

**BENQ MEDICAL TECHNOLOGY CORP.
AND SUBSIDIARIES**

**Consolidated Financial Statements and
Independent Auditors' Review Report**

For the Six Months Ended June 30, 2025 and 2024

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.

Table of Contents

Contents	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Review Report	3
IV. Consolidated Balance Sheets	4
V. Consolidated Statements of Comprehensive Income	5
VI. Consolidated Statements of Changes in Equity	6
VII. Consolidated Statements of Cash Flows	7
VIII. Notes to Consolidated Financial Statements	
(1) History and Organization	8
(2) Authorization of the Consolidated Financial Statements	8
(3) Application of New Standards, Amendments, and Interpretations	8~10
(4) Summary of Significant Accounting Policies	10~12
(5) Critical Accounting Judgments and key sources of Estimates and Assumptions on Uncertainty	13
(6) Significant Accounts Disclosure	13~43
(7) Related-party Transactions	43~48
(8) Pledged Assets	48
(9) Significant Contingent Liabilities and Unrecognized Contractual Commitments	48
(10) Significant Loss from Disaster	48
(11) Significant Subsequent Events	48
(12) Others	48~49
(13) Additional Disclosures	
1. Information on significant transactions	49~50
2. Information on investees	50~51
3. Information on investments in Mainland China	51~52
(14) Segment Information	52~53

Independent Auditors' Review Report

The Board of Directors
BENQ MEDICAL TECHNOLOGY CORP.

Foreword

We have reviewed the Consolidated Balance Sheets as of June 30, 2025 and 2024, and Consolidated Statements of Comprehensive Income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024, as well as Notes to consolidated financial statements (including summary of significant accounting policies) of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES. The Management is responsible for preparing the consolidated financial statements with fair representation in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” as endorsed by Financial Supervisory Commission of the Republic of China of the Republic of China (“FSC”). Our responsibility is to express a conclusion based on our review of the consolidated financial statements.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with the Statement on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The process of reviewing the consolidated financial statements includes making enquiries (mainly to personnel in charge of financial and accounting matters), analyzing, and other reviewing procedures. The scope of review is substantially less than the scope of an audit. As such, we may not be able to obtain assurance on all significant matters that an audit could otherwise provide, and therefore we are unable to express an audit opinion.

Basis for Qualified Conclusions

As stated in Note 4(2), the consolidated financial statements included in the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NTD761,604 thousand and NTD527,138 thousand, constituting 14% and 11% of the consolidated total assets as of June 30, 2025 and 2024, respectively; and the total liabilities amounting to NTD191,364 thousand and NTD107,174 thousand, constituting 6% and 4% of the consolidated total liabilities of as of June 30, 2025 and 2024, respectively; as well as the total comprehensive income amounting to NTD15,086 thousand and NTD10,863 thousand for the three months ended June 30, 2025 and 2024 and NTD17,465 thousand and NTD17,465 thousand for the six months ended June 30, 2025 and 2024, constituting (48)%, 17%, 60%, and 16% of the consolidated total comprehensive income, respectively.

Qualified Conclusion

Except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted invest companies described in the Basis of Qualified Conclusion paragraph above been reviewed by independent auditors, based on the results of our review, nothing has come to our attention that the consolidated financial statements are in any incompliance of “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed by FSC, such that the consolidated financial position of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES as of June 30, 2025 and 2024, and the consolidated financial performance for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, as well as the

consolidated cash flows for the six months ended June 30, 2025 and 2024 do not present fairly.

The engagement partners on the review resulting in this independent auditors' review report are Hsu, Shih-Chun and Tang, Tzu-Chieh.

KPMG

Taipei, Taiwan (Republic of China)

August 04, 2025

Notes to Readers

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

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

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, and December 31 and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		2025.06.30		2024.12.31		2024.06.30		Liabilities and Equity		2025.06.30		2024.12.31		2024.06.30			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note 6(1))	\$	817,094	15	863,191	17	667,868	15	2100	Short-term loans (Note 6(14) and 8)	\$	657,879	12	580,703	11	347,865	8
1136	Financial assets measured at amortized cost - current (Note 6(3) and								2110	Short-term notes payable (Note 6(14) and 8)		25,500	1	-	-	-	-
	8)		250,093	5	328,983	6	317,219	7	2131	Contract liabilities-current (Note 6(23))		34,790	1	29,478	1	25,871	-
1150-1170	Notes and accounts receivable (Note 6(5) and (23))		941,506	18	899,327	17	881,886	19	2150-2170	Notes and accounts payable		574,762	11	591,041	11	489,261	11
1181	Accounts receivable - related parties (Note 6(5)(23) and 7)		3,959	-	6,085	-	7,187	-	2181	Accounts payable - related parties (Note 7)		37,548	1	33,360	1	23,722	1
1200	Other receivables		7,723	-	11,516	-	4,267	-	2200	Other payable (Note 6 (8)(12) and (24))		393,192	7	286,094	5	381,069	8
1212	Other receivables - related parties (Note 7)		-	-	-	-	80	-	2220	Other payable - related parties (Note 7)		5,877	-	4,916	-	9,251	-
130x	Inventories (Note 6(6))		875,964	17	783,125	15	550,586	12	2230	Current income tax liabilities		38,768	1	43,143	1	29,523	1
1410-1470	Prepayments and other current assets		157,670	3	206,087	4	145,740	3	2250	Provisions for liabilities - current (Note 6(17))		2,435	-	3,080	-	4,554	-
1461	Non-current assets held for sale (Note 6(7) and (9))		57,882	1	-	-	-	-	2280	Lease liabilities - current (Note 6(16) and 7)		102,242	2	95,355	2	78,027	2
	Total current assets		3,111,891	59	3,098,314	59	2,574,833	56	2300	Other current liabilities		15,440	-	16,178	-	10,652	-
	Non-current assets:							2322	Long-term loans due within a year (Note 6(15) and 8)		76,153	1	84,830	2	8,449	-	
1518	Financial assets at fair value through other comprehensive income -								Total current liabilities		1,964,586	37	1,768,178	34	1,408,244	31	
	non-current (Note 6(3))		19,534	-	20,123	-	123	-		Non-current liabilities:							
1535	Financial assets measured at amortized cost – non-current (Note 6(4)							2540	Long-term loans (Note 6(15) and 8)		848,879	16	868,946	16	779,000	17	
	and 8)		61,185	1	-	-	-	-	2570	Deferred income tax liabilities		46,059	1	43,396	1	32,964	1
1600	Property, plant and equipment (Note 6(9), 7, and 8)		895,325	17	966,891	18	951,584	21	2580	Lease liabilities - non-current (Note 6(16) and 7)		248,138	5	276,173	5	285,434	6
1755	Right-of-use assets (Note 6(10) and 7)		194,509	4	207,885	4	184,767	4	2645	Guarantee deposit received		6,728	-	6,891	-	6,778	-
1760	Investment properties - net (Note 6(11) and 8)		455,291	9	466,272	9	480,322	10	2670	Other non-current liabilities (Note 6(12))		28,709	1	9,973	-	10,854	-
1780	Intangible assets (Note 6(8)(12) and 7)		418,393	8	395,164	7	326,228	7		Total non-current liabilities		1,178,513	23	1,205,379	22	1,115,030	24
1840	Deferred income tax assets		26,865	-	26,760	1	25,797	-		Total liabilities		3,143,099	60	2,973,557	56	2,523,274	55
1900	Other non-current assets (Note 6(13)and (19))		82,138	2	92,401	2	75,053	2		Equity attributable to shareholders of the parent company							
	Total non-current assets		2,153,240	41	2,175,496	41	2,043,874	44		(Note 6(21)):							
								3110	Common stock		445,660	9	445,660	8	445,660	10	
								3200	Capital Surplus		298,107	6	297,921	6	297,921	6	
								3300	Retained earnings		339,088	6	380,588	7	324,579	7	
								3400	Other equity		(27,838)	(1)	(2,110)	-	(3,659)	-	
									Total equity attributable to shareholders of the parent		1,055,017	20	1,122,059	21	1,064,501	23	
									company								
								36XX	Non-controlling interests (Note 6(8) and (21))		1,067,015	20	1,178,194	23	1,030,932	22	
									Total equity		2,122,032	40	2,300,253	44	2,095,433	45	
Total assets		\$	5,265,131	100	5,273,810	100	4,618,707	100	Total liabilities and equity	\$	5,265,131	100	5,273,810	100	4,618,707	100	

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		April to June 2025		April to June 2024		January to June 2025		January to June 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (Note 6 (16)(18)(23), 7 and 14)	\$ 1,334,988	100	1,176,191	100	2,562,946	100	2,233,340	100
5000	Costs of revenue (Note 6 (6)(9)(10)(11)(12)(16)(18)(19)(24), 7 and 12)	(921,035)	(69)	(817,656)	(70)	(1,752,793)	(68)	(1,562,354)	(70)
	Gross profit	413,953	31	358,535	30	810,153	32	670,986	30
	Operating expenses (Note 6 (5)(9)(10)(11)(12)(16)(18)(19)(24), 7 and 12):								
6100	Selling expenses	(260,788)	(19)	(215,434)	(18)	(517,603)	(20)	(407,811)	(18)
6200	General and administrative expenses	(55,523)	(4)	(52,083)	(4)	(113,107)	(5)	(102,661)	(5)
6300	Research and development expenses	(9,202)	(1)	(8,711)	(1)	(17,459)	(1)	(16,463)	(1)
6450	Impairment loss for expected credit losses	(327)	-	1,494	-	(1,021)	-	(389)	-
	Total operating expenses	(325,840)	(24)	(274,734)	(23)	(649,190)	(26)	(527,324)	(24)
	Operating income	88,113	7	83,801	7	160,963	6	143,662	6
	Non-operating income and loss (Note 6 (16)(18)(25) and 7):								
7100	Interest income	3,702	-	3,276	-	5,420	-	5,038	-
7010	Other income	3,858	-	3,522	1	7,799	1	7,474	1
7020	Other gains and losses	(23,519)	(1)	562	-	(21,417)	(1)	2,142	-
7050	Financing costs	(10,840)	(1)	(8,691)	(1)	(21,523)	(1)	(16,131)	(1)
	Total non-operating income and loss	(26,799)	(2)	(1,331)	-	(29,721)	(1)	(1,477)	-
	Income before income tax	61,314	5	82,470	7	131,242	5	142,185	6
7950	less: Income tax expenses (Note 6(20))	(22,390)	(2)	(21,398)	(2)	(42,486)	(2)	(36,608)	(1)
	Net income	38,924	3	61,072	5	88,756	3	105,577	5
	Other comprehensive income (loss) (Note 6(21)):								
8310	Items that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(663)	-	-	-	(589)	-	-	-
8349	Income tax related to items that may not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that may not be reclassified subsequently to profit or loss	(663)	-	-	-	(589)	-	-	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign operations	(69,571)	(5)	1,512	-	(63,973)	(2)	3,066	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(69,571)	(5)	1,512	-	(63,973)	(2)	3,066	-
	Other comprehensive income (loss) for the period	(70,234)	(5)	1,512	-	(64,562)	(2)	3,066	-
	Total comprehensive income (loss) for the period	\$ (31,310)	(2)	62,584	5	24,194	1	108,643	5
	Net Income attributable to:								
8610	Owners of the parent	\$ 9,756	1	29,206	2	32,034	1	51,904	2
8620	Non-controlling interest	29,168	2	31,866	3	56,722	2	53,673	3
		\$ 38,924	3	61,072	5	88,756	3	105,577	5
	Comprehensive income (loss) attributable to:								
8710	Owners of the parent	\$ (18,383)	(1)	29,866	2	6,306	-	53,806	2
8720	Non-controlling interest	(12,927)	(1)	32,718	3	17,888	1	54,837	3
		\$ (31,310)	(2)	62,584	5	24,194	1	108,643	5
	Earnings per share (in New Taiwan dollars, Note 6 (22))								
9750	Basic earnings per share	\$ 0.22		0.66		0.72		1.16	
9850	Diluted earnings per share	\$ 0.22		0.65		0.72		1.16	

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

**Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to shareholders of the parent company										
	Retained earnings						Other equity		Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
							Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal					
Balance as of January 01, 2024	\$ 445,660	297,921	123,417	2,234	236,156	361,807	(5,561)	-	1,099,827	1,080,503	2,180,330
Net income	-	-	-	-	51,904	51,904	-	-	51,904	53,673	105,577
Other comprehensive income for the period	-	-	-	-	-	-	1,902	-	1,902	1,164	3,066
Total comprehensive income for the period	-	-	-	-	51,904	51,904	1,902	-	53,806	54,837	108,643
Earnings appropriation and distribution:											
Special reserve	-	-	-	3,326	(3,326)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(89,132)	(89,132)	-	-	(89,132)	-	(89,132)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	(104,408)	(104,408)
Balance as of June 30, 2024	\$ 445,660	297,921	123,417	5,560	195,602	324,579	(3,659)	-	1,064,501	1,030,932	2,095,433
Balance as of January 01, 2025	\$ 445,660	297,921	123,417	5,560	251,611	380,588	(2,110)	-	1,122,059	1,178,194	2,300,253
Net income	-	-	-	-	32,034	32,034	-	-	32,034	56,722	88,756
Other comprehensive income for the period	-	-	-	-	-	-	(25,492)	(236)	(25,728)	(38,834)	(64,562)
Total comprehensive income for the period	-	-	-	-	32,034	32,034	(25,492)	(236)	6,306	17,888	24,194
Earnings appropriation and distribution:											
Legal reserve	-	-	10,791	-	(10,791)	-	-	-	-	-	-
Special reserve	-	-	-	(3,450)	3,450	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(73,534)	(73,534)	-	-	(73,534)	-	(73,534)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	(104,185)	(104,185)
Changes in ownership interests in subsidiaries	-	186	-	-	-	-	-	-	186	1,767	1,953
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(26,649)	(26,649)
Balance as of June 30, 2025	\$ 445,660	298,107	134,208	2,110	202,770	339,088	(27,602)	(236)	1,055,017	1,067,015	2,122,032

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	January to June 2025	January to June 2024
Cash flows from operating activities:		
Profit before income tax	\$ 131,242	142,185
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	122,145	111,537
Amortization	12,936	10,892
Impairment loss for expected credit losses	1,019	389
Interest expense	21,523	16,131
Interest income	(5,420)	(5,038)
(Gain) loss on disposals of property, plant and equipment	(960)	(96)
Gains on lease modification	(11)	(315)
Total adjustments to reconcile profit (loss)	<u>151,232</u>	<u>133,500</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(41,178)	(39,521)
Accounts receivable - related parties	2,126	(3,199)
Other receivables	(303)	2,263
Other receivables - related parties	-	(80)
Inventories	(91,450)	(38,445)
Prepayments and other current assets	<u>48,417</u>	<u>(26,878)</u>
Total changes in operating assets	<u>(82,388)</u>	<u>(105,860)</u>
Changes in operating liabilities:		
Contract liabilities	5,312	(6,511)
Notes and accounts payable	(17,629)	(15,210)
Accounts payable - related parties	4,188	610
Other payables	2,464	(20,361)
Other payables - related parties	961	3,532
Provisions for liabilities	(645)	(1,637)
Other current liabilities	(926)	(3,164)
Net defined benefit liabilities	<u>(442)</u>	<u>(1,367)</u>
Total changes in operating liabilities	<u>(6,717)</u>	<u>(44,108)</u>
Total changes in operating assets and liabilities	<u>(89,105)</u>	<u>(149,968)</u>
Total adjustments	<u>62,127</u>	<u>(16,468)</u>
Cash provided by operations	193,369	125,717
Interest received	5,203	5,618
Interest paid	(21,166)	(16,143)
Income tax paid	<u>(44,303)</u>	<u>(62,574)</u>
Net cash flow provided by operating activities	<u>133,103</u>	<u>52,618</u>

(Please see Notes to Consolidated Financial Statements)

(Continued on next page)

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	January to June 2025	January to June 2024
Cash flows from investing activities:		
Proceeds from disposal of investments accounted for using equity method	-	46,914
Acquisition of subsidiaries	(20,712)	-
Net cash flows used in acquisition of business transfer	(5,000)	-
Acquisition of property, plant and equipment	(55,072)	(97,952)
Proceeds from disposal of property, plant and equipment	5,044	320
Decrease in refundable deposits	7,768	3,490
Acquisition of intangible assets	(1,331)	(2,684)
Increase in other non-current assets	(1,315)	(13,984)
Decrease in Financial assets measured at amortized cost	<u>17,690</u>	<u>49,654</u>
Net cash flow used in investing activities	<u>(52,928)</u>	<u>(14,242)</u>
Cash flows from financing activities:		
Increase in short-term loans	77,176	-
Decrease in short-term loans	-	(36,607)
Increase in short-term note payables	25,500	-
Increase in long-term loans	190,000	28,319
Repayments of long-term loans	(220,440)	(92,628)
Decrease in guarantee deposit received	(163)	(30)
Payment of lease liabilities	(53,262)	(43,273)
Cash dividends distributed by subsidiaries to non-controlling interests	(62,185)	(59,500)
Purchase of subsidiaries' equity from non-controlling interests	(45,476)	-
Cash capital increase of subsidiary by non-controlling interest shareholders	<u>17,187</u>	<u>-</u>
Net cash flow used in financing activities	<u>(71,663)</u>	<u>(203,719)</u>
Effect of changes in foreign exchange rates	<u>(54,609)</u>	<u>2,703</u>
Net decrease in cash and cash equivalents for the current period	(46,097)	(162,640)
Cash and cash equivalents at the beginning of the period	<u>863,191</u>	<u>830,508</u>
Cash and cash equivalents at the end of the period	<u>\$ 817,094</u>	<u>667,868</u>

(Please see Notes to Consolidated Financial Statements)

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

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Six Months Ended June 30, 2025 and 2024

(Unless stated otherwise, all amounts are expressed in thousands of New Taiwan Dollar)

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 August 04, 2025 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 and International Accounting Standards from January 01, 2025 onward, and there has been no significant impact on the Group's Consolidated Financial Statements.

- Amendments to IAS 21, "Lack of Exchangeability"

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

From January 01, 2026, the Group shall adopt below amendments of International Financial Reporting Standards (IFRSs). And, there is no significant impact on the consolidated financial statements caused by adoption of the IFRSs.

- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

IFRS, IAS, IFRIC and SIC that have been issued by the International Accounting Standards Board (IASB) but have yet to be endorsed and issued into effect by the FSC, and which may be relevant to the Group.

Newly issued or amended standards and interpretation	Main content of the amendments	Effective date by International Accounting Standard Board
IFRS 18, “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: Under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): The new standard introduces a definition for management performance measures and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 01, 2027

The Group is evaluating the impact of the above IFRSs and Interpretation on the Consolidated Financial Statements and business operations. The relevant impact shall be disclosed once the evaluation is concluded.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

The Group expects the following new standards, amendments and interpretations that have yet to be endorsed 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 19 “Subsidiaries without Public Accountability”

4. Summary of Significant Accounting Policies

(1) Statement of compliance

These Consolidated Financial Statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereafter “the Preparation Regulations”) and the IAS 34, “Interim Financial Reporting” as endorsed by FSC. These Consolidated Financial Statements do not include all necessary disclosure as in the yearly consolidated financial statements prepared in accordance with IFRSs, IASs, Interpretations and SIC Interpretations as endorsed by FSC (hereafter “Taiwan-IFRSs”).

Except for the following, the significant accounting policies of these Consolidated Financial Statements are identical to the Consolidated Financial Statements for 2024. For more information, please see Note 4 to Consolidated Financial Statements for 2024.

(2) Basis of consolidation

The basis of consolidation of these Consolidated Financial Statements are identical to the Consolidated Financial Statements for 2024. For more information, please see Note 4(3) to Consolidated Financial Statements for 2024.

1. Subsidiaries included in the Consolidated Financial Statements

Subsidiaries included in these Consolidated Financial Statements:

Investor	Subsidiary	Main business activities	Ownership (%)			Description
			2025.06.30	2024.12.31	2024.06.30	
The Company	AsiaConnect International Co., Ltd. (ACI)	Sales of medical consumables and equipment and wholesaling and retailing of information software	99.75%	99.75%	99.75%	(Note 7 and 8)
The Company	Highview Investments Limited (Highview)	Investment and holding company	100.00%	100.00%	100.00%	(Note 7 and 8)
The Company	LILY Medical Corporation (LILY)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%	
The Company	BenQ AB DentCare Corporation (BABD)	Wholesaling and retailing of medical consumables and equipment	88.00%	88.00%	88.00%	(Note 7 and 8)
The Company	BenQ Healthcare Corporation (BHS)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%	
The Company	Eastech Co., Ltd (ETC)	Wholesaling and retailing of medical consumables and equipment	70.00%	70.00%	70.00%	(Note 7 and 8)
The Company	Concord Medical Co., Ltd. (CCD)	Sale of medical drugs, leasing of medical equipment and provision of management consultation services	40.00%	40.00%	40.00%	(Note 1)
CCD	Concord HealthCare Co., Ltd. (CCHC)	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	40.00%	40.00%	40.00%	(Note 7 and 8)

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Investor	Subsidiary	Main business activities	Ownership (%)			Description
			2025.06.30	2024.12.31	2024.06.30	
CCD	Concord BioMedical Co., Ltd. (CBM)	Wholesaling and retailing of veterinary drugs and medical consumables and equipment	21.62%	-	-	(Note 4 and 7)
The Company	BenQ Medical Technology (Shanghai) Ltd. (BMTS)	Agency of international and entrepot trade business	100.00%	100.00%	100.00%	(Note 7 and 8)
BMTS	BenQ Smart Healthcare (Shanghai) Co., Ltd. (BSHS), originally LILY Medical (Suzhou) Co., Ltd. (ALS)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%	(Note 2, 7 and 8)
BHS	New Best Hearing International Trade Co., Ltd. (NBHIT)	Wholesaling and retailing of medical consumables and equipment	52.00%	52.00%	52.00%	
BHS	CKCARE Co., Ltd. (CKCARE)	Retail of medical devices, over-the-counter drugs, and health supplements	60.00%	60.00%	60.00%	
The Company and ACI	K2 International Medical Inc. (K2)	Sale of medical consumables and equipment	40.00%	40.00%	40.00%	
K2	K2 Medical (Thailand) Co., Ltd.	Sale of medical consumables and equipment	31.86%	19.60%	19.60%	(Note 6)
K2	K2 (Shanghai) International Medical Inc.	Sale of medical consumables and equipment	40.00%	40.00%	40.00%	(Note 5)
K2	PT. Frismed Hoslab Indonesia (K2 Indonesia)	Blood banking equipment and supplies	26.80%	26.80%	26.80%	(Note 5 and 8)
K2	Era Biotech Enterprise Co., Ltd. (ERA)	Sales of endoscopic consumables and equipment	24.00%	24.00%	-	(Note 3, 5, and 7)

(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.

(Note 2): A shareholding of 100% of BSHS originally held by LILY was sold to BMTS in April 2025.

(Note 3): On August 30, 2024, K2 acquired 60% shareholding in ERA.

(Note 4): On April 01, 2025, CCD acquired 54.05% shareholding in CBM.

(Note 5): Although holding less than half of comprehensive shareholding in the company, the Group has more than half of direct and indirect voting shares of the company; therefore, it is determined that the Group has control over the company.

(Note 6): The Group originally held less than half of voting shares of the company. However, the Group has been in an agreement with other shareholders, and the Group is the proxy of other shareholders' votes. Therefore, the Group takes control of more than half of voting shares, and it is determined that the Group has control over the company. On May 01, 2025, the Group acquired 45% common shares of the subsidiary from the non-controlling interests. The Group has 94% of the voting shares in total. Thus, the Group deems itself to have control over the subsidiary.

(Note 7): Insignificant subsidiary and its financial statement for the six months ended June 30, 2025 has been reviewed by an independent auditor.

(Note 8): Insignificant subsidiary and its financial statement for the six months ended June 30, 2024 has been reviewed by an independent auditor.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

2. Subsidiaries not included in the Consolidated Financial Statements: None.

(3) Non-current assets held for sale

A non-current asset or a disposal group composed of assets and liabilities shall be classified as held for sale, if the carrying amount will be highly probably to be recovered principally through a sale transaction rather than through continuing use. The asset or the composition of disposal group under original classification being classified as held for sale, shall be remeasured by the Company's accounting policies. After being classified as held for sale, the asset or the composition of disposal group shall be measured at the lower of the carrying amounts and fair values less costs to sell. Any impairment losses of disposal groups shall first be allocated to goodwill and allocated to remaining assets and liabilities in proportion. However, the impairment losses shall not be allocated to assets within the scope of IAS 36 "Impairment of Assets," which shall be continuously measured based on the Company's accounting policies. Impairment losses for any initial write-down of the asset or disposal group and gains and losses arising from subsequent remeasurement shall be recognized in profit or loss. However, a reversal gain shall not be in excess of the cumulative impairment loss that has been recognized.

Intangible assets and property, plant and equipment shall not be depreciated or amortized after being classified as held for sale. In addition, associates accounted for using equity method shall not be applied for equity method after being classified as held for sale.

(4) Employee benefits

The defined benefit pension plans of the interim period are computed based on the year-to-date pension cost rate derived using actuarial valuation at the end of the preceding year, adjusted for significant market fluctuation, reduction, settlement or other significant one-off events.

(5) Income tax

In pursuant to the IAS 34, "Interim Financial Reporting," paragraph B12, the Group measures and discloses the Income tax expense for the interim period.

The income tax expense is computed by multiplying the income before Income tax expense of the interim period with the effective tax rate for the full financial year best estimated by the Management and fully recognized as the current income tax expense.

For income tax expenses recognized directly in equity or other comprehensive profit and loss items, it is measured using the appropriate tax rate expected to realize or when settled, on the temporary difference arising between the carrying amount of assets and liabilities for financial reporting purposes, and their tax bases.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

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

In pursuant to the Preparation Regulations and the IAS 34, “Interim Financial Reporting” as endorsed by FSC, when preparing for these Consolidated Financial Statements, the Management are required to make judgment and estimates about the future, including climate-related risks and opportunities, which will impact the adoption of accounting policies and the reporting of assets, liabilities, income, and expenses. The actual amount might differ from the estimated amount.

For the preparation of the Consolidated Financial Statements, the Management makes critical accounting judgments, estimates and assumptions on uncertainty using the accounting policies of the Group, consistent with Note 5 of the Consolidated Financial Statements for 2024.

6. Significant Accounts Disclosure

Except for the following, the details of significant accounts of these Consolidated Financial Statements does not differ with the Consolidated Financial Statements for 2024. For more information, please see Note 6 to the Consolidated Financial Statements for 2024.

(1) Cash and cash equivalents

	2025.06.30	2024.12.31	2024.06.30
Cash on hand and revolving funds	\$ 2,737	2,473	3,942
Demand deposits and checking accounts	697,588	771,947	568,622
Repurchase Agreement	40,000	10,000	-
Time deposits with an initial maturity date within three months	76,769	78,771	95,304
	\$ 817,094	863,191	667,868

(2) Other financial assets-current

	2025.06.30	2024.12.31	2024.06.30
Restricted deposits	\$ 43,493	46,293	43,429
Time deposits with an initial maturity date within three months	206,600	282,690	273,790
	\$ 250,093	328,983	317,219

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.

Some of time deposits are pledged as guaranties. For the details, please refer to Note 8.

(3) Financial asset at fair value through other comprehensive income – non-current

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Equity instrument at fair value through other comprehensive income :			
Share of non-public companies	<u>\$ 19,534</u>	<u>20,123</u>	<u>123</u>

The purpose that the Group invests in the aforementioned equity instruments is for long-term strategies but rather for trading purposes. Therefore, these equity instruments are designated as at fair value through other comprehensive income.

For the six months ended June 30, 2025 and 2024, the Group has not disposed the abovementioned strategic investments, and the accumulated profits and deficits in the period have not been reclassified within equity as well.

(4) Financial assets measured at amortized cost – non-current

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Domestic straight bonds	<u>\$ 61,185</u>	<u>-</u>	<u>-</u>

In the second quarter of 2025, the Group purchased 10-year straight bonds of Nan Shan Life Insurance Company Ltd. with par value of NTD60,000 thousand and a coupon rate of 3.75%.

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.

The abovementioned financial assets are pledged as guaranties. For the details, please refer to Note 8.

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

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Notes receivable	\$ 74,201	86,629	88,111
Accounts receivable	877,462	822,409	803,500
Less: Loss allowance	(10,157)	(9,711)	(9,725)
	941,506	899,327	881,886
Accounts receivable - related parties	3,959	6,085	7,187
	<u>\$ 945,465</u>	<u>905,412</u>	<u>889,073</u>

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 including forward-looking information. Analysis of expected credit loss on notes and accounts receivable by the Group is as follows:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

2025.06.30

	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	\$ 871,648	0.20%	1,741
Less than 90 days overdue	42,743	5.15%	2,202
91 - 180 days overdue	31,344	9.10%	2,851
271 - 360 days overdue	2,850	10.00%	285
More than one year overdue	3,078	100.00%	3,078
	\$ 951,663		10,157

2024.12.31

	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	\$ 824,996	0.25%	2,029
Less than 90 days overdue	55,919	3.62%	2,023
91 - 180 days overdue	24,920	9.93%	2,474
181 - 270 days overdue	122	85.25%	104
271 - 360 days overdue	296	100.00%	296
More than one year overdue	2,785	100.00%	2,785
	\$ 909,038		9,711

2024.06.30

	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	\$ 823,707	0.23%	1,872
Less than 90 days overdue	36,258	4.53%	1,644
91 - 180 days overdue	28,039	9.80%	2,748
181 - 270 days overdue	734	80.93%	594
271 - 360 days overdue	17	64.71%	11
More than one year overdue	2,856	100.00%	2,856
	\$ 891,611		9,725

As of June 30, 2025, and December 31 and June 30, 2024, the Group has no expected credit losses from accounts receivable - related parties. The aging analysis is as follows:

	2025.06.30	2024.12.31	2024.06.30
Current	\$ 3,728	6,085	6,439
Less than 90 days overdue	231	-	748
	\$ 3,959	6,085	7,187

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	January to June 2025	January to June 2024
Beginning balance	\$ 9,711	9,548
Write-down of loss allowance	-	(202)
Reversal of impairment losses	1,026	379
Effects of exchange rate	(580)	-
End balance	<u><u>\$ 10,157</u></u>	<u><u>9,725</u></u>

(6) Inventory

	2025.06.30	2024.12.31	2024.06.30
Raw materials	\$ 70,987	58,512	64,090
Work-in-progress	40,676	42,436	34,417
Finished goods	44,442	11,668	23,499
Merchandise Inventories	711,630	667,973	425,096
Inventories in transit	8,229	2,536	3,484
	<u><u>\$ 875,964</u></u>	<u><u>783,125</u></u>	<u><u>550,586</u></u>

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

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Cost of inventories sold	\$ 895,707	789,093	1,700,224	1,503,969
Write-down of inventories (gain from price recovery of inventory)	(1,159)	1,906	(1,107)	5,908
Gains (loss) on physical inventories	183	(238)	23	(238)
Sale of scraps	(14)	-	(25)	-
	<u><u>\$ 894,717</u></u>	<u><u>790,761</u></u>	<u><u>1,699,115</u></u>	<u><u>1,509,639</u></u>

The write-down of inventories above was the amount in inventories written down to net realizable value. Due to the sale of some inventory that had previously been written down at the beginning of the period, gain from price recovery of inventory was the recovery of amount written down.

(7) Non-current assets held for sale

In the first quarter of 2025, CKCARE Co., Ltd., a subsidiary of the Group, planned to dispose a portion of land, and its Board of Directors resolved this proposal on April 02, 2025. Since the relevant procedures of sales have been begin, the land was reclassified to non-current assets held for sale. As of June 30, 2025, this asset held for sale amounted to NTD57,882 thousand.

(8) Subsidiaries

1. Acquisition of subsidiary – Concord BioMedical Co., Ltd.

On March 26, 2025, Board of Directors resolved that Concord Medical Co., Ltd. (“CCD”), a subsidiary of the Company, and participated in cash capital increase of

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Concord BioMedical Co., Ltd. (“CBM”) and acquired 54.05% of ownership of CBM. Since April 01, 2025 (the acquisition date), CBM has been one of consolidated entities of the Group. CBM is engaged in the wholesale and retail of pharmaceuticals and medical equipment for animal hospitals. The purpose of CCD to acquire CBM is mainly to expand CCD’s sales channels, optimize existing healthcare-related services, and diversify its medical services.

(1) Consideration transferred

On April 01, 2025, CCD invested the amount of NTD3,000 thousand in CBM by cash and acquired 54.04% of its ownership. There is no contingent consideration or other equity instruments are used as consideration transferred.

(2) According to IFRSs, the Group shall measure the identifiable assets and assumed liabilities at fair value on the acquisition date. The measurements are as follows:

Consideration transferred:

Cash	\$	3,000
Add: Non-controlling interests		1,640

Acquired net identifiable assets:

Cash and cash equivalents	\$	3,550
Notes and accounts receivable		1,956
Inventories		1,389
Prepayment and other current assets		78
Property, plant and equipment		94
Right-of-use assets		579
Refundable deposits		154
Notes and accounts payable		(1,350)
Other payables		(418)
Lease liabilities (current and non-current)		(579)
Other current liabilities		(188)
Long-term loans		<u>(1,696)</u>
		3,569

Goodwill	\$	<u><u>1,071</u></u>
----------	----	---------------------

(3) Intangible asset

Goodwill is mainly arising from the synergy and the human resource value of CBM. No income tax effect is expected.

(4) Pro forma information

From April 01, 2025 (acquisition date) to June 30, 2025, the operating results of CBM have been consolidated into the Consolidated Statements of Comprehensive

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Income of the Group, in which the sales revenue and net loss amounted to NTD6,052 thousand and NTD85 thousand, respectively. If the acquisition had occurred on January 01, 2025, the pro forma projection for sales revenue and net profit after tax of the Group would amount to NTD2,569,219 thousand and NTD88,759 thousand, respectively.

2. Acquisition of subsidiary – Era Biotech Enterprise Co., Ltd.

On August 28, 2024, Board of Directors resolved that K2 International Medical Inc. (“K2”), a subsidiary of the Company, acquired 60% of ownership of Era Biotech Enterprise Co., Ltd. (“ERA”). Since August 30, 2024 (the acquisition date), ERA has been one of consolidated entities of the Group. ERA serves as an agency and is engaged in the sale of endoscopic equipment and consumables. The acquisition of K2 is mainly to strengthen the competitive edge in the medical industry and to stretch product line into endoscope market.

(1) Consideration transferred

On August 30, 2024, K2 invested the amount of NTD133,005 thousand in ERA by cash and acquired 60% of its ownership. There is no contingent consideration or other equity instruments are used as consideration transferred. As of December 31, 2024, the balance of the price, NTD46,914 thousand, was recorded under other payables, and the said payables was settled in January 2025.

(2) According to IFRSs, the Group shall measure the identifiable assets and assumed liabilities at fair value on the acquisition date. The measurements are as follows:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Consideration transferred:

Cash	\$	111,743
Investment amount payable (under other payables)		21,262
Add: Non-controlling interests		66,731

Acquired net identifiable assets:

Cash and cash equivalents	\$	88,482
Notes and accounts receivable		51,622
Other receivable		1,376
Inventories		79,136
Prepayment and other current assets		2,762
Other financial assets - current		2,427
Property, plant and equipment		12,003
Right-of-use assets		13,877
Intangible asset – customer relationship		44,309
Intangible asset		1,293
Other non-current assets		14,543
Short-term loans		(62,000)
Contract liabilities-current		(126)
Notes and accounts payable		(36,257)
Other payables		(13,305)
Income tax payable		(7,454)
Lease liabilities (current and non-current)		(14,194)
Other current liabilities		(245)
Long-term loans due within one year		(1,692)
Long-term loans		(867)
Deferred income tax liabilities		(8,862)
		<u>166,828</u>

Goodwill \$ 32,908

(3) Intangible asset

Intangible asset -- customer relationship is amortized over the estimated future economic useful life of 13 years according to straight-line amortization.

Goodwill is mainly arising from the human resource value. No income tax effect is expected.

3. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries

On May 01, 2025, one of the subsidiaries, K2 International Medical Inc. ("K2"), invested the amount of NTD45,476 thousand in its subsidiary, K2 Medical (Thailand)

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Co., Ltd. by cash and acquired 45% of its common stock from the non-controlling interest. Thus, the shareholding ration of the relevant subsidiary has been modified.

On May 01, 2025, the subsidiary, K2 Medical (Thailand) Co., Ltd., issued the preferred stock fully subscribed by the non-controlling interest and received NTD17,187 thousand in cash. Thus, the shareholding ration of the relevant subsidiary has been modified.

In summary, the effect of the changes in the ownership interest in the subsidiaries attributed to the equity of the parent company was as follows:

	January to June 2025
Capital surplus, changes in ownership interests in subsidiaries	<u><u>\$ 186</u></u>

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		
		2025.06.30	2024.12.31	2024.06.30
NBHIT	Taiwan	48%	48%	48%
CCD	Taiwan	60%	60%	60%
CKCARE	Taiwan	40%	40%	40%
K2	Taiwan	60%	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:

	2025.06.30	2024.12.31	2024.06.30
Current assets	\$ 65,219	100,055	84,278
Non-current assets	189,914	194,823	194,516
Current liabilities	(86,606)	(93,585)	(92,971)
Non-current liabilities	(69,448)	(73,045)	(79,834)
Net assets	<u><u>\$ 99,079</u></u>	<u><u>128,248</u></u>	<u><u>105,989</u></u>
The carrying amount in non-controlling interests	<u><u>\$ 34,038</u></u>	<u><u>48,039</u></u>	<u><u>37,355</u></u>

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Operating revenue	<u><u>\$ 100,260</u></u>	<u><u>106,217</u></u>	<u><u>188,076</u></u>	<u><u>196,762</u></u>
Net income	\$ 2,719	8,091	7,013	14,951
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>\$ 2,719</u></u>	<u><u>8,091</u></u>	<u><u>7,013</u></u>	<u><u>14,951</u></u>

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Net income attributable to non-controlling interests	\$	1,305	3,883	3,366	7,176
------------------------------------------------------	----	-------	-------	-------	-------

Total comprehensive income attributable to non-controlling interests	\$	1,305	3,883	3,366	7,176
----------------------------------------------------------------------	----	-------	-------	-------	-------

		January to June 2025	January to June 2024
Cash flows related to operating activities	\$	22,881	16,474
Cash flows related to investing activities		(2,909)	4,160
Cash flows related to financing activities		(53,607)	(62,309)
Net decrease in cash and cash equivalents	\$	(33,635)	(41,675)
Cash dividends paid to non-controlling interests	\$	(17,367)	(22,196)

(2) The summarized financial information of CCD:

	2025.06.30	2024.12.31	2024.06.30
Current assets	\$ 603,352	630,998	624,851
Non-current assets	630,328	576,669	562,924
Current liabilities	(328,658)	(285,527)	(278,188)
Non-current liabilities	(179,343)	(189,296)	(202,076)
Net assets	\$ 725,679	732,844	707,511
The carrying amount in non-controlling interests	\$ 436,048	439,707	424,507

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Operating revenue	\$ 241,360	226,456	448,805	433,337
Net income	\$ 15,535	13,621	28,451	23,328
Other comprehensive income	(663)	-	(589)	-
Total comprehensive income	\$ 14,872	13,621	27,862	23,328
Net income attributable to non-controlling interests	\$ 9,304	8,173	17,054	13,997
Total comprehensive income attributable to non-controlling interests	\$ 8,906	8,173	16,701	13,997

	January to June 2025	January to June 2024
Cash flows provided by operating activities	\$ 86,532	46,153
Cash flows used in investing activities	(15,586)	(25,677)
Cash flows used in financing activities	(11,045)	(45,559)
Net decrease in cash and cash equivalents	\$ 59,901	(25,083)
Cash dividends paid to non-controlling interests	\$ (22,000)	(20,000)

(3) The summarized financial information of CKCARE:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	2025.06.30	2024.12.31	2024.06.30
Current assets	\$ 152,479	94,908	93,093
Non-current assets	115,840	180,275	191,103
Current liabilities	(96,924)	(96,492)	(98,063)
Non-current liabilities	(23,498)	(27,967)	(36,737)
Net assets	<u>\$ 147,897</u>	<u>150,724</u>	<u>149,396</u>
The carrying amount in non-controlling interests	<u>\$ 43,354</u>	<u>44,484</u>	<u>43,953</u>

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Operating revenue	<u>\$ 86,887</u>	<u>89,873</u>	<u>171,763</u>	<u>163,716</u>
Net income	\$ 1,165	2,859	2,262	3,571
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ 1,165</u>	<u>2,859</u>	<u>2,262</u>	<u>3,571</u>
Net income attributable to non-controlling interests	<u>\$ 466</u>	<u>1,144</u>	<u>905</u>	<u>1,429</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 466</u>	<u>1,144</u>	<u>905</u>	<u>1,429</u>

	January to June 2025	January to June 2024
Cash flows provided by operating activities	\$ 4,263	(10,056)
Cash flows used in investing activities	(1,102)	(3,460)
Cash flows used in financing activities	(8,740)	(472)
Net decrease in cash and cash equivalents	<u>\$ (5,579)</u>	<u>(13,988)</u>
Cash dividends paid to non-controlling interests	<u>\$ (2,036)</u>	<u>-</u>

(4) The summarized financial information of K2:

	2025.06.30	2024.12.31	2024.06.30
Current assets	\$ 1,403,370	1,388,546	1,030,957
Non-current assets	406,489	435,182	324,321
Current liabilities	(847,292)	(748,841)	(491,476)
Non-current liabilities	(161,558)	(148,709)	(78,924)
Net assets	<u>\$ 801,009</u>	<u>926,178</u>	<u>784,878</u>
The carrying amount in non-controlling interests	<u>\$ 535,344</u>	<u>626,245</u>	<u>507,554</u>

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Operating revenue	<u>\$ 533,248</u>	<u>409,158</u>	<u>998,192</u>	<u>749,930</u>
Net income	\$ 21,799	24,115	44,559	41,493
Other comprehensive income	(66,394)	1,337	(55,125)	2,425

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Total comprehensive income	\$	(44,595)	25,452	(10,566)	43,918
Net income attributable to non-controlling interests	\$	17,206	17,533	33,944	29,424
Total comprehensive income attributable to non-controlling interests	\$	(24,492)	18,385	(4,536)	30,588

		January to June 2025	January to June 2024
Cash flows provided by operating activities	\$	17,668	(8,378)
Cash flows used in investing activities		(29,434)	(2,861)
Cash flows used in financing activities		(33,167)	(46,681)
Effect of changes in foreign exchange rates		(47,533)	2,520
Net decrease in cash and cash equivalents	\$	(92,466)	(55,400)
Cash dividends paid to non-controlling interests	\$	(17,842)	(13,464)

(9) Property, plant and equipment

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

	Land	Buildings	Machinery	Instruments (for rental)	Leasehold improvement	Leasehold improvement (for rental)	Office and other equipment	Construction in progress	Total
Cost:									
Balance as of January 01, 2025	\$ 346,860	364,382	385,814	264,337	7,835	150,542	173,049	1,381	1,694,200
Acquisition (Note6(8))	-	-	-	-	-	-	405	-	405
Additions	-	-	11,866	28,433	64	6,006	8,703	-	55,072
Disposals	-	-	(3,408)	(33,426)	-	(3,390)	(8,640)	-	(48,864)
Effect of changes in foreign exchange rates	-	-	(9,146)	-	(249)	(756)	(3,254)	-	(13,405)
Reclassification (Note6(8))	(57,882)	-	1,165	1,381	-	3,989	835	(1,381)	(51,893)
Balance as of June 30, 2025	<u>\$ 288,978</u>	<u>364,382</u>	<u>386,291</u>	<u>260,725</u>	<u>7,650</u>	<u>156,391</u>	<u>171,098</u>	<u>-</u>	<u>1,635,515</u>
Balance as of January 01, 2024	\$ 346,860	364,557	332,688	221,235	4,512	134,475	144,474	3,599	1,552,400
Additions	-	-	57,409	13,400	-	18,399	8,411	333	97,952
Disposals	-	-	(4,773)	(2,066)	-	(12,842)	(147)	-	(19,828)
Reclassification	-	282	3,732	4,859	-	7,944	1,417	(3,599)	14,635
Effect of changes in foreign exchange rates	-	-	(967)	-	(21)	5	112	-	(871)
Balance as of June 30, 2024	<u>\$ 346,860</u>	<u>364,839</u>	<u>388,089</u>	<u>237,428</u>	<u>4,491</u>	<u>147,981</u>	<u>154,267</u>	<u>333</u>	<u>1,644,288</u>
Accumulated depreciation and impairment loss:									
Balance as of January 01, 2025	\$ -	101,656	263,633	144,403	3,284	87,810	126,523	-	727,309
Acquisition (Note6(8))	-	-	-	-	-	-	311	-	311
Depreciation	-	5,305	21,313	23,489	347	8,375	7,991	-	66,820
Disposals	-	-	(3,049)	(32,384)	-	(3,334)	(8,413)	-	(47,180)
Effect of changes in foreign exchange rates	-	-	(4,584)	-	(137)	(83)	(2,266)	-	(7,070)
Balance as of June 30, 2025	<u>\$ -</u>	<u>106,961</u>	<u>277,313</u>	<u>135,508</u>	<u>3,494</u>	<u>92,768</u>	<u>124,146</u>	<u>-</u>	<u>740,190</u>
Balance as of January 01, 2024	\$ -	91,191	242,456	115,782	2,753	89,712	108,339	-	650,233
Depreciation	-	5,339	18,685	21,466	205	9,356	7,480	-	62,531
Disposals	-	-	(4,773)	(2,037)	-	(12,649)	(145)	-	(19,604)
Reclassification	-	-	10	-	-	-	(10)	-	-

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	Land	Buildings	Machinery	Instruments (for rental)	Leasehold improvement	Leasehold improvement (for rental)	Office and other equipment	Construction in progress	Total
Effect of changes in foreign exchange rates	-	-	(526)	-	(17)	1	86	-	(456)
Balance as of June 30, 2024	<u>\$ -</u>	<u>96,530</u>	<u>255,852</u>	<u>135,211</u>	<u>2,941</u>	<u>86,420</u>	<u>115,750</u>	<u>-</u>	<u>692,704</u>
Carrying value:									
June 30, 2025	<u>\$ 288,978</u>	<u>257,421</u>	<u>108,978</u>	<u>125,217</u>	<u>4,156</u>	<u>63,623</u>	<u>46,952</u>	<u>-</u>	<u>895,325</u>
January 01, 2025	<u>\$ 346,860</u>	<u>262,726</u>	<u>122,181</u>	<u>119,934</u>	<u>4,551</u>	<u>62,732</u>	<u>46,526</u>	<u>1,381</u>	<u>966,891</u>
June 30, 2024	<u>\$ 346,860</u>	<u>268,309</u>	<u>132,237</u>	<u>102,217</u>	<u>1,550</u>	<u>61,561</u>	<u>38,517</u>	<u>333</u>	<u>951,584</u>

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.

(10) 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, 2025	\$ 305,166	27,609	332,775
Acquisition (Note6(8))	654	-	654
Additions	25,550	2,295	27,845
Lease modification	285	-	285
Write-off	(9,482)	(3,975)	(13,457)
Effect of changes in foreign exchange rates	(2,241)	-	(2,241)
Balance as of June 30, 2025	<u>\$ 319,932</u>	<u>25,929</u>	<u>345,861</u>
Balance as of January 01, 2024	\$ 287,030	15,212	302,242
Additions	57,235	1,625	58,860
Lease modification	(8,328)	(1,625)	(9,953)
Write-off	(19,454)	-	(19,454)
Effect of changes in foreign exchange rates	454	-	454
Balance as of June 30, 2024	<u>\$ 316,937</u>	<u>15,212</u>	<u>332,149</u>
Accumulated depreciation of right-of-use assets:			
Balance as of January 01, 2025	\$ 108,361	16,529	124,890
Acquisition (Note6(8))	75	-	75
Depreciation for the current period	37,649	3,279	40,928
Write-off	(9,482)	(3,975)	(13,457)
Effect of changes in foreign exchange rates	(1,084)	-	(1,084)
Balance as of June 30, 2025	<u>\$ 135,519</u>	<u>15,833</u>	<u>151,352</u>
Balance as of January 01, 2024	\$ 129,261	6,777	136,038
Depreciation for the current period	33,207	1,900	35,107

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	Buildings	Transportation equipment	Total
Lease modification	(4,226)	(54)	(4,280)
Write-off	(19,454)	-	(19,454)
Effect of changes in foreign exchange rates	(29)	-	(29)
Balance as of June 30, 2024	<u><u>\$ 138,759</u></u>	<u><u>8,623</u></u>	<u><u>147,382</u></u>
Carrying value:			
June 30, 2025	<u><u>\$ 184,413</u></u>	<u><u>10,096</u></u>	<u><u>194,509</u></u>
January 01, 2025	<u><u>\$ 196,805</u></u>	<u><u>11,080</u></u>	<u><u>207,885</u></u>
June 30, 2024	<u><u>\$ 178,178</u></u>	<u><u>6,589</u></u>	<u><u>184,767</u></u>

(10) Investment properties

	Self-owned		Right-of-use assets	
	Land	Buildings	Buildings	Total
Cost:				
Balance as of January 01, 2025	\$ 225,083	126,893	266,804	618,780
Additions	-	-	3,416	3,416
Balance as of June 30, 2025	<u><u>\$ 225,083</u></u>	<u><u>126,893</u></u>	<u><u>270,220</u></u>	<u><u>622,196</u></u>
Balance as of January 01, 2024	\$ 225,083	126,893	248,544	600,520
Additions	-	-	18,260	18,260
Balance as of June 30, 2024	<u><u>\$ 225,083</u></u>	<u><u>126,893</u></u>	<u><u>266,804</u></u>	<u><u>618,780</u></u>
Accumulated depreciation:				
Balance as of January 01, 2025	\$ -	36,413	116,095	152,508
Depreciation	-	2,178	12,219	14,397
Balance as of June 30, 2025	<u><u>\$ -</u></u>	<u><u>38,591</u></u>	<u><u>128,314</u></u>	<u><u>166,905</u></u>
Balance as of January 01, 2024	\$ -	32,053	92,506	124,559
Depreciation	-	2,181	11,718	13,899
Balance as of June 30, 2024	<u><u>\$ -</u></u>	<u><u>34,234</u></u>	<u><u>104,224</u></u>	<u><u>138,458</u></u>
Carrying amount:				
June 30, 2025	<u><u>\$ 225,083</u></u>	<u><u>88,302</u></u>	<u><u>141,906</u></u>	<u><u>455,291</u></u>
January 01, 2025	<u><u>\$ 225,083</u></u>	<u><u>90,480</u></u>	<u><u>150,709</u></u>	<u><u>466,272</u></u>
June 30, 2024	<u><u>\$ 225,083</u></u>	<u><u>92,659</u></u>	<u><u>162,580</u></u>	<u><u>480,322</u></u>

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(18).

The fair value of the investment properties does not differ with the information revealed in Note 6(10) of the Consolidated Financial Statements for 2024.

For investment properties serving as collateral for a credit line of bank loans, please

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

see Note 8.

(12) Intangible assets

	Goodwill	Computer software	Customer relationships and sales channels	Other intangible assets	Total
Costs:					
Balance as of January 01, 2025	\$ 247,042	28,533	196,232	71,016	542,823
Business transfer	24,180	-	9,585	-	33,765
Additions	-	1,331	-	-	1,331
Write-off	-	(351)	-	(95)	(446)
Acquisition (Note6(8))	1,071	-	-	-	1,071
Effect of changes in foreign exchange rates	-	(4)	-	-	(4)
Balance as of June 30, 2025	<u>\$ 272,293</u>	<u>29,509</u>	<u>205,817</u>	<u>70,921</u>	<u>578,540</u>
Balance as of January 01, 2024	\$ 214,134	24,918	151,923	80,794	471,769
Additions	-	2,263	-	421	2,684
Write-off	-	(518)	-	(13,333)	(13,851)
Effect of changes in foreign exchange rates	-	(1)	-	-	(1)
Balance as of June 30, 2024	<u>\$ 214,134</u>	<u>26,662</u>	<u>151,923</u>	<u>67,882</u>	<u>460,601</u>
Accumulated amortization:					
Balance as of January 01, 2025	\$ -	20,296	98,198	29,165	147,659
Amortization	-	2,628	7,169	3,139	12,936
Write-off	-	(351)	-	(95)	(446)
Effect of changes in foreign exchange rates	-	(2)	-	-	(2)
Balance as of June 30, 2025	<u>\$ -</u>	<u>22,571</u>	<u>105,367</u>	<u>32,209</u>	<u>160,147</u>
Balance as of January 01, 2024	\$ -	16,187	87,141	34,004	137,332
Amortization	-	2,778	4,974	3,140	10,892
Write-off	-	(518)	-	(13,333)	(13,851)
Balance as of June 30, 2024	<u>\$ -</u>	<u>18,447</u>	<u>92,115</u>	<u>23,811</u>	<u>134,373</u>
Carrying value:					
June 30, 2025	<u>\$ 272,293</u>	<u>6,938</u>	<u>100,450</u>	<u>38,712</u>	<u>418,393</u>
January 01, 2025	<u>\$ 247,042</u>	<u>8,237</u>	<u>98,034</u>	<u>41,851</u>	<u>395,164</u>
June 30, 2024	<u>\$ 214,134</u>	<u>8,215</u>	<u>59,808</u>	<u>44,071</u>	<u>326,228</u>

According to IAS 36, the goodwill acquired by the Group must undergo assessment for impairment at least once a year. Pursuant to the assessment for impairment conducted by the Group on December 31, 2024, goodwill has not suffered any impairment. For details, please see Note 6(10) to the Consolidated Financial Statements for 2024. On June 30, 2025, the Group conducted an assessment based on the operating revenue meeting target for the period between January 01, 2025 and June 30, 2025, and concluded that no impairment was incurred.

On January 02, 2025, K2, a subsidiary of the Company, acquired the assets, liabilities and business related to the rehabilitation equipment business from GIGA MEDICAL INSTRUMENT LTD. through business transfer, in amount of NTD33,765 thousand by

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

cash. As of June 30, 2025, the balance of payables is NTD29,061 thousand recorded under other payables and other non-current liabilities.

According to IFRSs, the Group shall measure the identifiable assets and assumed liabilities at fair value on the acquisition date. The measurements are as follows:

Consideration transferred:

Cash	\$ 5,000
Account payables (under other payables)	9,685
Account payables (under other non-current liabilities)	19,080

Acquired net identifiable assets:

Intangible asset – customer relationship	9,585
Goodwill	<u><u>\$ 24,180</u></u>

The fair value of the aforementioned customer relationships has been measured provisionally pending completion of an independent valuation. During this time, the Group will continuously review the foregoing issues. Within one year from the acquisition date, if any new information about the facts and circumstances that existed at the acquisition date is obtained and able to identify any adjustment to the above amounts or any additional provisions that existed at the acquisition date, the accounting for the acquisition will be revised.

(13) Other non-current assets

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Prepayments for equipment	\$ 11,856	15,299	20,682
Pension plan assets	11,993	11,661	7,507
Refundable Deposits	54,422	62,036	41,943
Long-term accounts receivable	-	69	235
Other receivables - long-term	1,928	-	-
Prepayment - long-term	1,939	3,336	4,686
	<u><u>\$ 82,138</u></u>	<u><u>92,401</u></u>	<u><u>75,053</u></u>

(14) Short-term loans and short-term note payables

1. Short-term loans are as follows:

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Unsecured bank loans	\$ 617,473	533,719	317,163
Secured bank loans	40,406	46,984	30,702
	<u><u>\$ 657,879</u></u>	<u><u>580,703</u></u>	<u><u>347,865</u></u>
Unused credit facilities	<u><u>\$ 1,687,230</u></u>	<u><u>1,854,489</u></u>	<u><u>1,847,729</u></u>
Interest rate bracket	<u><u>1.98%~5.50%</u></u>	<u><u>1.70%~6.10%</u></u>	<u><u>1.95%~6.49%</u></u>

2. Short-term note payables are as follows:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	2025.06.30	2024.12.31	2024.06.30
Short-term note payables	\$ 25,500	-	-
Agreed repurchase price	\$ 25,623	-	-
Agreed repurchase interest rate	2.05%~2.079%	-	-
Agreed repurchase date	114.7.29	-	-

3. For assets pledged as collateral to secure bank loans and the collateral of the short-term note payables, please see Note 8.

(15) Long-term loans

	2025.06.30	2024.12.31	2024.06.30
Secured bank loans	\$ 190,000	192,001	190,000
Unsecured bank loans	735,032	761,775	597,449
Less: current portion of long-term debt	(76,153)	(84,830)	(8,449)
	<u>\$ 848,879</u>	<u>868,946</u>	<u>779,000</u>
Unused credit facilities	<u>\$ 938,203</u>	<u>810,000</u>	<u>741,358</u>
Interest rate bracket	<u>0.50%~4.34%</u>	<u>0.50%~5.92%</u>	<u>0.50%~5.92%</u>

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

According to the loan agreement between the Group and banks, the Group has to maintain certain financial ratios based on the Group's semi-annual reviewed consolidated financial statements and annual audited consolidated financial statements. Based on the annual consolidated financial statements of 2024 and the semi-annual consolidated financial statements of 2025, the financial ratios are in compliance with the load agreement.

(16) Lease liabilities

The lease liabilities of the Group are as follows:

	2025.06.30	2024.12.31	2024.06.30
Current	<u>\$ 102,242</u>	<u>95,355</u>	<u>78,027</u>
Non-current	<u>\$ 248,138</u>	<u>276,173</u>	<u>285,434</u>

Please see Note 6(26) for the maturity profile of financial instruments.

Profit and loss recognized are as follows:

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Interest expense of lease liabilities	\$ 1,672	1,533	3,375	2,967
Gains on subleasing right-of-use assets	\$ (6,749)	(6,754)	(13,601)	(13,143)
Short-term lease expense	<u>\$ 4,391</u>	<u>2,881</u>	<u>7,627</u>	<u>6,445</u>

Items recognized in Cash Flows Statement:

	January to June 2025	January to June 2024
Total cash outflow for leases	<u>\$ 50,663</u>	<u>39,542</u>

1. Lease of buildings

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Pertaining to office spaces and branch offices of the Group, the lease tenors for office spaces range from three to twenty years, and for branch offices, three to nine 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(10). Of which, some lease tenor of buildings or office/ warehouse is one year 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.

(17) Provision for product warranties

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Provision for product warranty	<u>\$ 2,435</u>	<u>3,080</u>	<u>4,554</u>

From January 01 to June 30, 2025 and 2024, the Group did not have major changes in the provision for product warranty. For details, please see Note 6(16) to Consolidated Financial Statements for 2024.

(18) Operating leases - lessor

The Group leases out its property, plant and equipment (among equipment, instruments are in majority) 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:

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Less than 1 year	\$ 67,346	94,645	81,268
1 to 2 years	12,106	21,406	32,567
2 to 3 years	12,086	15,866	10,416
3 to 4 years	12,101	11,518	7,127
4 to 5 years	10,973	11,518	4,844
More than 5 years	9,964	14,624	14,091
Total undiscounted lease payments	<u>\$ 124,576</u>	<u>169,577</u>	<u>150,313</u>

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Recognized as operating revenue:				
Property, plant and equipment	\$ 17,480	15,660	35,315	30,512
Investment properties	8,807	8,638	17,606	17,019
	<u>\$ 26,287</u>	<u>24,298</u>	<u>52,921</u>	<u>47,531</u>

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Recognized as non-operating income and expenses:				
Property, plant and equipment	\$ 1,257	1,255	2,583	2,495
Investment properties	1,825	1,894	3,720	3,789
	<u>\$ 3,082</u>	<u>3,149</u>	<u>6,303</u>	<u>6,284</u>

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

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Those generating rental income	\$ 6,694	6,031	13,988	13,483
Those not generating rental income	150	129	281	260
	<u>\$ 6,844</u>	<u>6,160</u>	<u>14,269</u>	<u>13,743</u>

(19) Employee benefits

1. Defined benefit plans

As no significant market fluctuation, reduction, settlement or other significant one-off events have occurred since the last yearly reporting date, the Group has adopted actuarial valuation as at December 31, 2024 and 2022 for pension cost measurement and pension cost for interim period disclosure.

Under the defined benefit plans of the Group, the details of pension expenses are as follows:

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Costs of revenue	\$ -	-	(45)	3
Operating expenses	-	-	(142)	(66)
	<u>\$ -</u>	<u>-</u>	<u>(187)</u>	<u>(63)</u>

2. Defined contribution plans

Under the procedure for defined contribution plans of the Group, the pension expenses reported are as follows:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Costs of revenue	\$ 1,108	1,150	2,203	2,319
Operating expenses	6,314	4,612	12,427	9,188
	<u>\$ 7,422</u>	<u>5,762</u>	<u>14,630</u>	<u>11,507</u>

(20) Income tax

1. Income tax expense

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Current income tax expense	<u>\$ 22,390</u>	<u>21,398</u>	<u>42,486</u>	<u>36,608</u>

2. From January 01 to June 30, 2025 and 2024, no income tax had been directly recognized under equity and other comprehensive income or loss items.

3. Income tax audit

The Company's income tax returns for the years through 2022 have been examined and approved by the R.O.C. income tax authorities.

(21) Capital and other equity interests

Except for the following, from January 01 to June 30, 2025 and 2024, there was no major change in capital and other equity interests. For details, please see Notes 6(20) of Consolidated Financial Statements for 2024.

1. Common shares

As of June 30, 2025, and December 31 and June 30, 2024, 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

	2025.06.30	2024.12.31	2024.06.30
Additional paid-in capital in excess of par issued	\$ 290,309	290,309	290,309
Stock options	7,612	7,612	7,612
Changes in ownership interest in subsidiaries	186	-	-
	<u>\$ 298,107</u>	<u>297,921</u>	<u>297,921</u>

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

3. Retained earnings

According to the Article of Incorporation, any profit that the Company makes shall be firstly appropriated for tax payment, recovering of past 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 income, together with unappropriated earnings from the beginning of the year, if any, can be distributed as dividends after the profit distribution or loss off-setting 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 income 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 03, 2025 and February 29, 2024, the cash dividend of earnings distribution for 2024 and 2022 is as follows:

	2024		2023	
	Dividend per share (NTD)	Amount	Dividend per share (NTD)	Amount
Dividends per share:				
Cash	\$ 1.65	<u>73,534</u>	2.00	<u>89,132</u>

The above information is publicized on Market Observation Post System.

4. Other equity interest (net after tax)

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (continued)

	Foreign exchange differences arising from the translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 01, 2025	\$ (2,110)	-	(2,110)
Foreign exchange differences arising from the translation of foreign operations	(25,492)	-	(25,492)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(236)	(236)
Balance as of June 30, 2025	<u>\$ (27,602)</u>	<u>(236)</u>	<u>(27,838)</u>
Balance as of January 01, 2024	\$ (5,561)	-	(5,561)
Foreign exchange differences arising from the translation of net assets in foreign operations	1,902	-	1,902
Balance as of June 30, 2024	<u>\$ (3,659)</u>	<u>-</u>	<u>(3,659)</u>

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

	January to June 2025	January to June 2024
Beginning balance	\$ 1,178,194	1,080,503
Equity attributable to non-controlling interests:		
Net income	56,722	53,673
Changes in ownership interest in subsidiaries	1,767	-
Foreign exchange differences arising from the translation of foreign operations	(38,481)	1,164
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(353)	-
Cash dividends	(104,185)	(104,408)
Decrease in non-controlling interest	(26,649)	-
End balance	<u>\$ 1,067,015</u>	<u>1,030,932</u>

(22) Earnings per share (EPS)

1. Basic EPS

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Net income attributable to shareholders of the Company	\$ 9,756	29,206	32,034	51,904
Weighted-average number of ordinary shares outstanding (in thousands)	44,566	44,566	44,566	44,566
Basic EPS (NTD)	\$ 0.22	0.66	0.72	1.16

2. Diluted EPS

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Net income attributable to shareholders of the Company	\$ 9,756	29,206	32,034	51,904
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	44,566	44,566	44,566	44,566
Effect of dilutive potential common stock (in thousands)				
Effect of employee bonuses	81	92	153	165
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	44,647	44,658	44,719	44,731
Diluted EPS (NTD)	\$ 0.22	0.65	0.72	1.16

(23) Revenue from contracts with customers

1. Disaggregation of revenue

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Primary geographical markets:				
Taiwan	\$ 989,252	828,648	1,869,814	1,574,748
Mainland China	148,856	139,584	296,940	265,394
Indonesia	71,304	68,908	141,758	134,024
Thailand	82,455	89,417	172,873	158,856
India	20,277	26,778	35,527	48,006
Others	22,844	22,856	46,034	52,312
	<u>\$ 1,334,988</u>	<u>1,176,191</u>	<u>2,562,946</u>	<u>2,233,340</u>
Main products:				
Medical equipment	\$ 153,549	159,432	286,525	310,536
Medical consumables	801,692	672,977	1,535,475	1,283,878
Medical services	379,747	343,782	740,946	638,926
	<u>\$ 1,334,988</u>	<u>1,176,191</u>	<u>2,562,946</u>	<u>2,233,340</u>
Timing of revenue recognition:				
Revenue recognized at a point in time	\$ 1,296,313	1,140,071	2,485,770	2,162,737
Revenue recognized over time	12,388	11,822	24,255	23,072
Lease income	26,287	24,298	52,921	47,531
	<u>\$ 1,334,988</u>	<u>1,176,191</u>	<u>2,562,946</u>	<u>2,233,340</u>

2. Contract balances

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	2025.06.30	2024.12.31	2024.06.30
Notes and accounts receivable (including related parties)	\$ 955,622	915,123	898,798
Less: Loss allowance	(10,157)	(9,711)	(9,725)
	\$ 945,465	905,412	889,073
Contract liabilities	\$ 34,790	29,478	25,871

For disclosure on notes and accounts receivable and the related loss allowance, please refer to Note 6(5).

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 Group recognized revenue from the beginning balance of contract liability as of January 01, 2025 and 2024, which amounted to NTD1,781 thousand and NTD6,548 thousand for the three months ended June 30, 2025 and 2024, respectively and NTD27,170 thousand and NTD24,394 thousand for the six months ended June 30, 2025 and 2024, respectively.

(24) Remuneration to employees and Directors

Upon the resolution of the shareholders' meeting on June 05, 2025, the Articles of Incorporation of the Company has been revised. According to the revised 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. No less than 10% of the aforementioned employee compensation should be distributed to non-exclusive employees. The employees eligible for stock options or cash compensation may include employees of affiliated companies that meet certain conditions.

According to the original 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 employees eligible for stock options or cash compensation may include employees of affiliated companies that meet certain conditions.

The compensation of employees for the three months ended June 30, 2025 and 2024 amounted to NTD1,044 thousand and NTD2,903 thousand, respectively and for the six months ended June 30, 2025 and 2024 amounting to NTD3,306 thousand and NTD5,167 thousand, respectively; and, the remuneration of Directors amounted for the three months ended June 30, 2025 and 2024 amounting to NTD86 thousand and NTD242 thousand, respectively and for the six months ended June 30, 2025 and 2024 amounting to NTD275 thousand and NTD431 thousand, respectively. The compensation of employees and the

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

remuneration of Directors were estimated by multiplying pre-tax income prior to being deducted by remuneration to employees and Directors of the period with the distribution percentage of remuneration to employees and Directors. The compensation and remuneration were classified as the Costs of revenue or expenses for the period. If the actual disbursement in the following year differs from the estimated amount, the difference is treated as change in accounting estimation and recognized in the profit and loss in the next annual period.

The estimated amounts of employee compensation for 2024 and 2023 amounted to NTD10,570 thousand and NTD13,289 thousand, respectively; and the estimated amounts of director remuneration amounted to NTD881 thousand and NTD1,107 thousand, respectively. The aforementioned amounts did not differ from the employee compensation and director remuneration approved by the Board and were all disbursed in cash. For details, please see the Market Observation Post System.

(25) Non-operating income and loss

1. Interest income

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Interest income from bank deposits	\$ 3,702	3,276	5,420	5,038

2. Other income

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Rental income	\$ 3,082	3,149	6,303	6,284
Others	776	373	1,496	1,190
	\$ 3,858	3,522	7,799	7,474

3. Other gains and losses

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Gains on disposal of property, plant and equipment	\$ 576	85	960	96
Net foreign currency exchange gains	(24,095)	451	(22,388)	1,731
Gains on lease modification	-	26	11	315
	\$ (23,519)	562	(21,417)	2,142

4. Financing costs

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Interest expense of bank loans	\$ 8,872	7,158	17,852	13,164
Other financial expense	296	-	296	-
Financial expense of lease liabilities	1,672	1,533	3,375	2,967
	\$ 10,840	8,691	21,523	16,131

(26) Financial instruments

Except for the following, the fair value of the financial instruments and the credit,

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

liquidity and market risks exposed due to the financial instruments have no significant changes. For details, please see Notes 6(25) and (26) of Consolidated Financial Statements for 2024.

1. Categories of financial instruments

(1) Financial assets

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Financial assets at fair value through other comprehensive income	\$ 19,534	20,123	123
Financial assets at amortized cost:			
Cash and cash equivalents	\$ 817,094	863,191	667,868
Notes and accounts receivable and other receivables (including related parties)	953,188	916,928	893,420
Financial assets at amortized cost (current and non-current)	311,278	328,983	317,219
Other non-current assets - refundable deposits	54,422	62,036	41,943
Other non-current assets - long-term receivables	1,928	69	235
Other non-current assets - long-term lease receivables	1,939	3,336	4,686
Subtotal	<u>2,139,849</u>	<u>2,174,543</u>	<u>1,925,371</u>
	<u>\$ 2,159,383</u>	<u>2,194,666</u>	<u>1,925,494</u>

(2) Financial liabilities

	<u>2025.06.30</u>	<u>2024.12.31</u>	<u>2024.06.30</u>
Financial liabilities at amortized cost:			
Short-term loans	\$ 657,879	580,703	347,865
Short-term note payables	<u>25,500</u>	<u>-</u>	<u>-</u>
Notes and accounts payable and other payables (including related parties)	1,011,379	915,411	903,303
Lease liabilities (current and non-current)	350,580	371,528	363,461
Long-term debt (including current portion)	925,032	953,776	787,449
Guarantee deposit received	6,728	6,891	6,778
Subtotal	<u>19,178</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,996,276</u>	<u>2,828,309</u>	<u>2,408,856</u>

2. Fair value

(1) Financial instruments not 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 at fair value

The following financial instruments are measured at fair value on a recurring

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

basis. The following table provides analysis of financial instruments 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).

	2025.06.30			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets at fair value through other comprehensive income:				
Share of private companies	\$ -	-	19,534	19,534
	2024.12.31			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets at fair value through other comprehensive income:				
Share of private companies	\$ -	-	20,123	20,123
	2024.06.30			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets at fair value through other comprehensive income:				
Share of private companies	\$ -	-	123	123

There is no movement among fair value hierarchies from January 01 to June 30, 2025 and 2024.

(3) Movement of Level 3

	Financial assets at fair value through other comprehensive income	
	January to June 2025	January to June 2024
Balance on January 01	\$ 20,123	123
Through other comprehensive income	(589)	-
Balance on June 30	\$ 19,534	123

(4) Valuation technique and inputs of financial instruments at fair value

Fair value of level 3 inputs for share of non-public companies is fair value measured using the market approach. The determination takes into consideration

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

recent financing activities and net worth of the Company, market condition and other economic indicators. Meanwhile, material and yet unobservable inputs are mainly liquidity discount. Nevertheless, as the potential fluctuation of liquidity discount shall not give rise to material potential financial influence, the quantification information is deemed not to be necessary for disclosure.

3. 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 bank deposits (including bank deposits listed under financial liabilities at amortized cost), accounts receivable and other financial assets. The maximum exposure to credit risk amounts to the carrying amount in the Group's financial assets.

The Group's bank deposits are in reputable financial institutions, resulting in no significant credit risk.

The Group has established a credit policy and determined the credit limit of specific customers according to their financial status pursuant to the policy. As of June 31, 2025 and December 31 and June 31, 2024, 20%, 21%, and 21% of the Group's note receivables and accounts receivables were concentrated on 3 customers, respectively. The Group also evaluated the customer's financial condition on a regular basis to reduce credit risk. For information on maximum exposure to credit risk that arises from notes and accounts receivable, please see Note 6(5).

Other financial assets-current measured at amortized cost include certificate of deposit, straight bonds, other receivables and etc. (certificate of deposit and straight bonds are classified as financial assets-current measured at amortized cost. For details, please see Note 6(5)). For financial assets with low credit risk exposure, the loss allowance was made based on 12-month expected credit losses. The balances as of June 30, 2025, and December 31 and June 30, 2024 amounted to NTD319,001 thousand, NTD3430,499 thousand, and NTD321,566 thousand, respectively. There were no expected credit losses after assessment.

4. 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 of June 30, 2025, and December 31 and June 30, 2024, the unused credit facilities of the Group amounted to NTD2,625,433 thousand, NTD2,664,489 thousand and NTD2,589,087 thousand, respectively.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

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	2-5 years	More than 5 years
June 30, 2025						
Non-derivative financial liabilities:						
Short-term loans	\$ 661,972	586,152	75,820	-	-	-
Short-term note payables	25,623	25,623	-	-	-	-
Long-term debt (including current portion)	958,687	60,181	34,571	687,213	176,722	-
Notes and accounts payable and other payables (including related parties)	1,011,379	1,011,379	-	-	-	-
Other liabilities – non-current	20,000	-	-	10,000	10,000	-
Guarantee deposit received	6,728	202	128	20	6,378	-
Lease liabilities	368,251	54,272	52,360	81,197	123,811	56,611
	<u>\$ 3,052,640</u>	<u>1,737,809</u>	<u>162,879</u>	<u>778,430</u>	<u>316,911</u>	<u>56,611</u>
December 31, 2024						
Non-derivative financial liabilities:						
Short-term loans	\$ 583,664	475,540	108,124	-	-	-
Long-term debt (including current portion)	993,895	15,127	89,656	619,339	269,773	-
Notes and accounts payable and other payables (including related parties)	915,411	915,411	-	-	-	-
Guarantee deposit received	6,891	408	90	15	6,378	-
Lease liabilities	391,383	51,857	49,321	89,532	131,810	68,863
	<u>\$ 2,891,244</u>	<u>1,458,343</u>	<u>247,191</u>	<u>708,886</u>	<u>407,961</u>	<u>68,863</u>
June 30, 2024						
Non-derivative financial liabilities:						
Short-term loans	\$ 350,448	279,686	70,762	-	-	-
Long-term debt (including current portion)	816,334	11,891	12,499	513,412	278,532	-
Notes and accounts payable and other payables (including related parties)	903,303	903,303	-	-	-	-
Guarantee deposit received	6,778	214	130	56	6,378	-
Lease liabilities	384,498	43,721	39,813	76,180	141,197	83,587
	<u>\$ 2,461,361</u>	<u>1,238,815</u>	<u>123,204</u>	<u>589,648</u>	<u>426,107</u>	<u>83,587</u>

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

5. Market risk

(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:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

2025.06.30						
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Effect of profit or loss	
<u>Financial assets</u>						
USD	\$	6,933	29.300	203,137	1%	2,031
EUR		9	34.351	309	1%	3
JPY		221,335	0.203	44,931	1%	449
<u>Financial liabilities</u>						
USD		6,852	29.300	200,764	1%	2,008
EUR		276	34.351	9,481	1%	95
JPY		126,393	0.203	25,658	1%	257
2024.12.31						
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Effect of profit or loss	
<u>Financial assets</u>						
USD	\$	4,606	32.785	151,008	1%	1,510
EUR		7	34.132	239	1%	2
RMB		14,504	4.491	65,137	1%	651
JPY		203,942	0.210	42,828	1%	428
<u>Financial liabilities</u>						
USD		3,109	32.785	101,929	1%	1,019
EUR		473	34.132	16,144	1%	161
RMB		780	4.491	3,503	1%	35
JPY		23,106	0.210	4,852	1%	49
2024.06.30						
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Effect of profit or loss	
<u>Financial assets</u>						
USD	\$	5,451	32.450	176,885	1%	1,769
EUR		9	34.705	312	1%	3
RMB		621	4.466	2,773	1%	28
JPY		163,541	0.202	33,035	1%	330
<u>Financial liabilities</u>						
USD		3,786	32.450	122,856	1%	1,229
EUR		56	34.705	1,943	1%	19
JPY		24,046	0.202	4,857	1%	49

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by the total amount. For the three months and six months ended on June 30, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) refer to Note 6(25).

(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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

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 of the Group 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 increases/decreases 1%, all variables remained unchanged, the income before tax of the Group for January 01 to June 30, 2025 and 2024 would decrease/increase NTD7,915 thousand and NTD5,677 thousand, respectively.

(3) Price risk in equity instruments

The purpose that the Group invests in equity stocks of non-public companies is for long-term strategies, and the Group does not trade these stocks actively. The sensitivity analysis for the equity instruments is based on the change in fair value as of the reporting date. If the price of the equity instruments increases/decreases 5%, the other comprehensive incomes for January 01 to June 31, 2025 and 2024 would increase/decrease NTD977 thousand and NTD6 thousand, respectively.

(27) Financial risk management

The goal and policy of the financial risk management of the Group and the disclosure made at Notes 6(25) of Consolidated Financial Statements for 2024 undergo no significant changes.

(28) Capital management

The goal, policy and procedures of capital management of the Group does not differ from the disclosure made at the Consolidated Financial Statements for 2024. For details, please see Notes 6(27) of Consolidated Financial Statements for 2024.

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

1. For the acquisition of right-of-use assets and investment properties through leases, please see Note 6(10) and (11).
2. Investing activities with partial cash payments

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

	January to June 2025
Purchase price of business transfer	\$ 33,765
plus: interest expense	296
minus: balance of payables- business transfer	(9,883)
balance of other non-current liabilities-business transfer	(19,178)
Net cash flow used in acquisition of business transfer	<u><u>\$ 5,000</u></u>
	January to June 2025
Beginning balance of payables-cash outflow in acquisition of subsidiaries	\$ 21,262
Cash inflow in acquisition of subsidiaries	(550)
Net cash flow used in acquisition of subsidiaries	<u><u>\$ 20,712</u></u>

3. Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	2025.01.01	Cash flows	Change of lease	Acquisition through a business combination (Note)	2025.06.30
Short-term loans	\$ 580,703	77,176	-	-	657,879
Long-term loans	-	25,500	-	-	25,500
Short-term note payables	953,776	(30,440)	-	1,696	925,032
Lease liabilities	371,528	(53,262)	31,535	579	350,380
Guarantee deposit received	6,891	(163)	-	-	6,728
Liabilities from financing activities	<u><u>\$ 1,912,898</u></u>	<u><u>18,811</u></u>	<u><u>31,535</u></u>	<u><u>2,275</u></u>	<u><u>1,965,519</u></u>

			Non-cash changes		
	2024.01.01	Cash flows	Change of lease	2024.06.30	
Short-term loans	\$ 384,472	(36,607)	-	347,865	
Long-term loans	851,758	(64,309)	-	787,449	
Lease liabilities	335,602	(43,273)	71,132	363,461	
Guarantee deposit received	6,808	(30)	-	6,778	
Liabilities from financing activities	<u><u>\$ 1,578,640</u></u>	<u><u>(144,219)</u></u>	<u><u>71,132</u></u>	<u><u>1,505,553</u></u>	

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
QISDA CORPORATION (Qisda)	Ultimate controlling company of the Group
BENQ CORPORATION (BenQ)	The parent company of the Group
Other related parties:	
BENQ TECHNOLOGY (SHANGHAI) CO., LTD.	Subsidiary of BenQ
DARLY2 VENTURE, INC.	Subsidiary of BenQ
BENQ MATERIALS CORPORATION (BMC)	Subsidiary of Qisda
BENQ MATERIALS (SUZHOU) CORP.	Subsidiary of BMC
SIGMA MEDICAL SUPPLIES CORPORATION	Subsidiary of BMC
WEB-PRO MATERIALS CORPORATION (originally, Web-Pro Corporation)	Subsidiary of BMC
QISDA (SUZHOU) CO., LTD.	Subsidiary of Qisda
BENQ ASIA PACIFIC CORP.	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, INC. (DARLY2)	Subsidiary of Qisda
BENQ DIALYSIS TECHNOLOGY CORP.	Subsidiary of Qisda
ACE PILLAR CO., LTD.	Subsidiary of Qisda
STANDARD TECHNOLOGY CORPORATION	Subsidiary of Qisda
TEKPAK CORPORATION	Subsidiary of Qisda
GOLDEN SPIRIT CO., LTD.	Subsidiary of Qisda
DATA IMAGE CORPORATION	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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Name of related party	Relationship with the Group
ADVANCEDTEK INTERNATIONAL CORP.	Subsidiary of MetaAge
DKABIO CO., LTD.	Subsidiary of MetaAge
METAGURU CORPORATION (MRU)	Subsidiary of MetaAge
PARTNER TECH CORPORATION (PTT)	Subsidiary of Qisda
WIXTAR CORPORATION	Subsidiary of PTT
PARTNER TECH ASIA PACIFIC CORPORATION	Subsidiary of PTT
ALPHA NETWORKS INC.	Subsidiary of Qisda
DIVA LABORATORIES LTD.	Subsidiary of Qisda
TRANSNET CORPORATION	Subsidiary of Qisda
BIGMIN BIO-TECH COMPANY LTD.	Subsidiary of Qisda
DARAD INNOVATION CORPORATION	Subsidiary of Darfon
CHAN GUARE INDUSTRY CO., LTD.	Subsidiary of Qisda
NORBEL BABY CO., LTD.	Subsidiary of Qisda
Q.S. CONTROL CORPORATION	Associates of Qisda
MARKETOP SMART SOLUTIONS CO., LTD.	Associates of Qisda
BENQ FOUNDATION	Substantive related party of Qisda
DARWIN PRECISIONS CORPORATION	Subsidiary of AUO (Note)
AUO EDUCATION SERVICE CORP.	Subsidiary of AUO (Note)

(Note 1) AUO is a corporate shareholder of Qisda of which accounts for Qisda using the equity method.

(3) Related-party transactions

1. Operating revenues

The sales to related parties were as follows:

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Ultimate controlling company	\$ 27	3,265	62	3,277
Parent company	9	-	9	-
Other related parties	1,764	2,094	3,886	4,372
	\$ 1,800	5,359	3,957	7,649

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:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (continued)

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Ultimate controlling company	\$ 17,270	14,449	29,596	31,703
Other related parties	18,714	11,914	38,289	21,716
	\$ 35,984	26,363	67,885	53,419

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 factory plants and offices from Qisda and other related parties and the rental was set by referring to the rental market of the area. During January 01 to June 30, 2025 and 2024, the Group leases one of the offices from Qisda and recognizes NTD549 thousand and NTD269 thousand as the right-of-use asset and lease liability, respectively. The interest expense recognized for the three months ended June 30, 2025 and 2024 amounted to NTD83 thousand and NTD15 thousand, respectively and for the six months ended June 30, 2025 and 2024 amounted to NTD179 thousand and NTD42 thousand, respectively. As of June 30, 2025 and December 31 and June 30, 2024, the lease liabilities balances amounted to NTD15,583 thousand, NTD20,170 thousand and NTD1,799 thousand, 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. The rental expense recognized for the three months ended June 30, 2025 and 2024 amounted to NTD136 thousand and NTD145 thousand, respectively and for the six months ended June 30, 2025 and 2024 amounted to NTD283 thousand and NTD381 thousand, respectively. On June 30, 2025 and 2024, the related payables are classified under other payables.

4. Transaction of assets

For January 01 to June 30, 2025, the Group purchased fixed assets from other related parties which amounted to NTD2,549 thousand. As of June 30, 2025, the related payables are classified under other payables.

For January 01 to June 30, 2024, the Group purchased intangible assets and fixed assets from other related parties which amounted to NTD353 thousand and NTD1,683 thousand, respectively. As of June 30, 2024, the related payables are classified under other payables.

5. Others

- (1) The Company and its parent company, BenQ Corp., entered into a trademark licensing agreement. BenQ Corp. authorized the Company to use its trademark on

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

products and services. The trademark licensing stipulated by the contract took effect on June 10, 2014 and shall end upon termination by either party.

- (2) For the six months ended June 30, 2025, the donations that the Group made to BenQ Foundation amounted to NTD500 thousand was recognized as general and administrative expenses. And, the related payables were fully settled.

6. Costs of revenue and operating expenses

The costs of revenue and the operating expenses related to the services, sundry purchases, disbursements, and miscellaneous expenses provided by the ultimate controlling company, the parent company, and other related parties are as follows:

Account	Related-party	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Costs of revenue	Ultimate controlling company	\$ 550	628	1,100	1,120
	Other related parties	42	2	64	12
		<u>592</u>	<u>630</u>	<u>1,164</u>	<u>1,132</u>
Operating expenses	Ultimate controlling company	3,411	5,103	6,029	6,656
	Parent company	183	160	345	292
	Other related parties	458	528	1,596	1,266
		<u>4,052</u>	<u>5,791</u>	<u>7,970</u>	<u>8,214</u>
		<u>\$ 4,644</u>	<u>6,421</u>	<u>9,134</u>	<u>9,346</u>

7. Receivables from related parties

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

Account	Related-party	2025.06.30	2024.12.31	2024.06.30
Accounts receivable - related parties	Ultimate controlling company	\$ 28	20	3,413
Accounts receivable - related parties	Parent company	9	-	-
Accounts receivable - related parties	Other related parties	3,922	6,065	3,774
Other receivables - related parties	Ultimate controlling company	-	-	80
		<u>\$ 3,959</u>	<u>6,085</u>	<u>7,267</u>

8. Payables to related parties

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

Account	Related-party	2025.06.30	2024.12.31	2024.06.30
Accounts payable - related parties	Ultimate controlling company	\$ 14,033	10,950	9,223
Accounts payable - related parties	Other related parties	23,515	22,410	14,499
		<u>37,548</u>	<u>33,360</u>	<u>23,722</u>
Other payables - related parties	Ultimate controlling company	4,330	4,397	6,408
Other payables - related parties	Parent company	713	86	880

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Other payables - related parties	Other related parties	834	433	1,963
		5,877	4,916	9,251
Lease liabilities - current	Ultimate controlling company	12,179	11,573	1,355
Lease liabilities - non-current	Ultimate controlling company	3,404	8,597	444
		15,583	20,170	1,799
		\$ 59,008	58,446	34,772

(4) Transaction with key management personnel

Compensation for key management personnel:

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Short-term employee benefits	\$ 4,252	3,131	8,480	6,146
Post-employment benefits	63	36	126	72
	\$ 4,315	3,167	8,606	6,218

8. Pledged Assets

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

Pledged Assets	Pledged to secure	2025.06.30	2024.12.31	2024.06.30
Financial assets measured at amortized cost - current	Performance bond	\$ 43,493	46,293	43,429
Land and buildings	Credit lines of bank loans	425,798	431,005	436,491
Investment Property	Credit lines of bank loans	238,523	240,045	241,567
Financial assets measured at amortized cost – non-current	Short-term note payables	30,590	-	-
		\$ 738,404	717,343	721,487

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant unrecognized contractual commitments:

	2025.06.30	2024.12.31	2024.06.30
Letter of credit issued and yet to be used	\$ 40,000	40,000	50,000

10. Significant Loss from Disaster: None.

11. Significant Subsequent Events: None.

12. Others

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

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Item	April to June 2025			April to June 2024		
	Costs of revenue	Operating expenses	Total	Costs of revenue	Operating expenses	Total
Category						
Employee benefits						
Salaries	24,799	140,576	165,375	26,383	121,314	147,697
Insurance	2,622	12,695	15,317	2,604	10,154	12,758
Pension	1,108	6,314	7,422	1,150	4,612	5,762
Other employee benefits	2,448	7,424	9,872	1,850	7,508	9,358
Depreciation	28,532	32,182	60,714	29,040	27,766	56,806
Amortization	411	6,256	6,667	586	4,909	5,495
Item	January to June 2025			January to June 2024		
	Costs of revenue	Operating expenses	Total	Costs of revenue	Operating expenses	Total
Category						
Employee benefits						
Salaries	49,346	283,728	333,074	51,071	232,283	283,354
Insurance	5,225	26,330	31,555	5,205	20,662	25,867
Pension	2,158	12,285	14,443	2,322	9,122	11,444
Other employee benefits	4,127	16,004	20,131	3,664	13,568	17,232
Depreciation	57,750	64,395	122,145	57,414	54,123	111,537
Amortization	886	12,050	12,936	1,150	9,742	10,892

(2) The impact of seasonal or cyclical factors is not material to the operation of the Group.

13. Additional Disclosures

(1) Information on significant transactions

For January 01 to June 30, 2025, according to the Preparation Regulations, the information on significant transactions is as follows:

1. Financing provided to other parties:

Unit: NTD thousand

No.	Lender	Borrower	Accounting item	Whether a related party	Highest balance during the period	Ending balance	Actual usage	Range of interest rates	Purpose of fund financing (Note 2)	Business transaction amount	Reason for short-term financing	Allowance for bad debt	Collateral		Limit of financing to single borrower	Total limit of financing company
													Item	Value		
1	K2 International Medical Inc.	K2 Medical (Thailand) Co., Ltd.	Other receivables-related parties	Yes	3,321	2,930	-	3%	2	-	Working capital turnover	-	-	-	113,733	227,465

(Note 1) The ratios of the aggregate financing amount and individual financing amount are as follows:

(1) The aggregate financing amount and the individual financing amount of K2 International Medical Inc. to other parties are 40% and 20% of the latest audited net worth of the company, respectively.

(Note 2) Purpose of fund financing: 1. Business transaction purpose. 2. Short-term financing purpose.

(Note 3) The above intercompany transactions have been eliminated when preparing the Consolidated Financial Statements.

2. Guarantees and endorsements provided to other parties: None.

3. Material 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	
Concord Medical Co., Ltd.	Fong Huang 8 Innovation Corporation	-	Financial assets at fair value through other comprehensive income – non-current	2,000	19,411	9.76 %	19,411	
Concord Medical Co., Ltd.	Nan Shan Life Insurance Company Ltd. – straight bond	-	Financial assets at amortized cost – non-current	-	61,185	-	60,870	

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

4. Total purchases and sales of goods from or to related parties reaching NTD100 million or 20% of the paid-in capital or more:

Unit: NTD thousand

Company	Counterparty	Relationship	Transaction details				Transactions with terms different from others		Note / account receivable (payables)		Note
			Purchase (Sales)	Amount	% of total purchase (sales)	Payment terms	Unit price	Payment terms	Ending balance	% of total note/ account receivable (payables)	
K2	K2SH	Parent/ subsidiary	(Sales)	(189,232)	32.80%	OA90	-	-	117,063	44.08%	
K2SH	K2	Parent/ subsidiary	Purchase	189,232	100.00%	OA90	-	-	(117,063)	100.00%	

(Note 1) The above intercompany transactions have been eliminated when preparing the Consolidated Financial Statements.

5. Account receivables from related parties reaching \$100 million or 20% of the paid-in capital or more:

Unit: NTD thousand

Company	Counterparty	Relationship	Balance	Turnover	Account receives overdue		Subsequent recovery amount	Loss allowance
					Amount	Status		
K2	K2SH	Parent/ subsidiary	117,063	4.13	-	-	21,106	-

6. Business relationships and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Relationship (Note 2)	Account	Transaction details (Note 3)			% of total consolidated net revenue or total assets (Note 4)
					Amount	Transaction terms		
1	K2	K2SH	1	Operating revenue	189,232	OA 90		7%
1	K2	K2SH	1	Account receivables-related party	117,063	OA 90		2%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

- “0” represents the Company.
- Subsidiaries are numbered from “1”.

Note 2: Nature of relationships of the intercompany transactions are numbered as follows:

- “1” represents the transactions from the parent company to subsidiary.
- “2” represents the transactions from subsidiary to the parent company.
- “3” represents the transactions between subsidiaries.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net revenue or total assets. The corresponding purchase and accounts payables are not disclosed.

Note 4: Transactions amount divided by consolidated operating revenues or consolidated total assets.

Note 5: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(2) Information on investees:

For January 01 to June 30, 2025, the information on 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 June 30, 2025			Net income (loss) from the investee	Investment income	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying amount			
The Company	AsiaConnect International Co., Ltd.	Taiwan	Wholesaling and retailing medical equipment and information software	21,984	21,984	1,995	99.75%	23,454	307	306	(Note)
The Company	Highview Investments Limited	Samoa Islands	Investment and holding company	69,037	69,037	2,062	100.00%	45,234	2,498	2,498	(Note)
The Company	Lily Medical Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	185,000	185,000	10,000	100.00%	250,654	13,434	13,625	(Note)
The Company	BenQ AB DentCare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	88,000	88,000	8,800	88.00%	54,721	(4,490)	(3,950)	(Note)
The Company	BenQ Healthcare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	100,000	100,000	10,000	100.00%	186,354	21,276	21,276	(Note)
The Company	Eastech Co., Ltd	Taiwan	Wholesaling and retailing of medical consumables and equipment	20,300	20,300	700	70.00%	33,356	6,637	4,628	(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%	289,594	28,945	11,397	(Note)
The Company	K2 International Medical Inc.	Taiwan	Sales of medical consumables and equipment	390,000	390,000	7,800	39.00%	259,037	26,539	10,356	(Note)

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Name of investor	Name of investee	Location	Main Businesses and Products	Original investment Amount		Balance as of June 30, 2025			Net income (loss) from the investee	Investment income	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying amount			
CCD	Concord HealthCare Co., Ltd.	Taiwan	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	119,984	119,984	12,000	100.00%	123,027	839	-	(Note)
CCD	Concord BioMedical Co., Ltd.	Taiwan	Wholesaling and retailing of veterinary drugs and medical consumables and equipment	3,000	-	300	54.05%	2,954	(85)	-	(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%	65,041	8,499	-	(Note)
BHS	CKCARE Co., Ltd.	Taiwan	Retail of medical devices, over-the-counter drugs, and health supplements.	105,300	105,300	4,362	60.00%	104,544	3,400	-	(Note)
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables and equipment	61,395	15,919	-	79.66%	93,600	17,365	-	(Note)
K2	PT. Frismed Hoslab Indonesia	Indonesia	Blood banking equipment and supplies	257,728	257,728	12	67.00%	280,266	20,330	-	(Note)
K2	Era Bioteq Enterprise Co., Ltd.	Taiwan	Sales of endoscopic consumables and equipment	133,005	133,005	2,700	60.00%	139,955	14,301	-	(Note)
ACI	K2 International Medical Inc.	Taiwan	Sales of medical consumables and equipment	10,000	10,000	200	1.00%	6,642	26,539	-	(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 Businesses and Products	Total paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 01, 2025 (Note 2)	Investment amount of outflow or inflow		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (loss) from the investee	Percentage of ownership of direct and indirect investment	Investment income (loss)	Carrying value as of June 30, 2025	Accumulated inward remittance of earnings as of June 30, 2025
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd.	Agency of international and entrepot trade business	58,600 (USD 2,000)	(2)	58,600 (USD 2,000)	-	-	58,600 (USD 2,000)	(3,011)	100.00%	(3,011)	31,596 (Note 4 and 5)	-
BenQ Smart Healthcare (Shanghai) Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	6,153 (USD 210)	(1)	6,153 (USD 210)	-	6,153 (USD 210)	-	370	100.00%	370	624 (Note 4 and 5)	-
K2 (Shanghai) International Medical Inc.	Sales of medical consumables and equipment	36,625 (USD 1,250)	(1)	56,637 (USD 1,933)	-	-	56,637 (USD 1,933)	4,429	40.00%	1,772	49,630 (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.

(Note 2) The amounts above are translated as per the following exchange rates: USD: NTD = 1:29,300.

(Note 3) Recognized based on reviewed financial statements of investee companies by independent auditors of the parent company.

(Note 4) The recognition basis for the investment profit or loss is based on unaudited financial statements prepared by investee companies.

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

2. Limits on investments in Mainland China:

Unit: NTD thousand/foreign currency in thousand

Company Name	Accumulated investment in Mainland China as of June 30, 2025	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment authorized by Investment Commission, MOEA
The Company	58,600 (USD2,000)	58,600 (USD2,000)	633,010
LILY (Note)	-	6,153 (USD210)	115,107
K2	56,637 (USD1,933)	56,637 (USD1,933)	341,198

(Note) In April, 2024, 100% shares of BenQ Smart Healthcare (Shanghai) Co., Ltd. held by Lily originally

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

was sold to BenQ Medical Technology (Shanghai) Ltd.. On February 25, 2025, the proceeds of this transaction were remitted back to Taiwan. As of June 30, 2025, the registration of investment amounts has not been cancelled yet. On July 03, 2025, the cancellation of investment is approved by MOEA.

3. Significant transactions with investee companies in Mainland China:

For the significant transactions between the Group and the investee companies directly or indirectly (which have been eliminated when preparing the Consolidated Financial Statements) in the six months ended June 30, 2025, please refer to “(1) Information on significant transactions - 6. Business relationships and significant intercompany transactions”.

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.

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:

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

April to June 2025				
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	\$ 228,913	1,106,075	-	1,334,988
Intra-group revenue	19,017	-	(19,017)	-
Total segment revenue	<u>\$ 247,930</u>	<u>1,106,075</u>	<u>(19,017)</u>	<u>1,334,988</u>
Segment profit (loss)	<u>\$ 4,142</u>	<u>83,749</u>	<u>222</u>	<u>88,113</u>
April to June 2024				
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	\$ 237,124	939,067	-	1,176,191
Intra-group revenue	19,484	5	(19,489)	-
Total segment revenue	<u>\$ 256,608</u>	<u>939,072</u>	<u>(19,489)</u>	<u>1,176,191</u>
Segment profit (loss)	<u>\$ 6,662</u>	<u>76,496</u>	<u>643</u>	<u>83,801</u>
January to June 2025				
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	\$ 455,525	2,107,421	-	2,562,946
Intra-group revenue	35,754	32	(35,786)	-
Total segment revenue	<u>\$ 491,279</u>	<u>2,107,453</u>	<u>(35,786)</u>	<u>2,562,946</u>
Segment profit (loss)	<u>\$ 9,266</u>	<u>151,253</u>	<u>444</u>	<u>160,963</u>
January to June 2024				
	R&D and Manufacturing Division	Medical Services Division	Adjustment and Elimination	Total
External revenue	\$ 478,545	1,754,795	-	2,233,340
Intra-group revenue	23,032	33	(23,065)	-
Total segment revenue	<u>\$ 501,577</u>	<u>1,754,828</u>	<u>(23,065)</u>	<u>2,233,340</u>
Segment profit (loss)	<u>\$ 9,952</u>	<u>132,509</u>	<u>1,201</u>	<u>143,662</u>