,293,052**	**4,691,132**
Current liabilities	$ 999,349	446,926	1,446,275
Non-current liabilities	662,225	16,688	678,913
Total liabilities	1,661,574	463,614	2,125,188
Capital	445,660	-	445,660
Capital Surplus	297,921	-	297,921
Retained earnings	457,384	-	457,384
Other equity	(2,235)	-	(2,235)
Total equity attributable to shareholders of the parent company	1,198,730	-	1,198,730
Equity attributable to former owner of business combination under common control	-	293,313	293,313
Equity attributable to non-controlling interest before business combination under common control	-	536,125	536,125
Non-controlling interests	537,776	-	537,776
Total equity	1,736,506	829,438	2,565,944
Total liabilities and equity	**$ 3,398,080**	**1,293,052**	**4,691,132**

Consolidated Statements of Comprehensive Income	2022 Before restatement	2022 Amount affected	2022 Restatement
Net operating revenue	$ 2,951,360	1,425,145	4,376,505
Operating costs	(2,091,111)	(1,038,249)	(3,129,360)
Gross profit	860,249	386,896	1,247,145
Realized (unrealized) sales profit	(726)	-	(726)
Realized gross profit	859,523	386,896	1,246,419
Operating expenses	(679,370)	(216,785)	(896,155)
Operating income	180,153	170,111	350,264
Non-operating income and expenses	94,737	(767)	93,970

	2022			
Consolidated Statements of Comprehensive Income		**Before restatement**	**Amount affected**	**Restatement**
Income before income tax		274,890	169,344	444,234
Less: Current income tax expense		(38,293)	(40,853)	(79,146)
Net income		236,597	128,491	365,088
Other comprehensive income for the period (net after-tax)		2,691	20,872	23,563
Total comprehensive income for the period	**$**	**239,288**	**149,363**	**388,651**
Profit attributable to:				
shareholders of the parent company	$	180,244	-	180,244
Non-controlling interests		56,353	-	56,353
Equity attributable to former owner of business combination under common control		-	43,077	43,077
Equity attributable to non-controlling interest before business combination under common control		-	85,414	85,414
Net income	**$**	**236,597**	**128,491**	**365,088**
Comprehensive income (loss) attributable to:				
shareholders of the parent company	$	182,935	-	182,935
Non-controlling interests		56,353	-	56,353
Equity attributable to former owner of business combination under common control		-	48,507	48,507
Equity attributable to non-controlling interest before business combination under common control		-	100,856	100,856
Total comprehensive income for the period	**$**	**239,288**	**149,363**	**388,651**
Basic EPS (NTD)	**$**	**4.04**	**-**	**4.04**
Diluted EPS (NTD)	**$**	**4.02**	**-**	**4.02**

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements of (continued)

13. Additional Disclosures

(1) Information on significant transactions

For the fiscal year 2023, according to the Preparation Regulations, the information on significant transactions is as follows:

1. Financing provided to other parties:

Unit: NTD thousand

No.	Lending company	Borrower	Current account	Whether a related party	Current maximum amount	End balance	The actual amount drawn down	Interest rate bracket	Nature of the loan (Note 2)	Business transaction amount	Reasons for the necessity of short-term financing	Amount of allowance for losses	Collateral		Limit of loans to individual borrowers	Total limit of loans
													Name	Value		
1	K2 International Medical Inc.	K2 Medical (Thailand)Co. Ltd	Other receivables - related parties	Yes	81,063	76,875	61,500	3%	2	-	Working capital turnover	-		-	126,898	253,796

(Note 1) The total limit of loans and the ratio of the limit to individual borrowers are as follows:
(1) K2 International Medical Inc.'s limit on total loans to others and limit on loans to individual borrowers are 40% and 20%, respectively of the company's net worth as stated in its latest financial statements.
(Note 2) "1" is for loan for business transaction and "2" is for necessary short-term financing.
(Note 3) The above transactions were written off when the consolidated financial statements were prepared.

2. Guarantees and endorsements provided to other parties: None.
3. Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures):

Unit: NTD thousand/thousand shares

Company held	Type and name of securities	Relationship with securities issuer	Accounting item	End of period				Note
				Shares held	Carrying amount	Shareholding Percentage	Fair value	
CKCARE Co., Ltd.	Yao Lien Biotechnology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income	8.75	123	0.10 %	12	

4. The accumulated purchase or sale amounts of a single marketable securities for the year exceed NTD300 million or 20% of the paid-in capital:

Unit: thousand shares

Dealing company	Type and name of securities	Accounting item	Counterparty	Relationship	Beginning of period		Buy (Note 2)		Sell				End of period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Book cost	Gains or losses of disposal	Shares	Amount (Note 1)
The Company	Shares of K2 International Medical Inc.	Investment accounted for using the equity method	Qisda Corporation and Darly2 Venture, lnc.	Parent and subsidiary	-	-	7,800	390,000	-	-	-	-	7,800	284,704

(Note 1) Adjusted profit or loss accounted for using the equity method for the period and the other adjusted end balances.
(Note 2) The Company's subsidiary, AsiaConnect International Co., Ltd, additionally purchased 200 thousand shares of K2 International Medical Inc. from Darly2 Venture, Inc. for NTD 10,000 thousand.

5. Acquisition of real estate, which exceeds $300 million or 20% of the paid-in capital: None.
6. Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: None.
7. Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital:

Unit: NTD thousand

Purchasing (selling) company	Name of counterparty	Relationship	Transaction status				Status and reasons for the difference between the transaction conditions and general transactions		Notes and accounts receivable (payable)		Note
			Purchase (sale) goods	Amount	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
K2	K2SH	Parent and subsidiary	(Sales)	(324,204)	30.22%	OA90	-	-	40,175	23.75%	
K2SH	K2	Parent and subsidiary	Purchases	324,204	100.00%	OA90	-	-	(40,175)	100.00%	

(Note 1) All inter-company transactions have been eliminated when preparing the consolidated financial statements.

8. Receivables from related parties which exceed $100 million or 20% of the paid-in capital: None.
9. Transactions on derivative instruments: None.
10. Business relationships and significant inter-company transactions:

Number (Note 1)	Name of Counterparty	Counterparty	Relationship with counterparty (Note 2)	Intercompany Transactions (Note 3)			
				Financial Statement Account	Amount	Trading Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 4)
1	K2	K2SH	1	Sales revenue	324,204	OA90	7%
1	K2	K2SH	1	Receivables from related parties	40,175	OA90	1%

Note 1. The number is filled in as follows:
1. 0 represents the parent company.
2. Subsidiaries are serial-numbered commencing from 1.

Note 2. The types of relationship with counterparty are noted as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3. This table discloses the information on inter-company sales and accounts receivable, which accounted for 1% or more of the consolidated net revenue or the consolidated total assets, respectively. The information of the corresponding inter-company purchases and accounts payable is not disclosed further herein.

Note 4. Computed by dividing transaction amount by consolidated net revenue or consolidated total assets.

Note 5. All inter-company transactions have been eliminated when preparing the consolidated financial statements.

(2) Information on investees:

For the year ended December 31, 2023, the information on the Group's investees is as follows (excluding investments in Mainland China):

Unit: thousand shares

Name of investor	Name of investee	Location	Main Businesses and Products	Original investment Amount		Balance as of December 31, 2022			Highest shareholding percentage during the period		Net income (loss) of the investee	Investment income	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying amount	Shares	Shareholding Percentage			
The Company	AsiaConnect International Co., Ltd.	Neihu, Taipei	Wholesaling and retailing of medical equipment and information software	21,984	21,984	1,995	99.75%	22,560	1,99	99.75%	450	449	(Note)
The Company	Highview Investments Limited	Samoan Islands	Investment and holding company	36,211	36,211	1,062	100.00%	19,710	1,06	100.00%	3,875	3,875	(Note)
The Company	Lily Medical Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	185,000	185,000	10,000	100.00%	260,895	10,00	100.00%	31,244	31,627	(Note)
The Company	BenQ AB DentCare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	88,000	88,000	8,800	88.00%	58,786	8,80	88.00%	(1,374)	(1,273)	(Note)

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Notes to Consolidated Financial Statements of (continued)

Name of investor	Name of investee	Location	Main Businesses and Products	Original investment Amount		Balance as of December 31, 2022			Highest shareholding percentage during the period		Net income (loss) of the investee	Investment income	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying amount	Shares	Shareholding Percentage			
The Company	BenQ Healthcare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	100,000	100,000	10,000	100.00%	191,113	10,00	100.00%	64,604	64,604	(Note)
The Company	Eastech Co., Ltd	Taiwan	Wholesaling and retailing of medical consumables and equipment	20,300	20,300	700	70.00%	35,644	70	70.00%	16,655	11,709	(Note)
The Company	Concord Medical Co., Ltd.	Taiwan	Sales of medical drugs, leasing of medical equipment and providing management consultation services	190,000	190,000	13,333	40.00%	286,920	13,33	40.00%	42,744	16,733	(Note)
The Company	Concord HealthCare Co., Ltd.	Taiwan	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	-	40,000	-	-	-	-	-	-	-	-
The Company	K2 International Medical Inc.	Taiwan	Sales of medical consumables and equipment	390,000	-	7,800	39.00%	284,704	7,80	39.00%	90,251	34,588	(Note)
CCD	Concord HealthCare Co., Ltd.	Taiwan	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	119,984	80,000	12,000	100.00%	120,758	12,00	100.00%	805	-	(Note)
BHS	New Best Hearing International Trade Co., Ltd.	Taiwan	Wholesaling and retailing of medical consumables and equipment	59,280	59,280	1,092	52.00%	84,905	1,09	52.00%	51,378	-	(Note)
BHS	CKCARE Co., Ltd.	Taiwan	Wholesale and retail of medical devices, patented drugs, and health products	105,300	105,300	4,362	60.00%	107,662	4,36	60.00%	11,270	-	(Note)
K2	K2 Medical (Thailand)Co., Ltd	Thai	Sales of medical consumables and equipment	15,919	-	-	49.00%	36,230	-	49.00%	14,983	-	(Note)
K2	PT.Frismed Hoslab Indonesia	Indonesia	Blood banking equipment and supplies	257,728	-	12	67.00%	311,015	1	67.00%	38,278	-	(Note)
ACI	K2 International Medical Inc.	Taiwan	Sale of medical consumables and equipment	10,000	-	200	1.00%	7,300	20	1.00%	90,251	-	(Note)

(Note) The above intercompany transactions have been eliminated when preparing the Consolidated Financial Statements.

(3) Information on investments in Mainland China:

1. Name, main businesses and products of the investee in Mainland China:

Unit: NTD thousand/foreign currency in thousand

Investee in mainland China	Main business and products	Total paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 01, 2022	Investment amount of outflow or inflow		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee	Percentage of ownership of direct and indirect investment	Highest shareholding percentage during the period		Investment income (loss)	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow	--			Shares	Shareholding Percentage			
BenQ Medical Technology (Shanghai) Ltd.	Agency of international and entrepot trade business	30,750 (USD 1,000)	(2)	30,750 (USD 1,000)	-	-	30,750 (USD 1,000)	3,913	100.00%	(Note 4)	100.00%	3,913	20,920 (Note 3 and 5)	-
LILY Medical (Suzhou) Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	6,458 (USD 210)	(1)	6,458 (USD 210)	-	-	6,458 (USD 210)	(593)	100.00%	(Note 4)	100.00%	(593)	1,162 (Note 5)	-
TDX Medical Technology (Jiangsu) Co., Ltd	Wholesaling and retailing of medical consumables and equipment	86,720 (RMB 20,000)	(1)	34,688 (RMB 8,000)	-	-	- (RMB 8,000)(Note 6)	13,178	40.00%	(Note 4)	40.00%	5,548	-	-
Suzhou Trident Original Medical Technology Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	8,672 (RMB 2,000)	(3)	-	-	-	-	14,108	22.00%	(Note 4)	22.00%	3,104	-	-
K2 (Shanghai) International Medical Inc.	Sale of medical consumables and equipment	38,438 (USD 1,250)	(1)	59,440 (USD 1,933)	-	-	59,440 (USD 1,933)	36,887	40.00%	(Note 4)	40.00%	14,755	50,384 (Note 3 and 5)	-

(Note 1) (1) Direct investment in Mainland China companies; (2) Indirect investment in Mainland China through a holding company established in a third country; (3) Investment through TDX Medical Technology (Jiangsu) Co., Ltd.

(Note 2) The amounts above are translated as per the following exchange rates: USD:NTD = 1: 30.750 and RMB:NTD = 1: 4.336.

(Note 3) The carrying value as of December 31, 2022 was recognized based on the audited financial statements reviewed with special audit procedures conducted by the auditing firm of the parent company. It is measured using the equity method.

(Note 4) The company is a limited liability company and shareholding information is unavailable.

(Note 5) The intercompany transactions above have been eliminated when preparing the Consolidated Financial Statements.

(Note 6) As of December 31, 2023, the equity of 40% of the TDX held by the Company and disposed of in December 2023 had not yet been collected and was recorded under other receivables.

2. Limits on investments in Mainland China:

Unit: NTD thousand/foreign currency in thousand

Company Name	Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment authorized by Investment Commission, MOEA
The Company	65,438 (USD 1,000 and RMB 8,000)	86,930 (USD 2,827)	659,896
LILY	6,458 (USD 210)	6,458 (USD 210)	121,201
K2	59,440 (USD 1,933)	59,440 (USD 1,933)	380,693

3. Significant transactions with investee companies in Mainland China:

Name of related party	Nature of relationship with related party	Trading Terms					Notes and accounts receivable (payable)		Unrealized losses (gains)
		Type	Amount	Price	Term of payment	As compared with transactions with third parties	Balance	Percentage	
TDX Medical Technology (Jiangsu) Co., Ltd	Joint venture directly held by the Company	Purchases	3,604	Prices as per negotiation between both parties	Prepayment and EOM 60 days	No significant differences with transactions with third parties	(1,378)	(2.22)%	-
Suzhou Trident Original Medical Technology Co., Ltd.	Subsidiary of the Company's joint venture company	Purchases	1,770	Prices as per negotiation between both parties	Prepayment	No significant differences with transactions with third parties	-	-	-
TDX Medical Technology (Jiangsu) Co., Ltd	Joint venture directly held by the Company	Sales	33,949	Prices as per negotiation between both parties	EOM 60 days	(Note 1)	21,865	27.04%	-
BenQ Medical Technology (Shanghai) Ltd.	Subsidiary of the Company	Sales	7,301 (Note 2)	Prices as per negotiation between both parties	EOM 60 days	(Note 1)	715	-	(1,534)

(Note 1): The sales prices to related parties by the Group were not comparable to the sales prices for third-party customers as some of the product specifications were different. Meanwhile, the sales prices of the transactions did not significantly differ from regular sales.

(Note 2): The intercompany transactions above have been eliminated when preparing the Consolidated Financial Statements.

4. Provision of endorsement and guarantee, or collateral for direct investment in Mainland China or through a holding company established in a third country: None.

5. Provision of funds and loans for direct investment in Mainland China or through a holding company established in a third country: None.

6. Other significant transactions that affect the profit and loss or financial condition of the current period: None.

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Notes to Consolidated Financial Statements of (continued)

(4) Information on Major Shareholders:

Unit: share

Share Shareholder's Name	Number of shares held	Shareholding Percentage
BenQ Corporation	19,353,427	43.43%
Darly Venture Inc.	3,548,646	7.96%

14. Segment Information

(1) General information

The reportable segments of operational divisions of the Group consist of R&D and manufacturing divisions, as well as medical services divisions. R&D and manufacturing divisions mainly engage in manufacturing, assembly, maintenance, and repair of medical equipment and facilities. The main business activities of medical services divisions are the wholesaling and retailing of medical devices, medical equipment, drugs and health supplements, as well as the provision of leasing, management and consultation services for medical devices.

The profit and loss of operating segments are mainly measured by the operating profit, which also serves as the basis for performance evaluation. The reported amounts are consistent with the reporting to the operational decision makers. In addition to the aforementioned, the accounting policies of the operating segments do not differ significantly from the material policies of the Group.

The Group's operating segment information and reconciliation are as follows:

	2023			
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	$ 1,011,159	3,531,842	-	4,543,001
Intra-group revenue	20,430	92	(20,522)	-
Total segment revenue	$ 1,031,589	3,531,934	(20,522)	4,543,001
Segment profit (loss)	$ 40,484	322,315	2,639	365,438

	2022 (restated)			
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	$ 1,027,352	3,349,153	-	4,376,505
Intra-group revenue	62,666	2,923	(65,589)	-
Total segment revenue	$ 1,090,018	3,352,076	(65,589)	4,376,505
Segment profit (loss)	$ 16,774	336,679	(3,189)	350,264

(2) Information on major products and services

The revenue generated from external customers is as follows:

Major products and services	2023	2022 (restated)
Medical equipment	$ 688,163	703,588
Medical services	1,204,780	1,141,331
Medical consumables	2,650,058	2,531,586
	$ 4,543,001	4,376,505

(3) Geographic information

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

Region	2023	2022 (restated)
Revenue from external customers:		
Taiwan	$ 3,178,630	3,066,631
Mainland China	639,983	588,026
Indonesia	281,612	309,423
Thailand	268,914	202,416
India	75,651	60,450
Italy	2,014	43,350
Others	96,197	106,209
	$ 4,543,001	4,376,505
Non-current assets:		
Taiwan	$ 1,811,496	1,790,765
Mainland China	23,792	3,034
Thailand	33,621	35,719
Indonesia	27,684	17,536
	$ 1,896,593	1,847,054

The aforementioned non-current assets include property, plant and equipment, investment property, intangible assets, right-of-use assets and other assets. It does not include financial instruments, deferred income tax assets, and other non-current assets.

(4) Information on Major Shareholders

There is no customers that account for more than 10% of the revenue in the statement of comprehensive income of the Company.