Stock code: 4116

BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2025 and 2024

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

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

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Declaration

The entities that are required to be included in the Consolidated Financial Statements of the Company for 2025 (from January 01, 2025 to December 31, 2025) under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the Consolidated Financial Statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission and issued into effect. In addition, the information required to be disclosed in the consolidated financial statements is included in the Consolidated Financial Statements. Consequently, the Company and its subsidiaries do not prepare a separate set of consolidated financial statements.

Declared by

Company Name: BENQ MEDICAL TECHNOLOGY

CORPORATION AND SUBSIDIARIES

Chairman: Peter Chen

Date: March 02, 2026

Independent Auditors' Report

The Board of Directors
BENQ MEDICAL TECHNOLOGY CORP.

Audit Opinion

We have audited the Consolidated Balance Sheets as of December 31, 2025 and 2024, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows for January 01 to December 31, 2025 and 2024, as well as Notes to the consolidated financial statements (including summary of significant accounting policies) of BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matters section), the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for January 01 to December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRICs), and SIC Interpretations (SICs) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the Consolidated Financial Statements of BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES for the year ended December 31, 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole. In forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the year ended December 31, 2025 are stated as follows:

1. Assessment of impairment of goodwill

For accounting policy on the impairment loss of non-financial asset, please see Note 4(14) to Consolidated Financial Statements; for accounting estimate and assumptions of the impairment loss assessment on goodwill, please see Note 5(1) to Consolidated Financial Statements; for the details of goodwill impairment test, please see Note 6(12) to Consolidated Financial Statements.

Key Audit Matters:

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

Audit Procedures:

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

Other Matters

We did not audit the financial statements of certain consolidated subsidiaries which are included in the consolidated financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it related to the amounts included in the financial statement, is based solely on the audit reports of other auditors. Total assets of these subsidiaries amount to NTD637,205 thousand and NTD602,206 thousand, representing 11.69% and 11.42% of the related consolidated totals as of December 31, 2025 and 2024, respectively. Total operating revenue of these subsidiaries amounts to NTD612,416 thousand and NTD384,738 thousand, constituting 11.66% and 8.07% of the related consolidated totals for the years then ended, respectively.

BENQ MEDICAL TECHNOLOGY CORP. has prepared the 2025 and 2024 Standalone Financial Statements, and we have issued an unqualified opinion with other matters paragraph.

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

Management is responsible for the preparation and fair representation of the Consolidated Financial Statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines it is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing BENQ MEDICAL TECHNOLOGY CORP.'S AND SUBSIDIARIES' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate BENQ MEDICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES or to cease operations or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing BENQ MEDICAL TECHNOLOGY CORP.'S AND SUBSIDIARIES' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement in the Consolidated Financial Statements when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the years ended December 31, 2025 and are, therefore, key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG
Taipei, Taiwan (Republic of China)
March 02, 2026

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

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	2025.12.31 Amount	%	2024.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 949,326	18	863,191	17
1136	Financial assets measured at amortized cost - current (Note 6(2) and 8)	286,382	5	328,983	6
1150-1170	Notes and accounts receivable (Note 6(5) and (23))	952,020	18	899,327	17
1181	Accounts receivable - related parties (Note 6(5)(23) and 7)	16,527	-	6,085	-
1200	Other receivables	9,264	-	11,516	-
130x	Inventories (Note 6(6))	892,879	16	783,125	15
1410-1470	Prepayments and other current assets	163,666	3	206,087	4
1461	Non-current assets held for sale (Note 6(7) and 8)	422,541	8	-	-
	Total current assets	3,692,605	68	3,098,314	59
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Note 6(3))	53,796	1	-	-
1518	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(4))	123	-	20,123	-
1535	Financial assets measured at amortized cost – non-current (Note 6(2) and 8)	61,137	1	-	-
1600	Property, plant, and equipment (Note 6(9), 7 and 8)	548,075	10	966,891	18
1755	Right-of-use assets (Note 6(10) and 7)	175,558	3	207,885	4
1760	Investment properties - net (Note 6(11) and 8)	371,827	7	466,272	9
1780	Intangible assets (Note 6(8), (12) and 7)	427,090	8	395,164	7
1840	Deferred income tax assets (Note 6(20))	32,416	-	26,760	1
1900	Other non-current assets (Note 6(13) and (19))	87,984	2	92,401	2
	Total non-current assets	1,758,006	32	2,175,496	41
	Total assets	$ 5,450,611	100	5,273,810	100

	Liabilities and Equity	2025.12.31 Amount	%	2024.12.31 Amount	%
	Current liabilities:				
2100	Short-term loans (Note 6(14) and 8)	$ 868,675	16	580,703	11
2110	Short-term notes payable (Note 6(14) and 8)	25,852	-	-	-
2131	Contract liabilities - current (Note 6(23))	35,306	1	29,478	1
2150-2170	Notes and accounts payable	571,469	11	591,041	11
2181	Accounts payable - related parties (Note 7)	35,501	1	33,360	1
2200	Other payables (Note 6 (8)(12) and (24))	329,555	6	286,094	5
2220	Other payable - related parties (Note 7)	4,521	-	4,916	-
2230	Current income tax liabilities	44,584	1	43,143	1
2250	Provisions for liabilities - current (Note 6(17))	3,872	-	3,080	-
2280	Lease liabilities-current (Note 6(16) and 7)	102,519	2	95,355	2
2300	Other current liabilities	16,672	-	16,178	-
2322	Long-term loans due within a year (Note 6(15) and 8)	238,750	4	84,830	2
	Total current liabilities	2,277,276	42	1,768,178	34
	Non-current liabilities:				
2540	Long-term loans (Note 6(15) and 8)	534,370	10	868,946	16
2570	Deferred income tax liabilities (Note 6(20))	46,638	1	43,396	1
2580	Lease liabilities-non-current (Note 6(16) and 7)	218,633	4	276,173	5
2645	Guarantee deposit received	12,848	-	6,891	-
2670	Other non-current liabilities (Note 6(12) and (19))	30,093	-	9,973	-
	Total non-current liabilities	842,582	15	1,205,379	22
	Total liabilities	3,119,858	57	2,973,557	56
	Equity attributable to shareholders of the parent company (Note 6(21))				
3110	Common stock	445,660	8	445,660	8
3200	Capital Surplus	298,107	6	297,921	6
3300	Retained earnings	386,453	7	380,588	7
3400	Other equity	(3,545)	-	(2,110)	-
	Total equity attributable to shareholders of the parent company	1,126,675	21	1,122,059	21
36XX	**Non-controlling interests (Note 6(8) and (21))**	1,204,078	22	1,178,194	23
	Total equity	2,330,753	43	2,300,253	44
	Total liabilities and equity	$ 5,450,611	100	5,273,810	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 Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Code		2025 Amount	%	2024 Amount	%
4000	**Operating revenues (Notes 6(18), (23), 7, and 14)**	$ 5,253,989	100	4,767,352	100
5000	**Operating costs (Notes 6 (6), (9), (10), (11), (12), (16), (17), (18), (19), (24), 7, and 12)**	(3,564,478)	(68)	(3,318,988)	(70)
	Gross profit	1,689,511	32	1,448,364	30
	Operating expenses (Notes 6(5), (9), (10), (11), (12), (16), (18) , (19), (24), 7, and 12):				
6100	Selling expenses	(1,062,426)	(20)	(866,860)	(18)
6200	General and administrative expenses	(246,383)	(5)	(211,724)	(4)
6300	Research and development expenses	(34,690)	(1)	(36,387)	(1)
6450	Loss allowance for expected credit losses	(3,593)	-	(373)	-
	Total operating expenses	(1,347,092)	(26)	(1,115,344)	(23)
	Operating income	342,419	6	333,020	7
	Non-operating income and expenses (Notes 6(16), (18), (25), and 7)				
7100	Interest income	12,749	-	11,228	-
7010	Other income	17,882	1	16,596	1
7020	Other gains and losses	6,150	-	2,760	-
7050	Financing costs	(44,623)	(1)	(34,223)	(1)
	Total non-operating income and expenses	(7,842)	-	(3,639)	-
	Profit before income tax	334,577	6	329,381	7
7950	**Less: Income tax expense (Note 6(20))**	(116,956)	(2)	(92,128)	(2)
	Net income	217,621	4	237,253	5
	Other comprehensive income (loss) (Notes 6(19), (20), and (21)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of the defined benefit plan	1,336	-	3,932	-
8349	Income tax expense related to components that will not be reclassified to profit or loss	(287)	-	(762)	-
	Total items that will not be reclassified subsequently to profit or loss	1,049	-	3,170	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(9,767)	-	11,097	-
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	(9,767)	-	11,097	-
	Other comprehensive income for the period	(8,718)	-	14,267	-
	Total comprehensive income for the period	**$ 208,903**	**4**	**251,520**	**5**
	Profit attributable to:				
8610	Shareholders of the parent company	$ 78,172	1	104,831	2
8620	Non-controlling interests	139,449	3	132,422	3
		$ 217,621	**4**	**237,253**	**5**
	Comprehensive income (loss) attributable to:				
8710	shareholders of the parent company	$ 77,964	1	111,364	2
8720	Non-controlling interests	130,939	3	140,156	3
		$ 208,903	**4**	**251,520**	**5**
	Earnings per share (Unit: New Taiwan dollars, Note 6(22))				
9750	**Basic earnings per share**	**$**	**1.75**		**2.35**
9850	**Diluted earnings per share**	**$**	**1.75**		**2.34**

(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 Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company									
			Retained earnings				Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal	Exchange differences on translation of foreign operations	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
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	-	-	-	-	104,831	104,831	-	104,831	132,422	237,253
Other comprehensive income for the period	-	-	-	-	3,082	3,082	3,451	6,533	7,734	14,267
Total comprehensive income for the period	-	-	-	-	107,913	107,913	3,451	111,364	140,156	251,520
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 by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(109,196)	(109,196)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	66,731	66,731
Balance as of December 31, 2024	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	-	-	-	-	78,172	78,172	-	78,172	139,449	217,621
Other comprehensive income for the period	-	-	-	-	1,227	1,227	(1,435)	(208)	(8,510)	(8,718)
Total comprehensive income for the period	-	-	-	-	79,399	79,399	(1,435)	77,964	130,939	208,903
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 by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(104,185)	(104,185)
Changes in ownership interests in subsidiaries	-	186	-	-	-	-	-	186	1,767	1,953
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(2,637)	(2,637)
Balance as of December 31, 2025	**$ 445,660**	**298,107**	**134,208**	**2,110**	**250,135**	**386,453**	**(3,545)**	**1,126,675**	**1,204,078**	**2,330,753**

(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 Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before income tax	$ 334,577	329,381
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	243,091	232,031
Amortization	26,038	23,183
Impairment loss for expected credit losses	3,593	373
Net gain on financial instruments at fair value through profit or loss	(8,796)	-
Interest expense	44,623	34,223
Interest income	(12,749)	(11,228)
Dividend income	-	(2)
Losses (gains) on disposals of property, plant, and equipment	(17,251)	896
Gains on lease modification	(27)	(366)
Casualty losses	-	400
Settlement of claims	-	(400)
Loss on prepayment	-	5,688
Total adjustments to reconcile profit (loss)	278,522	284,798
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(45,528)	(5,232)
Accounts receivable - related parties	(10,442)	(2,097)
Other receivables	6,079	(2,578)
Inventories	(120,558)	(191,848)
Prepayments and other current assets	42,769	(90,151)
Total changes in operating assets	(127,680)	(291,906)
Changes in operating liabilities:		
Contract liabilities	5,828	(3,030)
Notes and accounts payable	(34,555)	48,884
Accounts payable - related parties	2,141	10,248
Other payables	51,570	(17,837)
Other payables - related parties	(395)	(803)
Provisions for liabilities	792	(3,111)
Other current liabilities	(5,468)	2,117
Net defined benefit liabilities	1,020	(2,248)
Total changes in operating liabilities	20,933	34,220
Total changes in operating assets and liabilities	(106,747)	(257,686)
Total adjustments	171,775	27,112
Cash inflow from operations	506,352	356,493
Interest received	11,564	11,815
Dividend received	-	2
Interest paid	(43,155)	(34,006)
Income tax paid	(116,008)	(112,083)
Net cash inflow provided by operating activities	358,753	222,221

(Continued on next page)

(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 (continued from the preceding page)

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from investing activities:		
Financial assets measured at fair value through other comprehensive income	-	(20,000)
Financial assets measured at fair value through profit and loss	(25,000)	-
Disposal of investment accounted for using equity method	-	48,275
Net cash outflow from merger and acquisition of subsidiaries	(19,433)	(23,261)
Net cash flows used in acquisition of business transfer	(5,000)	-
Acquisition of property, plant, and equipment	(93,909)	(170,085)
Proceeds from disposals of property, plant, and equipment	85,372	8,088
Increase in refundable deposits	-	(2,060)
Decrease in refundable deposits	1,777	-
Acquisition of intangible assets	(5,335)	(5,397)
Decrease (increase) in other non-current assets	368	(9,094)
Decrease (increase) in financial assets measured at amortized cost	(18,599)	40,317
Net cash outflow used in investing activities	(79,759)	(133,217)
Cash flows from financing activities:		
Increase in short-term loans	287,972	134,231
Increase in short-term note payables	25,500	-
Increase in long-term loans	540,000	316,087
Repayments of long-term loans	(722,352)	(216,628)
Increase in guarantee deposit received	5,957	83
Payment of lease liabilities	(122,319)	(96,828)
Disbursement of cash dividend	(73,534)	(89,132)
Cash dividends distributed by subsidiaries to non-controlling interests	(104,185)	(109,196)
Increase in non-controlling interests	46	-
Purchase of subsidiaries' equity from non-controlling interests	(45,476)	-
Cash capital increase of subsidiary by non-controlling interest shareholders	17,187	-
Net cash outflow used in financing activities	(191,204)	(61,383)
Effect of changes in foreign exchange rates in cash and cash equivalents	(1,655)	5,062
Net increase in cash and cash equivalents for the current period	86,135	32,683
Cash and cash equivalents at the beginning of the period	863,191	830,508
Cash and cash equivalents at the end of the period	$ **949,326**	**863,191**

(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 Years Ended December 31, 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 its 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

The Consolidated Financial Statements were ratified by the Board of Directors on March 02, 2026 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 applying the following newly amended IFRS accounting standards from January 01, 2025, and there was no significant impact on the consolidated financial statements.

- Amendment to IAS No. 21 "Lack of Exchangeability"

(2) Effect of adopting IFRSs that have yet to be endorsed and issued into effect by the FSC

The Group evaluated and began to apply the following new amendments to IFRS from January 01, 2026 onward. There has been no significant impact on the Group's Consolidated Financial Statements.

- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 9 and 7, "Amendments to Classification and Measurement of Financial Instruments"
- Annual improvements to IFRS standards
- Amendments to IFRS 9 and 7, "Contracts for Renewable Electricity"

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

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
Amendments to IFRS 18, “Expression and Disclosure of Financial Statements”	The new standards introduce three types of income and expense, two subtotals in the statement of profit or loss, and a single note regarding the management's performance measurement. These three amendments and enhancements to the guidance on how information is segmented in the financial statements lay a foundation for providing users with better and more consistent information and will impact all companies. • More structured statement of income: Under the current standards, the Company uses different formats to present its operating results, making it difficult for investors to compare financial performance across different companies. The new standards adopt a more structured income statement, introducing a newly defined "operating profit" subtotal, and require that all income and expenses be classified into three new distinct categories based on the Company's main operating activities. • Management Performance Measures (MPMs): The new standards introduce the definition of management performance measures and require companies to explain in a single note to the financial statements for each measure why it provides useful information, how it is calculated, and how the measure is reconciled with amounts recognized according to IFRS. • ·More detailed information: The new standard includes guidance on how the Company enhances the grouping of information in its financial statements. This includes guidance on whether information should be included in the main financial statements or further segmented in the notes.	January 01, 2027 Note: The FSC issued a press release on September 25, 2025 announcing that Taiwan will adopt IFRS 18 starting from the 2028 fiscal year. If the Company has a need for early adoption, it may choose to adopt early after obtaining recognition from the FSC.

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.

The Group expects the following new standards, amendments and interpretations that have yet to be endorsed by FSC shall not pose a significant impact on the Consolidated Financial Statements.

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and Amendments to IFRS 19
- Amendment to IAS No. 21 "Translation to a Hyperinflationary Presentation Currency"

（4） Summary of Significant Accounting Polices

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

(1) Compliance Statement

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

(2) Basis of preparation

1. Basis of measurement

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

1) Financial assets measured at fair value through profit or loss;
2) Financial assets at FVOCI;
3) Net defined benefit assets (liabilities) measured at the fair value of pension plan assets, less the present value of the defined benefit obligation.

2. Functional and presentation currency

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

(3) Basis of consolidation

1. Principles for preparing consolidated financial statements

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

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

The financial statements of subsidiaries have been properly adjusted so that their accounting policies are consistent with the Company's accounting policies.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these Consolidated Financial Statements:

Investor	Subsidiary	Nature of Business	Consolidated shareholding percentage 2025.12.31	Consolidated shareholding percentage 2024.12.31	Description
The Company	AsiaConnect International Co., Ltd. (ACI)	Sales of medical consumables and equipment and wholesaling and retailing of information software	99.75%	99.75%	
The Company	Highview Investments Limited (Highview)	Investment and holding company	-	100.00%	(Note 10)
The Company	Lily Medical Corporation (LILY)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	
The Company	BenQ AB DentCare Corporation (BABD)	Wholesaling and retailing of medical consumables and equipment	88.00%	88.00%	
The Company	BenQ Healthcare Corporation (BHS)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	
The Company	Eastech Co., Ltd. (ETC)	Wholesaling and retailing of medical consumables and equipment	70.00%	70.00%	
The Company	Concord Medical Co., Ltd. (CCD)	Sale of medical drugs, leasing of medical equipment and provision of management consultation services	40.00%	40.00%	(Note 1)
The Company	BenQ Medical Technology (Shanghai) Ltd. (BMTS)	Agency of international and entrepot trade business	100.00%	100.00%	(Note 9)
CCD	Concord HealthCare Co., Ltd. (CCHC)	Wholesaling and retailing of medical consumables and equipment and provision of management consulting services	40.00%	40.00%	
CCD	Concord BioMedical Co., Ltd. (CBM)	Wholesale and retail of animal pharmaceuticals and medical devices	21.62%	-	(Note 4)
CCD	Concord BioTech Co., Ltd. (CBT)	Medical testing and consulting services	20.33%	-	(Note 8)
BMTS	BenQ Smart Healthcare (Shanghai) Co., Ltd. (BHSH) was formerly known as Lily Medical (Suzhou) Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	(Note 2)
BHS	New Best Hearing International Trade Co., Ltd. (NBHIT)	Wholesaling and retailing of medical consumables and equipment	52.00%	52.00%	
BHS	CKCARE Co., Ltd. (CKCARE)	Retail of medical devices, over-the-counter drugs, and health supplements	60.00%	60.00%	
The Company and ACI	K2 International Medical Inc. (K2)	Sale of medical consumables and equipment	40.00%	40.00%	
K2	K2 Medical (Thailand) Co., Ltd. (K2 Thailand)	Sale of medical consumables and equipment	31.86%	19.60%	(Note 7)
K2	K2 (Shanghai) International Medical Inc.	Sale of medical consumables and equipment	40.00%	40.00%	(Note 6)
K2	PT.Frismed Hoslab Indonesia (K2 Indonesia)	Blood banking equipment and supplies	26.80%	26.80%	(Note 6)
K2	Era Biotech Enterprise Co., Ltd. (ERA)	Sale of minimally invasive medical consumables and equipment	24.00%	24.00%	(Note 3) (Note 6)
K2 Thailand	K2 BioMedical Co., Ltd.	Sale of medical consumables and equipment	39.61%	-	(Note 5) (Note 6)

(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 annual 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): Lily originally held 100% of the shares in BHSH and sold them to BMTS in April 2024.

(Note 3): The consolidated subsidiary, K2, acquired 60% of the shares in ERA on August 30, 2024.

(Note 4): The consolidated subsidiary CCD acquired a 54.05% equity interest in CBM on April 01, 2025.

(Note 5): The consolidated subsidiary K2 Medical (Thailand) Co., Ltd. acquired a 99% equity interest in K2 BioMedical Co., Ltd. on August 01, 2025.

(Note 6): Although the Group's comprehensive shareholding ratio of the company does not exceed half of the company, the Group has control over the company as it directly and indirectly holds more than half of the voting shares of the company.

(Note 7): Although the Group does not hold more than half of the voting rights of the company, the Group signed a contract with other shareholders to entrust the authorization of voting rights to the company to exercise the voting rights. After assessment, the Group has control over such company. On May 01, 2025, after the Group additionally acquired 45% of the ordinary shares of the Company from non-controlling interests, it held a total of 94% of the voting shares of the company and obtained control over the Company.

(Note 8): The consolidated subsidiary CCD acquired a 50.82% equity interest in CBT on October 01, 2025.

(Note 9): Highview originally held 100% of the equity in BMTS and sold it to the Company in May 2025.

(Note 10): Highview completed liquidation in 2025.

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

(4) Foreign currency

1. Foreign Currencies

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

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

2. Foreign operations

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

When the disposal of a foreign operation results in the loss of control, joint control, or significant influence, the cumulative exchange differences related to that foreign operation are reclassified in full to profit or loss. When part of a subsidiary that includes a foreign operation is disposed of, the related cumulative exchange differences are reattributed to non-controlling interests on a pro rata basis. When part of an investment in an associate or joint venture that includes a foreign operation is disposed of, the related cumulative exchange differences are reclassified to profit or loss on a pro rata basis.

(5) Classification of Liabilities as Current or Non-current

The Group classifies assets as current assets if they meet any of the following conditions. All other assets not classified as current assets are classified as non-current assets:

1. Assets expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for trading;
3. Assets expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents (as defined in IFRS 7) unless the asset is restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

The Group classifies liabilities as current liabilities if they meet one of the following conditions, with all other liabilities being classified as non-current liabilities:

1. Liabilities expected to be settled within the normal operating cycle;
2. Liabilities held primarily for the purpose of trading;
3. The liability is due for settlement within twelve months after the reporting period; or
4. At the end of the reporting period, there is no right to defer the settlement of the liability for at least twelve months after the reporting period.

(6) Cash and Cash Equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforementioned criteria and are held for short-term cash commitment and not for investing and other purposes are also classified as cash equivalents.

(7) Financial instruments

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

1. Financial assets

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

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

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

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

(2) Financial assets at FVOCI

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

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

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

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

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

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

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

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

(4) Assessment of whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding

For the purpose of the assessment, principal represents the fair value of the financial asset at initial recognition, and interest consists of consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period, other basic lending risks and costs, and a profit margin.

In assessing whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding, the Group considers the contractual terms of the financial instrument, including assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows, causing it not to meet this condition. In the assessment, the Group considers:

- Any contingent events that would change the timing or amount of contractual cash flows;
- Terms that may adjust the contractual coupon rate, including features of variable interest rates;
- Prepayment and extension features; and
- Terms under which the Group’s claim is limited to cash flows generated from specific assets (such as non-recourse features).

(5) Financial asset impairment

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

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

- Determination that the credit risk of the debt securities is low at the reporting date; and
- The credit risk of other debt securities and bank deposits (that is, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

If the credit risk rating of the financial instrument is equivalent to the globally defined "investment grade" (being investment grade BBB- by Standard & Poor’s, investment grade Baa3 by Moody’s, or investment grade twA by Taiwan Ratings Corporation, or higher), the Group considers the credit risk of the debt securities to be low.

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

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

The gross carrying amount in a financial asset is reduced when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually assesses with respect to the timing and amount in write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Based on the experience of the Group, the overdue amount may not recoverable after 90 to 365 days.

(6) De-recognition of financial assets

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

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

2. Financial liabilities

(1) Financial liabilities at amortized cost

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

(2) Derecognition of financial liabilities

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

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

3. Offsetting of financial assets and liabilities

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

(8) Inventories

The initial cost of inventories includes expenditure incurred in bringing them to the location and condition ready for sale. The fixed manufacturing overhead is allocated to finished products and work in process based on the higher of normal capacity or actual capacity. In contrast, the variable manufacturing overhead is allocated based on the actual capacity of Machinery. Subsequently, inventories are valued at the lower of cost and net realizable value. The cost is calculated using the weighted average method, while the net realizable value is based on the estimated selling price under normal business conditions at the balance sheet date, less the costs necessary to make the inventory saleable and the selling expenses.

(9) Non-current assets held for sale

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale when their carrying amounts are highly probable to be recovered through a sale rather than through continuing use. Components of the assets or disposal group are remeasured in accordance with the Group’s accounting policies prior to the initial classification as held for sale. After being classified as held for sale, they are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss of a disposal group is first allocated to goodwill and then allocated on a pro rata basis to the remaining assets and liabilities, except that such loss is not allocated to assets that are not within the scope of IAS 36 Impairment of Assets. The aforementioned items continue to be measured in accordance with the Group’s accounting policies. Impairment losses recognized upon initial classification as held for sale and gains and losses arising from subsequent remeasurement are recognized in profit or loss; however, any reversal gain shall not exceed the cumulative impairment losses previously recognized.

When intangible assets and property, plant and equipment are classified as held for sale, depreciation or amortization shall no longer be recognized. In addition, when investments in affiliates accounted for using the equity method are classified as held for sale, the equity method shall be discontinued.

(10) Investment Property

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

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

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

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

(11) Property, Plant and Equipment

1. Recognition and measurement

Property, plant, and equipment are measured at cost, (including capitalized borrowing costs) less, accumulated depreciation and any accumulated impairment losses.

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

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

2. Subsequent costs

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

3. Depreciation

Depreciation is calculated based on the cost of assets less their residual values. It is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment. Land is not depreciated. The estimated useful lives for property, plant and equipment are as follows: (1) buildings, 35 to 50 years; (2) Machinery, 2 to 15 years; (3) office and other equipment, 2 to 10 years.

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

4. Reclassification to investment properties

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

(12) Leases

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

1. As a lessee

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

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

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

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

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

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

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

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

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

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

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

2. As a lessor

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

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

(13) Intangible assets

1. Goodwill

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

2. Other intangible assets

Other separately acquired intangible assets, including acquired software, customer relationships, sales distribution channels and other intangible assets, are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the following estimated useful lives: customer relationships, 9～ 13 years; sales distribution channels 10 years; acquired software, 1 to 5 years; other intangible assets, 2 to 10 years.

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

(14) Non-financial asset impairment

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

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

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

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

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

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

(15) Provisions for liabilities

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

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

(16) Revenue recognition

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

1. Sales of goods

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

For the Group's obligation in providing a standard warranty for the medical equipment and a refund for faulty goods sold, which are recognized as a provision for warranty, please see Note 4(15).

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

2. Rendering of services

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

3. Lease income

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

4. Financial components

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

(17) Employee benefits

1. Defined contribution plan

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

2. Defined benefit plan

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

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

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

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

3. Short-term employee benefits

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

(18) Income tax

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

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

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

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

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

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

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

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

(19) Business combinations

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

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

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

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

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

(20) Earnings per share

The basic and diluted EPS attributable to stockholders of the Group are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to the Group's stockholders by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to the Company's stockholders and weighted average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's potential dilutive common shares are those arising from employee remuneration in the form of stock grants.

(21) Segment Information

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

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

When preparing the consolidated financial statements, management must make judgments and estimates regarding the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies as well as the reported amounts for assets, liabilities, revenues, and expenses. The actual amount might differ from the estimated amount.

Management continuously reviews estimates and underlying assumptions, which are consistent with the Group's risk management and climate-related commitments. Changes in estimated values are recognized during the period of change and are deferred for affected future periods.

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

(1) Assessment of impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount in relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could significantly alter future years. For impairment assessment on goodwill, please see Note 6 (12) to Consolidated Financial Statements.

(6) Summary of Significant Accounting Items

(1) Cash and Cash Equivalents

	2025.12.31	2024.12.31
Cash on hand and petty cash	$ 2,250	2,473
Demand deposits and checking accounts	910,176	771,947
Notes purchased under resale agreements	-	10,000
Time deposits with an initial maturity date within three months	36,900	78,771
	$ 949,326	863,191

(2) Financial assets measured at amortized cost

	2025.12.31	2024.12.31
Restricted bank deposit	$ 47,282	46,293
Domestic corporate bonds	61,137	-
Time deposits with an initial maturity date of more than three months	239,100	282,690
	$ 347,519	328,983
Recognized in:		
Financial assets at amortized cost - current	$ 286,382	328,983
Financial assets at amortized cost - non-current	61,137	-
	$ 347,519	328,983

In Q2 2025, the Group purchased ten-year corporate bonds issued by Nan Shan Life Insurance Co., Ltd., with a total face 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.

For details of the above financial assets pledged as collateral, please refer to Note 8.

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

	2025.12.31	2024.12.31
Financial assets measured at fair value through profit or loss:		
Non-listed company shares	$ 53,796	-

For the amounts recognized in profit or loss from remeasurement at fair value, please refer to Note 6(25).

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

	2025.12.31	2024.12.31
Equity instruments measured at fair value through other comprehensive income:		
Non-listed company shares	$ 123	20,123

The Group holds these equity instrument investments as long-term strategic investments and not for trading purposes, therefore they have been designated as measured at fair value through other comprehensive income.

The Group did not dispose of strategic investments in 2025 and 2024, and no accumulated gains or losses were transferred within equity during those periods.

(5) Notes Receivable and accounts payable

	2025.12.31	2024.12.31
Notes receivable	$ 71,658	86,629
Accounts receivable	890,368	822,409
Less: Allowance for losses	(10,006)	(9,711)
	952,020	899,327
Accounts receivable - related parties	16,527	6,085
	$ 968,547	905,412

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 of the Group is as follows:

	Gross carrying amount notes and accounts receivable	Weighted-average expected credit loss	Loss allowance for expected credit losses
Current	$ 867,407	0.20%	1,712
Less than 90 days overdue	49,222	4.05%	1,994
91 - 180 days overdue	42,787	8.62%	3,690
1 year or above overdue	2,610	100.00%	2,610
	$ 962,026		10,006

	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
1 year or above overdue	2,785	100.00%	2,785
	$ 909,038		9,711

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

	2025.12.31	2024.12.31
Current	$ 16,474	6,085
Less than 90 days overdue	53	-
	$ 16,527	6,085

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

	2025	2024
Balance on January 01	$ 9,711	9,548
Current period write-off	(2,972)	(202)
Impairment losses	3,593	382
Impairment losses due to merger and acquisition	-	57
Effect on foreign currency exchange differences	(326)	(74)
Ending balance	$ 10,006	9,711

(6) Inventories

	2025.12.31	2024.12.31
Raw materials	$ 72,510	58,512
Work-in-process	43,872	42,436
Finished goods	71,143	11,668
Merchandise Inventories	662,866	667,973
Inventories in transit	42,488	2,536
	$ 892,879	783,125

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

		2025	2024
Cost of inventories sold	$	3,431,039	3,195,293
Losses on obsolete stock		1,824	13,863
Inventory loss (gain)		119	(2,380)
Retirement of inventories		24,777	3,628
Sale of scraps		(50)	(50)
	$	3,457,709	3,210,354

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

(7) Non-current assets held for sale

On August 28, 2025, the Group approved a resolution at the Board of Directors meeting and entered into a purchase and sale agreement with a third party to sell a factory located in Nantun District, Taichung City for a total consideration of NTD1,150,000 thousand (tax included). Accordingly, the land and buildings are presented as non-current assets held for sale. As of December 31, 2025, the carrying amount of the assets held for sale was NTD422,541 thousand. For details of the land and buildings held for sale pledged as collateral for bank loan facilities, please refer to Note 8. This transaction is still subject to approval by the relevant government authorities. If such approval is ultimately not obtained and the transaction cannot be completed, the purchase and sale agreement shall be terminated. As of March 02, 2026, this transaction is still under review by the relevant competent authorities.

(8) Subsidiary

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

The Company's subsidiary Concord Medical Co., Ltd. (hereinafter referred to as CCD) approved a resolution at the Board of Directors meeting on March 26, 2025 to participate in the cash capital increase of Concord BioMedical Co., Ltd. (hereinafter referred to as CBM). On April 01, 2025 (the acquisition date), CCD acquired 54.05% of the equity interest in CBM and has included CBM in the consolidated entities since the acquisition date. CBM's principal business is the wholesale and retail of pharmaceuticals and medical devices required by animal hospitals. The consolidated subsidiary CCD's acquisition of CBM is intended to expand the sales channels of medical products, optimize existing medical-related services, and diversify medical services.

1) Consideration transferred

On April 01, 2025, CCD subscribed for a 54.05% equity interest in CBM with cash of NTD3,000 thousand, and there was no contingent consideration or other equity instruments used as transfer consideration.

2) In accordance with IFRS requirements, the fair value of identifiable assets acquired and liabilities assumed on the acquisition date shall be measured. Based on the

evaluation results obtained by CCD through engagement of an expert, the results are as follows:

Consideration transferred:		
Cash		$ 3,000
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of identifiable net assets)		1,640
Identifiable net assets acquired at fair value:		
Cash and Cash Equivalents	$ 3,550	
Note payable and accounts payable	1,956	
Inventories	1,389	
Prepayments and other current assets	78	
Property, Plant and Equipment	94	
Right-of-use assets	579	
Refundable Deposits	154	
Accounts payable	(1,350)	
Other payables	(418)	
Lease liabilities (current and non-current)	(579)	
Other current liabilities	(188)	
Long-term loans	(1,696)	3,569
Goodwill (recognized in intangible assets)		**$ 1,071**

3) Intangible assets

Goodwill mainly arises from the synergies of the combination with CBM and the value of its workforce, and no income tax effect is expected.

4) Pro forma information

From April 01, 2025 (the acquisition date) to December 31, 2025, the operating results of CBM were included in the consolidated statement of comprehensive income of the Group, contributing revenue and net profit of NTD30,334 thousand and NTD485 thousand, respectively. If this acquisition had occurred on January 01, 2025, the pro forma consolidated company's operating revenue and net profit after tax for the period from January 01, 2025, to December 31, 2025, would have been NTD 5,260,262 thousand and NTD 217,675 thousand, respectively.

2. Acquisition of subsidiary - Concord BioTech Co., Ltd.

The Company's subsidiary Concord Medical Co., Ltd. approved a resolution at the Board of Directors meeting on September 10, 2025 to participate in the cash capital increase of Concord BioTech Co., Ltd. (hereinafter referred to as CBT). On October 01, 2025 (the acquisition date), CCD acquired 50.82% of the equity interest in CBT and has included CBT in the consolidated entities since the acquisition date. CBT's principal business is consulting services for medical laboratories, centralized procurement services, and equipment placement. The consolidated subsidiary CCD's acquisition of CBT is intended to expand the medical industry scope, optimize existing medical-related services, and diversify medical services.

1) Consideration transferred

On October 01, 2025, CCD subscribed for a 50.82% equity interest in CBT with cash of NTD31,000 thousand, and there was no contingent consideration or other equity instruments used as transfer consideration.

2) According to IFRS, the identifiable assets acquired and liabilities assumed at the acquisition date should be measured at their fair value. The results of the evaluation by the Group are as follows:

Consideration transferred:		
Cash		$ 31,000
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of identifiable net assets)		23,966
Identifiable net assets acquired at fair value:		
Cash and Cash Equivalents	$ 32,279	
Note payable and accounts payable	8,344	
Other receivables	6,340	
Inventories	4,194	
Prepayments and other current assets	270	
Property, Plant and Equipment	3,691	
Right-of-use assets	7,576	
Intangible asset - customer relationship	11,462	
Intangible assets	87	
Deferred tax assets	4,500	
Other non-current assets	1,400	
Accounts payable	(13,633)	
Other payables	(1,934)	
Lease liabilities (current and non-current)	(7,778)	
Other current liabilities	(5,774)	
Deferred tax liabilities	(2,292)	48,732
Goodwill (recognized in intangible assets)		**$ 6,234**

During the measurement period, the Group will continue to review the above matters. If, within one year from the acquisition date, new information related to facts and circumstances that existed at the acquisition date is obtained, identifying adjustments to the above provisional amounts or any additional liability provisions that existed at the acquisition date, the accounting treatment of the acquisition will be revised.

3) Intangible assets

Intangible asset - customer relationship is amortized over the estimated future economic useful life of 10 years according to straight-line amortization. Goodwill mainly arises from the synergies of the combination with CBT and the value of its workforce, and no income tax effect is expected.

4) Pro forma information

From October 01, 2025 (the acquisition date) to December 31, 2025, the operating results of CBT were included in the consolidated statement of comprehensive income of the Group, contributing revenue and net profit of NTD14,421 thousand and NTD931 thousand, respectively. If this acquisition had occurred on January 01, 2025, the pro forma consolidated company’s operating revenue and net profit after tax for the period from January 01, 2025, to December 31, 2025, would have been NTD 5,298,770 thousand and NTD 226,883 thousand, respectively.

3. Acquisition of subsidiary - Era Biotech Enterprise Co., Ltd.

The Company's subsidiary, K2 International Medical Inc. (hereinafter referred to as K2), resolved by the Board of Directors on August 28, 2024, to acquire a 60% stake in Era Biotech Enterprise Co., Ltd. (hereinafter referred to as ERA), and has included ERA in the consolidated entity from the acquisition date, August 30, 2024. ERA's main business is the agency and sales of minimally invasive medical devices related to endoscopic surgery. The Group acquired ERA to strengthen its competitiveness in the medical business and expand its product line in the endoscopy field.

1) Consideration transferred

According to the equity transfer agreement, K2 purchased 60% of ERA's shares for NTD 133,005 thousand in cash on August 30, 2024, without any contingent or additional payment or the use of other equity instruments as transfer consideration. As of December 31, 2024, there remained consideration payable of NTD21,262 thousand that had not yet been paid, which was presented under other payables, and it was fully paid in January 2025.

2) In accordance with IFRS requirements, the fair value of identifiable assets acquired and liabilities assumed on the acquisition date shall be measured. Based on the evaluation results obtained by K2 through engagement of an expert, the results are as follows:

Consideration transferred:		
Cash		$ 111,743
Accounts payable for shares (recognized in other payables)		21,262
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of identifiable net assets)		66,731
Identifiable net assets acquired at fair value:		
Cash and Cash Equivalents	$ 88,482	
Note payable and accounts payable	51,622	
Other receivables	1,376	
Inventories	79,136	
Prepayments 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 assets	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)	
Current tax payable	(7,454)	
Lease liabilities (current and non-current)	(14,194)	
Other current liabilities	(245)	
Long-term debt due within one year	(1,692)	
Long-term loans	(867)	
Deferred tax liabilities	(8,862)	166,828
Goodwill (recognized in intangible assets)		**$ 32,908**

3) Intangible assets

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

Goodwill mainly arises from the value of its human resources team, with no expected income tax effect.

4. Loss of control over a subsidiary

On October 30, 2025, the Group approved a resolution at the Board of Directors meeting to liquidate its subsidiary Highview Investments Limited, and the liquidation was completed in December 2025.

5. Changes in ownership interests in subsidiaries without loss of control

The subsidiary K2 International Medical Inc. (hereinafter referred to as K2) acquired 45% of the ordinary shares of its subsidiary K2 Medical (Thailand) Co., Ltd from non-controlling interests with cash of NTD45,476 thousand on May 01, 2025, resulting in a change in the shareholding ratio of the relevant subsidiary.

The subsidiary K2 Medical (Thailand) Co., Ltd issued preferred shares on May 01, 2025, all of which were subscribed by non-controlling interests, receiving share proceeds of NTD17,187 thousand, resulting in a change in the shareholding ratio of the relevant subsidiary.

In summary, the effects of the changes in the Group's ownership interests in subsidiaries on equity attributable to owners of the parent are as follows:

	2025
Capital surplus - Amount recognized from changes in ownership interests in subsidiaries	$ 186

6. Subsidiaries with material non-controlling interests

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

		Percentage of ownership and voting rights held by non-controlling interests	
Subsidiary	**Principal place of business/country of incorporation**	**2025.12.31**	**2024.12.31**
NBHIT	Taiwan	48%	48%
CCD	Taiwan	60%	60%
CKCARE	Taiwan	40%	40%
K2	Taiwan	60%	60%

The summarized financial information of subsidiaries prepared in accordance with IFRSs endorsed by FSC was as follows. The information includes the fair value adjustment made by the Group during the acquisition as at the acquisition date:

1) The summarized financial information of NBHIT:

	2025.12.31	2024.12.31
Current assets	$ 94,289	100,055
Non-current assets	168,467	194,823
Current liabilities	(91,379)	(93,585)
Non-current liabilities	(54,589)	(73,045)
Net assets	$ 116,788	128,248
The carrying amount in non-controlling interests	$ 42,539	48,039

	2025	2024
Operating revenue	$ 401,537	405,816
Current period net profit	$ 24,723	37,210
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	$ 24,723	37,210
Net income attributable to non-controlling interests	$ 11,867	17,860
Total comprehensive income attributable to non-controlling interests	$ 11,867	17,860

	2025	2024
Cash flows provided by operating activities	$ 72,887	72,386
Cash flows used in investing activities	925	(701)
Cash flows used in financing activities	(70,818)	(79,185)
Net increase (decrease) in cash and cash equivalents	$ 2,994	(7,500)
Cash dividends paid to non-controlling interests	$ (17,367)	(22,196)

2) The summarized financial information of CCD:

	2025.12.31	2024.12.31
Current assets	$ 601,830	630,998
Non-current assets	661,488	576,669
Current liabilities	(337,322)	(285,527)
Non-current liabilities	(137,192)	(189,296)
Net assets	**$ 788,804**	**732,844**
The carrying amount in non-controlling interests	**$ 483,752**	**439,707**

	2025	2024
Operating revenue	**$ 964,351**	**889,845**
Current period net profit	$ 67,021	48,659
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	**$ 67,021**	**48,659**
Net income attributable to non-controlling interests	**$ 40,439**	**29,197**
Total comprehensive income attributable to non-controlling interests	**$ 40,439**	**29,197**

	2025	2024
Cash flows provided by operating activities	$ 157,238	148,833
Cash flows used in investing activities	(66,619)	(92,325)
Cash flows used in financing activities	(75,188)	(58,021)
Net increase (decrease) in cash and cash equivalents	**$ 15,431**	**(1,513)**
Cash dividends paid to non-controlling interests	**$ (22,000)**	**(20,000)**

3) The summarized financial information of CKCARE:

	2025.12.31	2024.12.31
Current assets	$ 128,045	94,908
Non-current assets	103,807	180,275
Current liabilities	(52,653)	(96,492)
Non-current liabilities	(19,592)	(27,967)
Net assets	**$ 159,607**	**150,724**
The carrying amount in non-controlling interests	**$ 48,038**	**44,484**

	2025	2024
Operating revenue	**$ 348,034**	**338,388**
Current period net profit	$ 13,972	4,900
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	**$ 13,972**	**4,900**
Net income attributable to non-controlling interests	**$ 5,589**	**1,959**
Total comprehensive income attributable to non-controlling interests	**$ 5,589**	**1,959**

	2025	2024
Cash flows provided by operating activities	$ 7,293	(14,452)
Cash flows used in investing activities	76,631	(4,246)
Cash flows used in financing activities	(46,495)	1,188
Net increase (decrease) in cash and cash equivalents	**$ 37,429**	**(17,510)**
Cash dividends paid to non-controlling interests	**$ (2,035)**	**(2,908)**

4) The summarized financial information of K2:

	2025.12.31	2024.12.31
Current assets	$ 1,506,945	1,388,546
Non-current assets	445,650	435,182
Current liabilities	(945,877)	(748,841)
Non-current liabilities	(94,411)	(148,709)
Net assets	**$ 912,307**	**926,178**
The carrying amount in non-controlling interests	**$ 609,294**	**626,245**

	2025	2024
Operating revenue	**$ 2,078,032**	**1,697,023**
Current period net profit	$ 111,231	112,544
Other comprehensive income (loss)	(10,972)	10,731
Total comprehensive income (loss)	**$ 100,259**	**123,275**
Net income attributable to non-controlling interests	**$ 77,879**	**79,605**
Total comprehensive income attributable to non-controlling interests	**$ 69,367**	**87,338**

	2025	2024
Cash flows provided by operating activities	$ 166,779	(34,034)
Cash flows used in investing activities	(66,059)	34,136
Cash flows used in financing activities	(75,658)	98,170
Effect of changes in foreign exchange rates	(9,659)	-
Increase in cash and cash equivalents	**$ 15,403**	**98,272**
Cash dividends paid to non-controlling interests	**$ (59,843)**	**(60,254)**

(9) Property, Plant and Equipment

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

	Land	Building	Machinery	Instruments and equipment (for rental)	Leasehold improvement	Leasehold improvements (for rental)	Office and other equipment	Construction in progress	Total
Cost:									
Balance on January 01, 2025	$ 346,860	364,382	385,814	264,337	7,835	150,542	173,049	1,381	1,694,200
Acquisition through business combination (Note 6(8))	-	-	-	2,569	-	3,053	902	-	6,524
Addition	-	-	41,065	31,338	74	7,344	14,088	-	93,909
Disposed	(62,700)	-	(38,602)	(60,013)	-	(4,181)	(12,539)	-	(178,035)
Reclassified to assets held for sale (Note 6(7))	(112,038)	(313,372)	-	-	-	(2,022)	-	-	(427,432)
Reclassification	-	-	1,337	1,381	-	6,235	17,818	(1,381)	25,390
Effect of changes in foreign exchange rates	-	-	3,455	-	(1)	(157)	(834)	-	2,463
Balance as of December 31, 2025	$ 172,122	51,010	393,069	239,612	7,908	160,814	192,484	-	1,217,019
Balance on January 01, 2024	$ 346,860	364,557	332,688	221,235	4,512	134,475	144,474	3,599	1,552,400
Acquisition through business combination (Note 6(8))	-	-	-	-	1,902	-	14,346	-	16,248
Addition	-	-	70,116	57,098	1,421	28,908	14,002	1,714	173,259
Disposed	-	(457)	(29,983)	(19,188)	-	(20,865)	(1,765)	-	(72,258)
Reclassification	-	282	5,388	5,192	-	7,944	1,417	(3,932)	16,291
Effect of changes in foreign exchange rates	-	-	7,605	-	-	80	575	-	8,260
Balance as of December 31, 2024	$ 346,860	364,382	385,814	264,337	7,835	150,542	173,049	1,381	1,694,200
Accumulated depreciation:									
Balance on January 01, 2025	$ -	101,656	263,633	144,403	3,284	87,810	126,523	-	727,309
Acquisition through business combination (Note 6(8))	-	-	-	965	-	1,220	554	-	2,739
Depreciation	-	6,598	42,400	44,299	517	17,367	16,800	-	127,981
Disposed	-	-	(37,581)	(58,308)	-	(4,124)	(12,301)	-	(112,314)
Reclassified to assets held for sale (Note 6(7))	-	(76,775)	-	-	-	(1,947)	-	-	(78,722)
Effect of changes in foreign exchange rates	-	-	2,520	-	45	(6)	(608)	-	1,951
Balance as of December 31, 2025	$ -	31,479	270,972	131,359	3,846	100,320	130,968	-	668,944
Balance on January 01, 2024	$ -	91,191	242,456	115,782	2,753	89,712	108,339	-	650,233
Acquisition through business combination (Note 6(8))	-	-	-	-	30	-	4,215	-	4,245
Depreciation	-	10,678	40,767	44,845	501	18,477	15,353	-	130,621
Disposed	-	(213)	(22,328)	(16,224)	-	(20,440)	(1,669)	-	(60,874)
Reclassification	-	-	10	-	-	-	(10)	-	-
Effect of changes in foreign exchange rates	-	-	2,728	-	-	61	295	-	3,084
Balance as of December 31, 2024	$ -	101,656	263,633	144,403	3,284	87,810	126,523	-	727,309
Carrying amount:									
December 31, 2025	$ 172,122	19,531	122,097	108,253	4,062	60,494	61,516	-	548,075
December 31, 2024	$ 346,860	262,726	122,181	119,934	4,551	62,732	46,526	1,381	966,891

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

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

		Building	Transportation equipment	Total
Cost of right-of-use assets:				
Balance on January 01, 2025	$	305,166	27,609	332,775
Acquisition through business combination (Note 6(8))		13,051	-	13,051
Addition		50,577	4,053	54,630
Lease modification		(3,550)	-	(3,550)
Write-off		(15,882)	(9,582)	(25,464)
Effect of changes in foreign exchange rates		328	-	328
Balance as of December 31, 2025	**$**	**349,690**	**22,080**	**371,770**
Balance on January 01, 2024	$	287,030	15,212	302,242
Acquisition through business combination (Note 6(8))		9,581	12,838	22,419
Addition		103,241	3,121	106,362
Lease modification		(8,351)	(1,625)	(9,976)
Write-off		(87,374)	(1,937)	(89,311)
Effect of changes in foreign exchange rates		1,039	-	1,039
Balance as of December 31, 2024	**$**	**305,166**	**27,609**	**332,775**
Accumulated depreciation of right-of-use assets:				
Balance on January 01, 2025	$	108,361	16,529	124,890
Acquisition through business combination (Note 6(8))		4,896	-	4,896
Depreciation for the current period		80,444	6,200	86,644
Lease modification		(1,613)	-	(1,613)
Write-off		(15,882)	(9,582)	(25,464)
Effects of reclassification and changes in exchange rates		6,859	-	6,859
Balance as of December 31, 2025	**$**	**183,065**	**13,147**	**196,212**
Balance on January 01, 2024	$	129,261	6,777	136,038
Acquisition through business combination (Note 6(8))		1,685	6,857	8,542
Depreciation for the current period		68,575	4,886	73,461
Lease modification		(4,226)	(54)	(4,280)
Write-off		(87,374)	(1,937)	(89,311)
Effects of reclassification and changes in exchange rates		440	-	440
Balance as of December 31, 2024	**$**	**108,361**	**16,529**	**124,890**
Carrying amount:				
December 31, 2025	**$**	**166,625**	**8,933**	**175,558**
December 31, 2024	**$**	**196,805**	**11,080**	**207,885**

(11) Investment Property

		Self-owned		Right-of-use assets	
		Land	Building	Building	Total
Cost:					
Balance on January 01, 2025	$	225,083	126,893	266,804	618,780
Addition		-	-	10,920	10,920
Reclassified to assets held for sale (Note 6(7))		(31,822)	(54,762)	-	(86,584)
Reclassification		-	7,504	(10,920)	(3,416)
Balance as of December 31, 2025	$	193,261	79,635	266,804	539,700
Balance on January 01, 2024	$	225,083	126,893	248,544	600,520
Addition		-	-	18,260	18,260
Balance as of December 31, 2024	$	225,083	126,893	266,804	618,780
Accumulated depreciation:					
Balance on January 01, 2025	$	-	36,413	116,095	152,508
Depreciation		-	4,244	24,222	28,466
Reclassified to assets held for sale (Note 6(7))		-	(12,753)	-	(12,753)
Reclassification		-	-	(348)	(348)
Balance as of December 31, 2025	$	-	27,904	139,969	167,873
Balance on January 01, 2024	$	-	32,053	92,506	124,559
Depreciation		-	4,360	23,589	27,949
Balance as of December 31, 2024	$	-	36,413	116,095	152,508
Carrying amount:					
December 31, 2025	$	193,261	51,731	126,835	371,827
December 31, 2024	$	225,083	90,480	150,709	466,272
Fair value:					
December 31, 2025					$ 466,272
December 31, 2024					$ -

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 evaluation of the aforementioned self-owned investment properties was performed by the management based on transaction prices of similar properties in the same area or by independent valuer. As for the right-of-use assets that are for sub-leasing purposes, the fair value evaluation is estimated by discounting future cash flow. The inputs to valuation technique for the aforementioned fair value are level 3 inputs.

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

(12) Intangible assets

1. The change of intangible asset is as follows:

	Goodwill	Computer software	Customer relationships and sales channels	Other intangible assets	Total
Cost:					
Balance on January 01, 2025	$ 247,042	28,533	196,232	71,016	542,823
Acquisition through business combination (Note 6(8))	7,305	141	11,462	-	18,908
Acquired through business transfer	24,180	-	9,585	-	33,765
Addition	-	4,612	-	723	5,335
Write-off	-	(2,129)	-	(2,000)	(4,129)
Effect of exchange rate changes	-	9	-	-	9
Balance as of December 31, 2025	$ 278,527	31,166	217,279	69,739	596,711
Balance on January 01, 2024	$ 214,134	24,918	151,923	80,794	471,769
Acquisition through business combination (Note 6(8))	32,908	261	44,309	4,849	82,327
Addition	-	4,976	-	421	5,397
Write-off	-	(1,626)	-	(15,048)	(16,674)
Effect of exchange rate changes	-	4	-	-	4
Balance as of December 31, 2024	$ 247,042	28,533	196,232	71,016	542,823
Accumulated amortization:					
Balance on January 01, 2025	$ -	20,296	98,198	29,165	147,659
Acquisition through business combination (Note 6(8))	-	54	-	-	54
Amortization	-	5,222	14,624	6,192	26,038
Write-off	-	(2,129)	-	(2,000)	(4,129)
Effect of exchange rate changes	-	(1)	-	-	(1)
Balance as of December 31, 2025	$ -	23,442	112,822	33,357	169,621
Balance on January 01, 2024	$ -	16,187	87,141	34,004	137,332
Acquisition through business combination (Note 6(8))	-	29	-	3,788	3,817
Amortization	-	5,705	11,057	6,421	23,183
Write-off	-	(1,626)	-	(15,048)	(16,674)
Effect of exchange rate changes	-	1	-	-	1
Balance as of December 31, 2024	$ -	20,296	98,198	29,165	147,659
Carrying amount:					
December 31, 2025	$ 278,527	7,724	104,457	36,382	427,090
December 31, 2024	$ 247,042	8,237	98,034	41,851	395,164

2. Impairment test on goodwill

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

	2025.12.31	2024.12.31
NBHIT	$ 34,253	34,253
CKCARE	39,513	39,513
K2	38,214	38,214
K2 Indonesia	79,534	79,534
ERA	32,908	32,908
Other cash-generating units with non-significant allocations	29,925	22,620
	$ 254,347	247,042

Each CGU above to which the goodwill is allocated represents the lowest level within the Group, at which the goodwill is monitored for internal management purposes. Based on the results of impairment tests for the goodwill of CGUs conducted by the Group for the year ended 2025 and 2024, the recoverable amount exceeded its carrying amount. As such, no impairment loss was recognized. The recoverable amount in a CGU was determined based on the value in use, and the related key assumptions were as follows:

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

	2025.12.31	
	Revenue growth rate	Discount rate
NBHIT	0.5%~3.1%	15.00%
CKCARE	4.1%~11.6%	15.10%
K2	6.0%~10.5%	22.44%
K2 Indonesia	1.8%~5.0%	21.65%
ERA	5.0%~19.2%	22.47%

	2024.12.31	
	Revenue growth rate	Discount rate
NBHIT	(13.7)%~0.5%	10.06%
CKCARE	6%~10.8%	12.27%
K2	(6)%~20.5%	19.44%
K2 Indonesia	2.7%~5%	19.37%
ERA	5%~7.4%	14.79%

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

3. Acquired through business transfer

On January 02, 2025, the Company's subsidiary K2 acquired assets, liabilities, and business related to the rehabilitation therapy equipment business from Giga Medical Instrument Ltd. through a business transfer for NTD33,765 thousand. As of December 31, 2025, NTD29,366 thousand remained unpaid and was presented under other payables and other non-current liabilities, respectively.

According to IFRS, the identifiable assets acquired and liabilities assumed at the acquisition date should be measured at their fair value. The results of the evaluation by the Group are as follows:

Consideration transferred:		
Cash	$	5,000
Accounts payable (recognized in other payables)		9,685
Payables (recognized in other non-current liabilities)		19,080
Identifiable net assets acquired at fair value:		
Intangible asset - customer relationship		9,585
Goodwill	**$**	**24,180**

(13) Other non-current assets

		2025.12.31	**2024.12.31**
Prepayments for equipment	$	6,305	15,299
Pension plan assets		13,879	11,661
Refundable Deposits (Note 6(19))		61,813	62,036
Long-term accounts receivable		-	69
Long-term lease payments receivable		4,626	3,336
Other receivables long-term		1,361	-
	$	**87,984**	**92,401**

(14) Short-term borrowings and short-term notes payable

1. Details of the Group's short-term borrowings are as follows:

		2025.12.31	**2024.12.31**
Unsecured bank loans	$	813,985	533,719
Secured bank loans		54,690	46,984
	$	**868,675**	**580,703**
Unused credit facilities	**$**	**2,241,816**	**1,854,489**
Range of interest rates		**2.00%~5.37%**	**1.70%~6.10%**

2. Details of the Group's short-term notes payable are as follows:

		2025.12.31	**2024.12.31**
Short-term notes payable	**$**	**25,852**	**-**
Agreed repurchase price	**$**	**25,879**	**-**
Agreed repurchase interest rate		**2.078%**	**-**
Agreed repurchase date		**115.01.29**	**-**

3. For details of assets pledged as collateral by the Group for bank loan facilities and

short-term notes payable, please refer to Note 8.

(15) Long-term loans

	2025.12.31	2024.12.31
Secured bank loans	$ 210,000	192,001
Unsecured bank loans	563,120	761,775
Less: Current portion due within one year	(238,750)	(84,830)
	$ 534,370	868,946
Unused credit facilities	$ 1,087,798	810,000
Range of interest rates	2.01%~4.09%	0.50%~5.92%

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

As described in Note 6(7), the Group has entered into a contract with a third party to sell part of the land and buildings and has reclassified the related assets under non-current assets held for sale. The aforementioned assets were pledged as collateral for long-term bank borrowings. According to the loan agreement, the bank has required the Group to repay the borrowings before the transfer date of the related property transaction. Accordingly, the related borrowing amounting to NTD210,000 thousand has been presented under long-term borrowings due within one year.

The Group's loan contract with some of the lending banks stipulated that the agreed financial indicators must be maintained in the semi-annual and annual consolidated financial statements for the duration of the loan. The Group's consolidated financial reports for the first half of 2025 and for the full year of 2025 comply with the aforementioned covenant standards with the lending banks.

(16) Lease liabilities

The lease liabilities of the Group are as follows:

	2025.12.31	2024.12.31
Current	$ 102,519	95,355
Non-current	$ 218,633	276,173

For the maturity analysis, please see Note 6(27) on financial risk management.

Profit and loss recognized are as follows:

	2025	2024
Interest expense on lease liabilities	$ 6,589	6,358
Income from subleases of right-of-use assets	$ (26,671)	(26,087)
Expenses relating to short-term leases	$ 16,220	15,261
Expenses of low-value lease assets	406	-

Items recognized in Cash Flows Statement:

	2025	2024
Total cash outflow for leases	$ 118,863	92,360

1. Lease of buildings

Pertaining to office spaces and branch offices of the Group, the lease tenors for office spaces range from 3 to 20 years, and for branch offices, 3 to 9 years, of which some of the leases have a renewal option for tenor as per the original lease contract. Part of the right-of-use assets are subleased to other parties to earn rental income, which is classified as investment property. For more information, please see Note 6(11). Further, the lease term of some offices and warehouses leased by the Group is one year or less and thus deemed to be short-term leases. The Group chooses to adopt recognition exemption and does not recognize the relevant right-of-use assets and lease liabilities.

2. Other leases

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

(17) Provision for product warranties

	2025	2024
Balance on January 01	$ 3,080	6,191
Provisions made	6,857	2,237
Amount utilized	(6,065)	(5,348)
Ending balance	**$ 3,872**	**3,080**

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

(18) Operating leases - lessor

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

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

	2025.12.31	2024.12.31
Less than 1 year	$ 55,511	94,645
1 to 2 years	30,670	21,406
2 to 3 years	11,595	15,866
3 to 4 years	11,595	11,518
4 to 5 years	6,929	11,518
More than 5 years	9,147	14,624
Total undiscounted lease payments	**$ 125,447**	**169,577**

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

		2025	2024
Recognized in operating revenue:			
Property, Plant and Equipment	$	68,077	64,436
Investment Property		35,155	33,888
	$	103,232	98,324

		2025	2024
Recognized in non-operating income and expenses:			
Property, Plant and Equipment	$	4,998	5,068
Investment Property		7,480	7,440
	$	12,478	12,508

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

		2025	2024
Those generating rental income	$	27,558	27,089
Those not generating rental income		567	557
	$	28,125	27,646

(19) Employee benefits

1. Defined benefit plan

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

		2025.12.31	2024.12.31
Present value of defined benefit obligations	$	13,773	12,490
Fair value of plan assets		(2,760)	(2,517)
Net defined benefit liabilities (listed as other current liabilities)	$	11,013	9,973

		2025.12.31	2024.12.31
Present value of defined benefit obligations	$	18,967	20,741
Fair value of plan assets		(32,846)	(32,402)
Pension plan assets (listed as other non-current assets)	$	(13,879)	(11,661)

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

For foreign subsidiaries that adopt defined benefit retirement plans, such plans are administered in accordance with the legal requirements of the respective jurisdictions in which the plans are established.

1) Composition of plan assets

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

Foreign subsidiaries that adopt defined benefit retirement plans are required to contribute pension funds to pension fund management institutions in accordance with local legal requirements.

As of December 31, 2025 and 2024, the Group’s labor pension fund account balance at Bank of Taiwan amounted to NTD 35,606 thousand and NTD 34,919 thousand, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets, including the asset portfolio and yield of the fund.

2) Movements in the present value of defined benefit obligations

	2025	2024
Present value of defined benefit obligations as of January 01	$ 33,231	31,589
Current service cost	1,088	2,288
Current interest expense and service costs	870	761
Remeasurement on the net defined benefit liabilities (assets)		
- losses (gains) arising from changes in financial assumptions	341	(781)
- Actuarial losses (gains) arising from experience adjustments	659	(323)
Benefits paid by the Company and the plan	(2,935)	(303)
Effect on foreign currency exchange differences	(514)	-
Present value of defined benefit obligations as of December 31	**$ 32,740**	**33,231**

3) Movements of the fair value of plan assets

	2025	2024
Fair value of plan assets as of January 01	$ 34,919	29,695
Interest income	610	414
Remeasurement on the net defined benefit liabilities (assets)		
- Return on plan assets (not including interest income for the current period)	2,336	2,828
Contributions by the employer	676	1,982
Benefits paid by the plan	(2,935)	-
Fair value of plan assets as of December 31	**$ 35,606**	**34,919**

4) Expenses recognized in profit or loss

	2025	2024
Current service cost	$ 1,088	2,288
Net interest income on the net defined benefit liabilities (assets)	260	347
	$ 1,348	2,635
Operating costs	$ (45)	3
Operating expenses	1,393	2,632
	$ 1,348	2,635

5) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	2025	2024
Discount rate	1.625%~7.110%	1.750%~7.040%
Future salary rate increases	2.500%~3.000%	2.500%~3.000%

The Group expects to contribute NTD 794 thousand to the defined benefit plans within one year following December 31, 2025. The weighted average duration of the defined benefit plans is ranged from 9.31 years to 11.59 years.

6) Sensitivity analysis

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

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2025 and 2024:

	Increase (decrease) in the present value of defined benefit obligations	
	0.25% increase	0.25% decrease
December 31, 2025		
Discount rate	(599)	624
Future salary rate increases	603	(581)
December 31, 2024		
Discount rate	(634)	662
Future salary rate increases	641	(614)

The aforesaid sensitivity analysis is analysis of changes in one single assumption with no other assumption changed. In practice, changes of many assumptions may be correlated. The sensitivity analysis adopts the same method calculating the net pension liability for the balance sheet. The method and assumptions to prepare the sensitivity analysis for the current period are identical to the previous period.

2. Defined contribution plan

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

For the years ended December 31, 2025 and 2024, the Group recognized pension expenses of NTD 27,538 thousand and NTD 20,900 thousand respectively, in relation to the defined contribution pension plans.

(20) Income tax

1. income tax expense

	2025	2024
Current income tax expense		
Current amount	$ 117,623	92,677
Adjustment to income tax expense for the previous periods	(174)	(411)
	117,449	92,266
Deferred income tax benefit		
Origination and reversal of temporary differences	(493)	(138)
	$ 116,956	**92,128**

In 2025 and 2024, there was no income tax recognized by the Group directly in equity.

Details of the income tax expense recognized under other comprehensive income by the Group are as follows:

	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit programs	**$ 287**	**762**

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

	2025	2024
Net income before tax	$ 334,577	329,381
Income tax using the Company's statutory tax rate	$ 66,915	65,876
Effect of different tax rates in foreign jurisdictions	19,920	15,024
Tax effect of expenses that are not deductible for tax purposes	5,532	1,323
Non-deductible tax losses	12,029	7,751
Change in unrecognized temporary differences and tax loss	(1,848)	(1,779)
Adjustment to income tax expense for the previous periods	(174)	(411)
Surtax on unappropriated earnings	3,265	3,643
Others	11,317	701
	$ 116,956	92,128

2. Deferred tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred income tax assets:

	2025.12.31	2024.12.31
Deductible temporary differences	$ 406	459
Tax losses	3,558	4,351
Aggregate taxable temporary differences associated with investments in subsidiaries	3,370	2,722
	$ 7,334	7,532

Unrecognized deferred income tax liabilities:

	2025.12.31	2024.12.31
Aggregate taxable temporary differences associated with investments in subsidiaries	$ 32,143	30,493

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

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

As of December 31, 2025, the Group's unrecognized tax losses due to deferred income tax assets in the amounts, and the amount and deduction deadline are as follows:

Year incurring tax losses	Tax effects of tax losses	Year of expiry
2016	$ 4,829	2026
2017	5,160	2027
2023	2,052	2033
2024	346	2034
2025	5,403	2035
	$ 17,790	

2) Recognized deferred income tax assets and liabilities

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

Deferred tax assets:

	Provision for inventory obsolescence	Provision for warranties	Tax losses	Others	Total
January 01, 2025	$ 13,065	616	1,968	11,111	26,760
Recognized in profit and loss	(4,619)	158	(68)	5,972	1,443
Recognized in other comprehensive income	-	-	-	(287)	(287)
Acquisition through business combination (Note 6(8))	-	-	4,500	-	4,500
December 31, 2025	**$ 8,446**	**774**	**6,400**	**16,796**	**32,416**

	Provision for inventory obsolescence	Provision for warranties	Tax losses	Others	Total
Recognized in profit and loss	2,636	(622)	(148)	435	2,301
Recognized in other comprehensive income	-	-	-	(762)	(762)
December 31, 2024	**$ 13,065**	**616**	**1,968**	**11,111**	**26,760**

Deferred income tax liabilities:

	Reserve for land revaluation increment tax	Intangible assets from acquisition through business combination	Foreign investment gains under equity method	Others	Total
January 01, 2025	$ 5,727	26,157	7,170	4,342	43,396
Acquisition through business combination (Note 6(8))	-	2,292	-	-	2,292
Recognized in profit and loss	-	(3,240)	4,190	-	950
December 31, 2025	**$ 5,727**	**25,209**	**11,360**	**4,342**	**46,638**
January 01, 2024	$ 5,727	20,035	2,267	4,342	32,371
Acquisition through business combination (Note 6(8))	-	8,862	-	-	8,862
Recognized in profit and loss	-	(2,740)	4,903	-	2,163
December 31, 2024	**$ 5,727**	**26,157**	**7,170**	**4,342**	**43,396**

As of December 31, 2025, the Group recognized the loss deduction of deferred income tax assets, and the amount and deduction deadline are as follows:

Year incurring tax losses	Deductible loss amount	Last deductible year
2016	$ 608	2026
2017	1,285	2027
2020	4,282	2030
2023	1,018	2033
2024	22,301	2034
2024	5,979	2028
2025	4,044	2029
	$ 39,517	

3. Income tax assessment

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

1. Common stock

As of December 31, 2025 and 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

	2025.12.31	2024.12.31
Additional paid-in capital in excess of par issued	$ 290,309	290,309
Employee stock option	7,612	7,612
Number of changes in ownership interests in subsidiaries	186	-
	$ 298,107	297,921

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

3. Retained earnings

1) Legal reserve

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

2) Special reserves

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

3) Appropriation of earnings

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

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

By resolutions of the Board meeting on March 03, 2025 and February 29, 2024, the cash dividend of earnings distribution for 2024 and 2023 is as follows:

	2024		2023	
	Dividends per share (NTD)	Amount	Dividends per share (NTD)	Amount
Dividends per share:				
Cash	$ 1.65	73,534	2.00	89,132

By resolution of the Board meeting on March 02, 2026, the cash dividend of 2025 earnings distribution of the Company is as follows:

	2025	
	Dividends per share (NTD)	Amount
Dividends per share:		
Cash	$ 2.00	89,132

For details of earnings distribution, please see the MOPS.

4. Other equity (net after-tax)

	Exchange differences on translation of foreign operations
Balance on January 01, 2025	$ (2,110)
Foreign exchange differences arising from the translation of foreign operations	(1,435)
Balance as of December 31, 2025	$ (3,545)
Balance on January 01, 2024	$ (5,561)
Foreign exchange differences arising from the translation of foreign operations	3,451
Balance as of December 31, 2024	$ (2,110)

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

		2025	2024
Balance on January 01	$	1,178,194	1,080,503
Equity attributable to non-controlling interests:			
Current period net profit		139,449	132,422
Changes in ownership interests in subsidiaries		1,767	-
Actuarial (loss) gain on defined benefit plans		(178)	88
Exchange differences on translation of foreign operations		(8,332)	7,646
Cash dividends		(104,185)	(109,196)
Decrease (Increase) in non-controlling interests (Note 6(8))		(2,637)	66,731
Ending balance	$	1,204,078	1,178,194

(22) Earnings per share

1. Basic earnings per share

		2025	2024
Net profit attributable to shareholders of the Company	$	78,172	104,831
Weighted-average number of ordinary shares outstanding (in thousands)		44,566	44,566
Basic EPS (NTD)	$	1.75	2.35

2. Diluted earnings per share

		2025	2024
Net profit attributable to shareholders of the Company	$	78,172	104,831
Weighted-average number of ordinary shares outstanding (basic) (in thousands)		44,566	44,566
Effect of dilutive potential common stock (in thousands)			
Effects of remuneration to employees		216	260
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)		44,782	44,826
Diluted EPS (NTD)	$	1.75	2.34

(23) Revenue from contracts with customers

1. Breakdown of revenue

	2025	2024
Primary geographical markets:		
Taiwan	$ 3,895,156	3,354,924
Mainland China	514,098	583,455
Indonesia	306,266	305,178
Thai	363,522	334,818
India	76,396	96,074
Colombia	12,342	9,893
Others	86,209	83,010
	$ 5,253,989	4,767,352
Main products:		
Medical equipment	$ 537,520	637,382
Medical consumables	3,121,599	2,760,613
Medical services	1,594,870	1,369,357
	$ 5,253,989	4,767,352
Timing of revenue recognition:		
Revenue recognized at a point in time	$ 5,100,571	4,622,355
Revenue recognized over time	50,186	46,673
Lease income	103,232	98,324
	$ 5,253,989	4,767,352

2. Contract balance

	2025.12.31	2024.12.31	2024.01.01
Notes and accounts receivable (including related parties)	$ 978,553	915,123	856,025
Less: Allowance for losses	(10,006)	(9,711)	(9,548)
	$ 968,547	905,412	846,477
Contract liabilities	$ 35,306	29,478	32,382

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 amount in revenue recognized for the years ended December 31, 2025 and 2024 included in the contract liability balance on January 01, 2025 and 2024, were NTD27,252 thousand and NTD26,197 thousand, respectively.

(24) Employees' and Directors' Remuneration

On June 05, 2025, the Company approved an amendment to the Articles of Incorporation at the shareholders' meeting. According to the amended Articles, if there are profits for the year, 5% to 20% shall be appropriated as employees' remuneration and not more than 1% as directors' remuneration. However, the profit should be appropriated to offset the accumulated deficit first, if any. Remuneration allocated to entry-level employees shall not be less than 10% of the total employees' remuneration mentioned above. Recipients of employees' remuneration paid in shares or cash may include employees of controlled or subordinate companies who meet certain conditions.

The Articles of Incorporation prior to the amendment stipulated that if there are profits for the year, 5% to 20% shall be appropriated as employees' remuneration and not more than 1% as directors' remuneration. However, the profit should be appropriated to offset the accumulated deficit first, if any. The aforementioned employees eligible for stock options or cash compensation may include employees of affiliated companies that meet certain conditions.

For the years ended December 31, 2025 and 2024, the Company estimated its remuneration to employees to amount to NTD7,958 thousand and NTD10,570 thousand, respectively, and the remuneration to Directors to amount to NTD663 thousand and NTD881 thousand, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and Directors), multiplied by a certain percentage of the remuneration to employees and Directors. The estimations are recognized as operating costs or operating expenses respectively in 2025 and 2024. The aforementioned amounts corresponded to the disbursed remuneration to employees and Directors, which was resolved by the Board meeting, and had been disbursed in cash. For details, please see the Market Observation Post System.

(25) Non-operating Income and Expenses

1. Interest income

	2025	2024
Interest income from bank deposits	$ 12,749	11,228

2. Other income

	2025	2024
Rental income	$ 12,478	12,508
Dividend income	-	2
Others	5,404	4,086
	$ 17,882	16,596

3. Other gains or losses

	2025	2024
Losses on disposal of property, plant, and equipment	$ 17,251	(896)
Net foreign currency exchange gains (losses)	(22,600)	8,978
Gains on financial assets measured at fair value through profit or loss	8,796	-
Loss from disasters	-	(400)
Insurance claim income	2,676	400
Prepayments reclassified as loss	-	(5,688)
Gains from amendment of lease agreement	27	366
	$ 6,150	2,760

4. Financial costs

	2025	2024
Interest expense of bank loans	$ 37,450	27,865
Other financial expenses	584	-
Financial expense of lease liabilities	6,589	6,358
	$ 44,623	34,223

(26) Financial instruments

1. Categories of financial instruments

1) Financial assets

	2025.12.31	2024.12.31
Financial assets measured at fair value through profit or loss	$ 53,796	-
Financial assets at FVOCI	123	20,123
Financial assets at amortized cost:		
Cash and Cash Equivalents	949,326	863,191
Notes and accounts receivable and other receivables (including related parties)	977,811	916,928
Financial assets at amortized cost (current and non-current)	347,519	328,983
Other non-current assets - refundable deposits	61,813	62,036
Other non-current assets - long-term receivables	-	69
Other non-current assets - Long-term other receivables	1,361	-
Other non-current assets - Long-term lease receivables	4,626	3,336
Subtotal	2,342,456	2,174,543
	$ 2,396,375	2,194,666

2) Financial liabilities

		2025.12.31	2024.12.31
Financial liabilities at amortized cost:			
Short-term loans	$	868,675	580,703
Short-term notes payable		25,852	-
Notes and accounts payable and other payables (including related parties)		941,046	915,411
Lease liabilities (current and non-current)		321,152	371,528
Long-term debt (including current portion)		773,120	953,776
Guarantee deposit received		12,848	6,891
Other non-current liabilities - other long-term accounts payable		19,080	-
	$	2,961,773	2,828,309

2. Information on fair value

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

A. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

	2025.12.31			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets measured at fair value through profit or loss:				
Unlisted company shares	$ -	-	53,796	53,796
Financial assets measured at fair value through other comprehensive income:				
Share of non-public companies	$ -	-	123	123

	2024.12.31			
	Fair value			
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
Financial assets measured at fair value through other comprehensive income:				
Share of non-public companies	$ -	-	20,123	20,123

There was no transfer between fair values from January 01 to December 31, 2025 and 2024.

3) Fluctuation of level 3 inputs:

	Financial assets measured at fair value through profit or loss	
	2025	2024
Balance as of January 01	$ -	-
Increase	45,000	-
Total comprehensive loss:		
Recognized in profit and loss	8,796	-
Balance as of December 31	$ 53,796	-

	Financial assets at FVOCI	
	2025	2024
Balance as of January 01	$ 20,123	123
Current increase	-	20,000
Current decrease	(20,000)	-
Balance as of December 31	$ 123	20,123

4) Valuation technique and inputs of financial instruments measured 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 recent financing activities, comparable company valuations, and net worth of the Company, and market condition, among other factors. 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.

(27) Financial risk management

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

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

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

1. Credit risk

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

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

The Group has established a credit policy and determined the credit limit of each customer according to its financial status pursuant to the policy. As of December 31, 2025 and 2024, 20% and 25% of the balances of notes and accounts receivable are made up of three customers combined. The Group evaluates the financial status of the customers on a regular basis to mitigate credit risk. For information on maximum exposure to credit risk that arises from notes and accounts receivable, please see Note 6(5).

Other financial assets measured at amortized cost include bank time deposits, investments in corporate bonds, and other receivables (bank time deposits and investments in corporate bonds are recognized in financial assets measured at amortized cost - current; for details, please refer to Note 6(2)). The above are all financial assets with low credit risk; therefore, the allowance for loss for the period is measured based on the 12-month expected credit loss amount (for the explanation of how the Group determines low credit risk, please refer to Note 4(7)). The balances as of December 31, 2025 and 2024 amounted to NTD356,783 thousand and NTD340,499 thousand, respectively. There were no expected credit losses after assessment.

2. Liquidity risk

Liquidity risk is the risk that arises when the Group has difficulty in settling its financial liabilities either by cash or other financial assets. The Group manages its liquidity risk by monitoring the current and medium to long-term cash demand regularly and maintaining adequate cash and cash equivalents and line of credit at banking facilities. As of December 31, 2025 and 2024, the unused credit facilities of the Group amounted to NTD3,329,614 thousand and NTD2,664,489 thousand, respectively.

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

	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2~ 5 years or more	5 years or more
December 31, 2025						
Non-derivative financial liabilities:						
Short-term loans	$ 875,998	626,234	249,764	-	-	-
Long-term loans	797,910	242,061	9,803	432,995	113,051	-
Short-term notes payable	25,879	25,879	-	-	-	-
Notes and accounts payable and other payables (including related parties)	941,046	941,046	-	-	-	-
Guarantee deposit received	12,848	358	92	40	12,358	-
Lease liabilities	338,514	59,806	47,480	76,400	111,821	43,007
Other non-current liabilities	20,000	-	-	10,000	10,000	-
	$ 3,012,195	1,895,384	307,139	519,435	247,230	43,007
December 31, 2024						
Non-derivative financial liabilities:						
Short-term loans	$ 583,664	475,540	108,124	-	-	-
Long-term loans	993,895	15,127	89,656	619,339	269,773	-
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
	$ 2,891,244	1,458,343	247,191	708,886	407,961	68,863

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

3. Market risk

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

1) Foreign currency risk

The foreign exchange risk of the Group mainly comes from non-functional currency denominated cash and cash equivalents, notes and accounts receivable (payable) (including related parties), accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and bank loans in foreign currencies. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Company entities were as follows (including the monetary items that have been eliminated in the accompanying Consolidated Financial Statements) and the related sensitivity analysis are as follows:

Amount unit: NTD thousand

	2025.12.31				
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Profit and loss effect
Financial assets					
USD	$ 3,164	31.430	99,445	1%	994
EUR	62	36.896	2,288	1%	23
RMB	570	4.495	2,562	1%	26
JPY	78,600	0.201	15,799	1%	158
Financial liabilities					
USD	3,052	31.430	95,924	1%	959
EUR	522	36.896	19,260	1%	193
JPY	40,272	0.201	8,095	1%	81

	2024.12.31				
	Foreign currency	Exchange rate	NTD	Change in exchange rate	Profit and loss effect
Financial assets					
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
Financial liabilities					
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

Since the Group has a wide variety of functional currencies, the information on foreign exchange gains and losses on monetary items is disclosed in a summarized manner. For 2025 and 2024 foreign exchange gains and losses (including realized and unrealized), please 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 regularly assesses the interest rates of different banks and currencies and maintains good relationships with financial institutions for a lower financing cost. The Group also strengthens the management of working capital to reduce the dependence on bank loans and diversify the risk arising from the fluctuation of interest rates.

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

Management on the reasonable changes of the interest rate.

If the yearly interest rate increased/decreased by 1%, all variables remained unchanged, the net profit before tax of the Group for January 01 to December 31, 2025 and 2024 would have decrease/increase by NTD 16,418 thousand and NTD 15,345 thousand, respectively.

3) Equity instrument price risk

The Group holds equity securities of non-listed companies as strategic investments, and the Group has not actively traded these investments. The sensitivity analysis of the price risk of equity instruments is based on changes in fair value as of the end of the financial reporting period. If the price of equity instruments had increased/decreased by 5%, profit before tax for 2025 would have increased/decreased by NTD2,690 thousand, and other comprehensive income for 2025 and 2024 would have increased/decreased by NTD6 thousand and NTD1,006 thousand, respectively.

(28) Capital management

Considering the industry dynamics and future developments of the Group, as well as external environmental factors, the Group maintains optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, R&D expenditures, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

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

1. For the right-of-use assets and investment property acquired by lease, please refer to Note 6(10) and (11).
2. Investing activities involving only partial cash payments:

		2025
Consideration for acquisition of business transfer	$	33,765
Add: Interest expenses		601
Less: Other Payables at the end of the period - business transfer		(10,286)
Other non-current liabilities at the end of the period - business transfer		(19,080)
Net cash outflow from acquisition of business transfer	**$**	**5,000**

		2025
Beginning payables - cash outflow from acquisition of subsidiaries	$	21,262
Cash inflow from acquisition of subsidiaries during the period		(1,829)
Net cash outflow from merger and acquisition of subsidiaries	**$**	**19,433**

		2024
Purchase price for acquisition of subsidiaries	$	133,005
Less: Payables at the end of the period		(21,262)
Cash and cash equivalents of subsidiaries as of the acquisition date		(88,482)
Net cash outflow from merger and acquisition of subsidiaries	**$**	**23,261**

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

	2025.01.01	Cash flow	Non-cash changes: Lease changes	Non-cash changes: Other changes	Non-cash changes: Acquisition through a business combination	2025.12.31
Short-term loans	$ 580,703	287,972	-	-	-	868,675
Short-term notes payable	-	25,500	-	352	-	25,852
Long-term loans (including those due within one year)	953,776	(182,352)	-	-	1,696	773,120
Lease liabilities	371,528	(122,319)	63,586	-	8,357	321,152
Guarantee deposit received	6,891	5,957	-	-	-	12,848
Liabilities from financing activities	$ 1,912,898	14,758	63,586	352	10,053	2,001,647

	2024.01.01	Cash flow	Non-cash changes: Lease changes	Non-cash changes: Other changes	Non-cash changes: Acquisition through a business combination	2024.12.31
Short-term loans	$ 384,472	134,231	-	-	62,000	580,703
Long-term loans (including those due within one year)	851,758	99,459	-	-	2,559	953,776
Lease liabilities	335,602	(96,828)	118,560	-	14,194	371,528
Guarantee deposit received	6,808	83	-	-	-	6,891
Liabilities from financing activities	$ 1,578,640	136,945	118,560	-	78,753	1,912,898

(7) Related party transaction

(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) Name and relationships of related parties

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

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Ultimate controlling company of the Group
BenQ Corporation (BenQ)	The parent company of the Group
Other related parties:	
BenQ Technology (Shanghai) Co., Ltd.	Subsidiary of BenQ

Name of related party	Relationship with the Group
Darly2 Venture, Inc.	Subsidiary of BenQ
BenQ Materials Corporation (BMC)	Subsidiary of Qisda
BenQ Materials Corporation	Subsidiary of BMC
Sigma Medical Supplies Corp.	Subsidiary of BMC
Web-Pro Materials Corporation (formerly known as WEB-PRO Corp.)	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
BenQ Dialysis Technology Corporation	Subsidiary of Qisda
Ace Pillar Co., Ltd.	Subsidiary of Qisda
Standard Technology Corporation	Subsidiary of Qisda
Transpak Equipment Corp.	Subsidiary of Qisda
Golden Spirit Co., Ltd. (GSC)	Subsidiary of Qisda
Naisen Kelin Industry Co., Ltd.	Subsidiary of GSC
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 (MTG)	Subsidiary of Qisda
Epic Cloud Co., Ltd.	Subsidiary of MTG
Global Intelligence Network Co., Ltd.	Subsidiary of MTG
DSIGroup	Subsidiary of MTG
AdvancedTEK International Corp.	Subsidiary of MTG
DKABio Co., Ltd.	Subsidiary of MTG
Metaguru Corporation	Subsidiary of MTG
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
Chan Guare Industry Co., Ltd.	Subsidiary of Qisda
NORBEL BABY CO., LTD.	Subsidiary of Qisda
Q.S.Control Corporation	Affiliates of Qisda
Marketop Smart Solutions Co., Ltd.	Affiliates of Qisda

Name of related party	Relationship with the Group
Darad Innovation Corporation	Associate indirectly held by Qisda
BenQ Foundation	Substantive related party of Qisda
Darwin Precisions Corporation	Subsidiary of AUO (Note)
AUO Education Service Corporation	Subsidiary of AUO (Note)

(Note): AU Optronics is a corporate director of Qisda.

(3) Related party transaction

1. Operating revenue

The sales to related parties were as follows:

	2025	2024
Ultimate controlling company	$ 285	3,538
Parent company	9	-
Other related party	18,754	10,316
	$ 19,048	**13,854**

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. Purchase

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

	2025	2024
Ultimate controlling company	$ 69,704	61,834
Other related party	77,778	53,824
	$ 147,482	**115,658**

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

3. Leases

1) The Group leases in factory plant and offices from Qisda and other related parties, and the rental was set by referring to the rental market of the area. In 2025 and 2024, the Group leased office space from Qisda and recognized right-of-use assets and lease liabilities of NTD549 thousand and NTD24,513 thousand, respectively. Interest expenses related to lease liabilities of NTD 305 thousand and NTD 225 thousand were recognized in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the balances of lease liabilities were NTD 9,399 thousand and NTD 20,170 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. For the years ended

December 31, 2025 and 2024, the rental expense amounted to NTD541 thousand and NTD638 thousand, respectively. As of December 31, 2025 and 2024, the related payables are classified under other payables.

4. Transaction of property

The Group purchased intangible assets and fixed assets from other related parties in 2025 for NTD 286 thousand and NTD 2,582 thousand, respectively. As of December 31, 2025, the related payables were recorded under other payables.

The Group purchased intangible assets and fixed assets from other related parties in 2024 for NTD 639 thousand and NTD 1,683 thousand, respectively. As of December 31, 2024, the related payables were recorded 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 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) In 2025, the Group donated NTD1,000,000 to the BenQ Foundation, which is recorded as administrative expenses, and the related payables have been settled.

6. Operating costs and expenses

Details of operating costs and operating expenses incurred by the Group due to services provided, miscellaneous purchases, various expenses, and sundry expenditures from the ultimate controller, the parent company, and other related parties are as follows:

Item	Related-party categories	2025	2024
Operating costs	Ultimate controlling company	$ 2,829	2,790
	Other related party	191	45
		3,020	2,835
Operating expenses	Ultimate controlling company	11,716	13,897
	Parent company	735	685
	Other related party	4,018	3,729
		16,469	18,311
		$ 19,489	**21,146**

7. Amount recovered

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

Item	Related-party categories	2025.12.31	2024.12.31
Accounts receivable - related parties	Ultimate controlling company	$ 154	20
Accounts receivable - related parties	Other related party	16,373	6,065
		$ 16,527	6,085

8. Payables to related parties

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

Item	Related-party categories	2025.12.31	2024.12.31
Accounts payable - related parties	Ultimate controlling company	$ 9,948	10,950
Accounts payable - related parties	Other related party	25,553	22,410
		35,501	33,360
Other payables - related parties	Ultimate controlling company	4,054	4,397
Other payables - related parties	Parent company	44	86
Other payables - related parties	Other related party	423	433
		4,521	4,916
Lease liabilities - current	Ultimate controlling company	7,543	11,573
Lease liabilities - non-current	Ultimate controlling company	1,856	8,597
		9,399	20,170
		$ 49,421	58,446

(4) Transaction with key management personnel

Compensation for key management personnel:

	2025	2024
Short-term employee benefits	$ 18,132	14,463
Post-employment benefits	252	208
	$ 18,384	14,671

（8） Pledged Assets

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

Pledged Assets	Pledged to secure	2025.12.31	2024.12.31
Financial assets at amortized cost - current	Performance bond	$ 47,282	46,293
Non-current assets held for sale	Credit lines of bank loans	422,541	-
Land and buildings	Credit lines of bank loans	75,968	431,005
Investment Property	Credit lines of bank loans	163,822	240,045
Financial assets at amortized cost - non-current	Short-term notes payable	30,566	-
		$ 740,179	717,343

（9） Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant unrecognized contractual commitments:

	2025.12.31	2024.12.31
Letter of credit issued and yet to be used	$ 40,000	40,000

（10） Significant Loss from Disaster: None.

（11） Significant Subsequent Events

On December 29, 2025, the Company approved a resolution at the Board of Directors meeting to participate in the cash capital increase of Dunpin Innovation No. 5 Xinglin Co., Ltd. The Company paid share capital of NTD200,000 thousand on January 012, 2026, and the registration of the cash capital increase will be processed according to the schedule planned by Dunpin Innovation No. 5 Xinglin Co., Ltd.

（12） Others

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

By function / Nature	2025 Part of operating costs	2025 Part of operating expenses	2025 Total	2024 Part of operating costs	2024 Part of operating expenses	2024 Total
Employee benefit expenses						
Salaries and wages	100,089	603,753	703,842	103,425	480,346	583,771
Labor health insurance	10,676	52,607	63,283	10,522	44,271	54,793
Pension costs	4,431	24,455	28,886	4,656	18,879	23,535
Employee benefit expenses	6,773	29,077	35,850	7,515	25,361	32,876
Depreciation expense	109,615	133,476	243,091	116,788	115,243	232,031
Amortization cost	1,580	24,458	26,038	2,300	20,883	23,183

（13） Additional Disclosures

(1) Information on significant transactions

In 2025, the Group, in accordance with the Regulations Governing the Preparation of

Financial Reports by Securities Issuers, should disclose the following information related to significant transactions:

1. Financing provided to others:

Unit: NTD thousand

No.	Lender	Borrower	Current account	Related party or not	Current maximum balance	Ending balance	Actual amount drawn	Range of interest rates	Nature of loan (Note 2)	Transaction amount	Cause for Short-term Financing	Provision for losses	Collateral		Limits on lending to individual borrowers	Limits on total loans
													Name	Value		
1	K2 International Medical Inc.	K2 Medical (Thailand) Co. Ltd	Other receivables - related parties	Yes	3,321	-	-	3%	2	-	Working capital turnover	-	-	-	132,408	264,817

(Note 1) The total limit of loans and the ratio of the limit to individual borrowers are as follows:

1) K2 International's limit on total loans to others and limit on loans to individual borrowers are 40% and 20%, respectively of the company's net worth as stated in its latest financial statements.

(Note 2) "1" is for loan for business transaction and "2" is for necessary short-term financing.

(Note 3) The above transactions were written off when the consolidated financial statements were prepared.

2. Endorsements for others: None.
3. Major marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Unit: NTD thousand/thousand shares

Holder	Type and name of securities	Relationship with the issuer	Item	Ending				Highest during the period		Remarks
				No. of shares	Carrying amount	Shareholding ratio	Fair value	No. of shares	Shareholding ratio	
Concord Medical Co., Ltd.	Stocks of Feng Huang VIII Innovation Venture Co., Ltd.	-	Financial assets measured at fair value through profit or loss - non-current	2,000	27,620	9.76 %	27,620	2,000	9.76 %	
Concord Medical Co., Ltd.	Feng Huang VII Innovation Venture Co., Ltd.	-	Financial assets measured at fair value through profit or loss - non-current	2,500	26,176	1.11 %	26,176	2,500	1.11 %	
Concord Medical Co., Ltd.	Nan Shan Life Insurance Co., Ltd. Corporate Bonds	-	Financial assets at amortized cost - non-current	-	61,137	-	61,137	-	-	

4. Total purchases from or sales to related parties amounting to at least NTD100 million or 20% of the paid-in capital:

Unit: NTD thousand

Purchasing (selling) company	Counterparty	Relationship	Trading details				Trading terms different from general transactions and why		Notes and accounts receivable (payable)		Remarks
			Purchase (sale) goods	Amount	% to Total	Payment terms	Unit price	Payment terms	Balance	As a percentage of notes receivable/ payable and accounts receivable/ payable	
K2	K2 (Shanghai)	Parent and subsidiary	(Sales)	(236,089)	22.84%	OA90	-	-	15,914	10.36%	
K2 (Shanghai)	K2	Parent and subsidiary	Purchase	236,089	100.00%	OA90	-	-	(15,914)	100.00%	

(Note 1) The above transactions were written off when the consolidated financial statements were prepared.

5. Receivables from related parties amounting to NTD100 million or more than 20% of the paid-in capital: None.
6. Business relationships and significant inter-company transactions:

No. (Note 1)	Trader	Counterparty	Relationship with the Trader (Note 2)	Intercompany Transactions (Note 3)			
				Item	Amount	Trade terms	Percentage of Consolidated Net Revenue or Total Assets (Note 4)
1	K2	K2 (Shanghai)	1	Sales revenue	236,089	OA90	4%

Note 1. The number is filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1 by the Company.

Note 2. The types of relationship with counterparty are noted as follows:

1. From the parent company to a subsidiary.
2. From a subsidiary to the parent company.
3. From a subsidiary to another subsidiary.

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

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

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

(2) Information on Investees:

For the year ended December 31, 2025, the information on the Group's investees is as follows (excluding investments in Mainland China):

Unit: NTD thousand/thousand shares

Investor	Investee	Location	Main business activities	Original investment amount		Held at the end of the year			Highest shareholding percentage during the period		Profit or loss of the investee	Share of the profit or loss of the investee recognized for the year	Remarks
				Ending	End of last year	No. of shares	Ratio	Carrying amount	No. of shares	Shareholding ratio			
The Company	AsiaConnect International Co., Ltd.	Taiwan	Wholesaling and retailing of medical equipment and information software	21,984	21,984	1,995	99.75%	24,398	1,995	99.75%	887	884	(Note)
The Company	Highview Investments Limited	Samoan	Investment and holding company	-	69,037	-	-	-	2,062	100.00%	3,202	3,202	(Note)
The Company	Lily Medical Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	185,000	185,000	10,000	100.00%	262,489	10,000	100.00%	24,712	25,095	(Note)
The Company	BenQ AB DentCare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	88,000	88,000	8,800	88.00%	53,399	8,800	88.00%	(5,760)	(5,069)	(Note)
The Company	BenQ Healthcare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	100,000	100,000	10,000	100.00%	217,703	10,000	100.00%	52,543	52,543	(Note)
The Company	Eastech Co., Ltd	Taiwan	Wholesaling and retailing of medical consumables and equipment	20,300	20,300	700	70.00%	38,892	700	70.00%	14,551	10,164	(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%	305,038	13,333	40.00%	67,364	26,583	(Note)
The Company	K2 International Medical Inc.	Taiwan	Sale of medical consumables and equipment	390,000	390,000	7,800	39.00%	295,454	7,800	39.00%	83,389	32,528	(Note)
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%	123,854	12,000	100.00%	1,667	-	(Note)
CCD	Concord BioMedical Co., Ltd.	Taiwan	Wholesale and retail of animal pharmaceuticals and medical devices	3,000	-	300	54.05%	3,166	300	54.05%	485	-	(Note)
CCD	Concord BioTech Co., Ltd.	Taiwan	Consulting services for medical laboratories, centralized procurement services, and equipment placement	31,000	-	3,100	50.82%	31,254	3,100	50.82%	931	-	(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%	74,250	1,092	52.00%	27,695	-	(Note)
BHS	CKCARE Co., Ltd.	Taiwan	Wholesale and retail of medical devices, patented drugs, and health products	105,300	105,300	4,362	60.00%	111,570	4,362	60.00%	21,067	-	(Note)
K2	K2 Medical (Thailand) Co., Ltd	Thai	Sale of medical consumables and equipment	61,395	15,919	-	79.66%	120,042	-	79.66%	36,491	-	(Note)
K2	PT.Frismed Hoslab Indonesia	Indonesia	Blood banking equipment and supplies	257,728	257,728	12	67.00%	296,722	12	67.00%	31,402	-	(Note)
K2	Era Biotech Enterprise Co., Ltd.	Taiwan	Sale of minimally invasive medical consumables and equipment	133,005	133,005	2,700	60.00%	144,467	2,700	60.00%	23,150	-	(Note)
K2 Thailand	K2 BioMedical Co., Ltd.	Thai	Sale of medical consumables and equipment	4,506	-	-	99.00%	5,612	-	99.00%	653	-	(Note)
ACI	K2 International Medical Inc.	Taiwan	Sale of medical consumables and equipment	10,000	10,000	200	1.00%	7,576	200	1.00%	83,389	-	(Note)

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

(3) Information on Investment in Mainland China:

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

Unit: NTD thousand/foreign currency in thousand

Investee in mainland China	Main business activities	Paid-in capital	Form of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or recovered for the year		Accumulated investment amount remitted from Taiwan at the end of the year	Profit or loss of the investee	Ownership percentage through direct or indirect investment	Highest shareholding percentage during the period		Investment income (loss)	Carrying value as of December 31, 2025	Investment income repatriated for the year
					Outward remittance	Repatriation				No. of shares	Shareholding ratio			
BenQ Medical Technology (Shanghai) Ltd.	Agency of international and entrepot trade business	62,860 (USD 2,000)	(1)	62,860 (USD 2,000)	-	-	62,860 (USD 2,000)	(9,200)	100.00%	(Note 4)	100.00%	(9,200)	30,373 (Note 5)	-
BenQ Smart Healthcare (Shanghai) Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	6,600 (USD 210)	(Note 6)	6,600 (USD 210)	-	6,600 (USD 210)	-	404	100.00%	(Note 4)	100.00%	404	732 (Note 5)	-
K2 (Shanghai) International Medical Inc.	Sale of medical consumables and equipment	39,288 (USD 1,250)	(1)	60,754 (USD 1,933)	-	-	60,754 (USD 1,933)	17,213	40.00%	(Note 4)	40.00%	6,885	59,923 (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 above amounts are translated as per the following exchange rates: USD : NTD = 1: 31.430.

(Note 3) Recognized based on the financial statements of the investee company audited by the parent company's CPA.

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

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

(Note 6) Invested by BenQ Medical Technology (Shanghai) Ltd. in BenQ Smart Healthcare (Shanghai) Co., Ltd.

2. Limits on investments in Mainland China:

Unit: NTD thousand/foreign currency in thousand

Name of the Company	Accumulated investment amount remitted from Taiwan to mainland China at the end of the year	Investment amount approved by the Investment Commission, MOEA	Limits on investments in mainland China set by the Investment Commission, MOEA
The Company	62,860 (USD 2,000)	62,860 (USD 2,000)	676,005
K2	60,754 (USD 1,933)	60,754 (USD 1,933)	397,225

3. Significant transactions with investee companies in Mainland China:

From January 01 to December 31, 2025, the direct or indirect significant transactions between the Group and investee companies in China have been eliminated when preparing the Consolidated Financial Statements. Please see (1) "Information on significant 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 department information and reconciliation are as follows:

	2025			
	R&D and Manufacturing Division	**Medical Services Division**	**Adjustments and write-offs**	**Total**
Revenue from external customers	$ 866,614	4,387,375	-	5,253,989
Intra-group revenue	74,803	63	(74,866)	-
Total revenue	**$ 941,417**	**4,387,438**	**(74,866)**	**5,253,989**
Segment profit (loss)	**$ (9,728)**	**351,259**	**888**	**342,419**

	2024			
	R&D and Manufacturing Division	**Medical Services Division**	**Adjustments and write-offs**	**Total**
Revenue from external customers	$ 981,868	3,785,484	-	4,767,352
Intra-group revenue	56,739	52	(56,791)	-
Total revenue	**$ 1,038,607**	**3,785,536**	**(56,791)**	**4,767,352**
Segment profit (loss)	**$ 19,501**	**312,584**	**935**	**333,020**

(2) Information about Products and Services

The revenue generated from external customers is as follows:

Products and services		**2025**	**2024**
Medical equipment	$	537,520	637,382
Medical consumables		3,121,599	2,760,613
Medical services		1,594,870	1,369,357
	$	**5,253,989**	**4,767,352**

(3) Information by regions

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

Region		**2025**	**2024**
Revenue from external customers:			
Taiwan	$	3,895,156	3,354,924
Mainland China		514,098	583,455
Indonesia		306,266	305,178
Thailand		363,522	334,818
India		76,396	96,074
Colombia		12,342	9,893
Others		86,209	83,010
	$	**5,253,989**	**4,767,352**
Non-current assets:			
Taiwan	$	1,417,132	1,945,884
Mainland China		18,694	24,875
Thailand		69,095	59,887
Indonesia		23,934	20,865
	$	**1,528,855**	**2,051,511**

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

(4) Information About Major Customers:

The Group does not have customers that account for more than 10% of the revenue in the statement of comprehensive income.