

**CHC HEALTHCARE GROUP AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of CHC Healthcare Group as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, CHC Healthcare Group and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

CHC HEALTHCARE GROUP

By

Tien-Ying, Lee
Chairman

March 10, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHC Healthcare Group

Opinion

We have audited the accompanying consolidated balance sheets of CHC Healthcare Group and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion

thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Impairment assessment of goodwill

Description

As of December 31, 2025, the Group generated goodwill of NT\$150,617 thousand and NT\$202,834 thousand as a result of the merger with Shih-Lu Co., Ltd. and with Treasure of Health Co., Ltd., respectively.

After identifying the smallest cash generating unit which can generate independent cash flows, the Group used the recoverable amount of each cash generating unit to assess whether goodwill may be impaired. Since the assumptions used by management to assess whether goodwill is impaired involve subjective judgment and have high uncertainty, we considered the impairment assessment of goodwill as a key audit matter.

Refer to Note 4(20) for the accounting policy on goodwill impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to goodwill impairment and Note 6(13) for related details.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding on how management identifies the objective evidence of goodwill impairment, taking into account certain factors in a consistent manner and ascertained whether the management uses reliable information.
- B. Obtained the report on the valuation of the subsidiary issued by an expert appointed by the management and performed the following:
 - (1) Assessed the expert's independence, objectiveness and competence by reviewing the expert's qualification.
 - (2) Assessed whether the valuation model is reasonable based on our knowledge of the Group's businesses and industry.

- (3) Confirmed whether the expert uses the same future cash flows relative to the budget for the future years provided by the management.
- (4) Checked whether the comparable assets adopted in appraisal report are consistent with the actual operations.
- (5) Assessed whether the significant assumptions applied by the expert are relevant and reasonable and tested the mathematical accuracy.

Assessment of Reasonableness of Purchase Price Allocation for Business Combination

Description

On November 1, 2024, Treasure of Health Co., Ltd. (Treasure of Health), a subsidiary of the Group, acquired 51% of the share capital of Happy Health Co., Ltd. (Happy Health) for a cash consideration of NT\$71,400 thousand. This investment is accounted for using the equity method by the Company. As the acquisition resulted in significant intangible assets, and the allocation of the purchase price to the fair value of identifiable assets and liabilities and goodwill was performed in accordance with IFRS 3, “Business Combinations,” the acquisition involves management’s assessment, which requires accounting estimates and assumptions. Since the net fair value of the investee’s identifiable assets and liabilities, as well as goodwill, were finalized in the third quarter of 2025, we have identified the purchase price allocation for the aforementioned equity interest as one of our key audit matters.

Refer to Note 4(32) for the accounting policy on business combinations, and Note 6(32) for related details.

How our audit addressed the matter

In addition to understanding management's basis and procedures for the purchase price allocation, we also reviewed the fair value assessment methods for identifiable assets and liabilities assumed, as presented in the purchase price allocation report prepared by experts commissioned by Treasure of Health, and the reasonableness of the key assumptions used in the future cash flow forecasts for identifiable intangible assets and the fair value calculation methods to determine goodwill. Our procedures included:

- A. Verifying the parameters and calculation formulas used in the valuation model.

- B. Comparing the projected growth rates and operating net margins used with historical results, economic forecasts, and industry outlook reports.
- C. Comparing the discount rates used with the cost of capital assumptions for cash-generating units and the rates of return for similar assets.

Impairment assessment of property, plant and equipment

Description

Some of the Group's leasing businesses were not as profitable as expected due to fierce competition in the healthcare industry. The Group assesses the impairment based on the estimated recoverable amounts of leasing assets (shown as property, plant and equipment) where there is an indication that they are impaired. Given that the calculation of recoverable amounts requires significant accounting estimates relying on subjective judgment and uncertainty, we considered the impairment assessment of leasehold assets as a key audit matter.

Refer to Note 4(20) for the accounting policy on asset impairment and Note 5(2) for accounting estimates and assumption uncertainty of asset impairment.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding on how management identifies the objective evidence of impairment, taking into account certain factors in a consistent manner and ascertained whether the management uses reliable information.
- B. Acquired the asset appraisal report issued by an expert appointed by the management and performed the following:
 - (1) Assessed the independence, objectiveness and competence by reviewing the expert's qualification.
 - (2) Assessed whether the valuation method is widely adopted and appropriate based on our knowledge of the Group's businesses and industry.
 - (3) Confirmed whether the replacement cost, comparative objects and the assets' use indicated on the appraisal report are consistent with the actual operations.
 - (4) Assessed whether the significant assumptions applied by the expert are relevant and reasonable and tested the mathematical accuracy.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of CHC Healthcare Group as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. 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 controls.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,786,493	11	\$ 1,641,783	12
1110	Financial assets at fair value through profit or loss - current	6(2)	15,996	-	49,669	-
1136	Current financial assets at amortised cost	6(4)	51,768	-	33,712	-
1140	Contract assets - current	6(23)	68,430	1	70,325	1
1150	Notes receivable, net	6(5)	18,388	-	22,478	-
1170	Accounts receivable, net	6(5)	787,002	5	952,823	7
1180	Accounts receivable due from related parties, net	7	247,460	2	224,881	2
1200	Other receivables	7	7,219	-	39,660	-
1220	Current tax assets		13,760	-	13,804	-
130X	Inventories	6(6)(9)	1,079,925	7	883,781	6
1410	Prepayments	6(7)(9)	854,661	6	709,037	5
1470	Other current assets	6(23)	53,538	-	125,761	1
11XX	Total current assets		4,984,640	32	4,767,714	34
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	103,603	1	69,041	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	118,422	1	87,824	1
1535	Non-current financial assets at amortised cost	6(4) and 8	240,797	1	201,416	1
1560	Contract assets - non-current	6(23)	62,724	-	51,210	-
1550	Investments accounted for using equity method	6(8)	5,636	-	10,912	-
1600	Property, plant and equipment	6(9) and 8	6,023,133	39	5,718,856	40
1755	Right-of-use assets	6(10)	285,071	2	271,572	2
1760	Investment property, net	6(12) and 8	1,456,865	9	1,459,475	10
1780	Intangible assets	6(13)(32)	696,068	4	723,046	5
1840	Deferred tax assets	6(29)	139,999	1	134,096	1
1930	Long-term notes and accounts receivable	6(5)	399,034	3	297,153	2
1940	Long-term notes and accounts receivable due from related parties	7	27,888	-	7,665	-
1990	Other non-current assets	6(9)(12)(13)(14)(23) and 8	1,082,196	7	414,477	3
15XX	Total non-current assets		10,641,436	68	9,446,743	66
1XXX	Total assets		\$ 15,626,076	100	\$ 14,214,457	100

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CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and equity	Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(15) and 8	\$ 1,089,893	7	\$ 856,515	6
2130	Contract liabilities - current	6(23)	137,054	1	252,250	2
2150	Notes payable		6,905	-	30,969	-
2170	Accounts payable	7	518,535	3	475,566	4
2200	Other payables	6(9)(12)	156,741	1	118,940	1
2230	Current tax liabilities		55,606	1	22,793	-
2250	Provisions for liabilities - current		13,543	-	12,407	-
2280	Lease liabilities - current	7	44,891	-	40,590	-
2320	Long-term liabilities, current portion	6(16)(17) and 8	637,114	4	1,673,348	12
2399	Other current liabilities		9,811	-	10,201	-
21XX	Total current liabilities		<u>2,670,093</u>	<u>17</u>	<u>3,493,579</u>	<u>25</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	6(2)	11,340	-	-	-
2527	Contract liabilities - non-current	6(23)	1,030,891	6	672,241	4
2530	Bonds payable	6(16)(20)	803,510	5	-	-
2540	Long-term borrowings	6(9)(17) and 8	2,542,103	16	2,864,801	20
2550	Provisions for liabilities - non-current	6(9)	17,800	-	18,200	-
2570	Deferred tax liabilities	6(29)	93,661	1	107,847	1
2580	Lease liabilities - non-current	7	292,830	2	275,482	2
2600	Other non-current liabilities	6(17)(32)	114,103	1	109,823	1
25XX	Total non-current liabilities		<u>4,906,238</u>	<u>48</u>	<u>4,048,394</u>	<u>28</u>
2XXX	Total liabilities		<u>7,576,331</u>	<u>53</u>	<u>7,541,973</u>	<u>53</u>
	Equity attributable to owners of the parent					
	Share capital	6(16)(19)(20)				
3110	Common stock		1,953,110	12	1,668,651	12
	Capital surplus	6(16)(19)(21)				
3200	Capital surplus		4,858,430	31	3,732,745	26
	Retained earnings	6(22)				
3310	Legal reserve		486,240	3	469,411	3
3320	Special reserve		395,141	3	385,664	3
3350	Unappropriated retained earnings		349,945	2	441,941	3
	Other equity	6(3)(32)				
3400	Other equity		(413,342)	(2)	(395,141)	(3)
31XX	Total equity attributable to owners of the parent		<u>7,629,524</u>	<u>49</u>	<u>6,303,271</u>	<u>44</u>
36XX	Non-controlling interest	4(3) and 6(31)(32)	<u>420,221</u>	<u>3</u>	<u>369,213</u>	<u>3</u>
3XXX	Total equity		<u>8,049,745</u>	<u>52</u>	<u>6,672,484</u>	<u>47</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 15,626,076</u>	<u>100</u>	<u>\$ 14,214,457</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(5)(11)(12)(23) and 7	\$ 4,398,280	100	\$ 3,600,574	100
5000	Operating costs	6(6)(9)(10)(12)(18)(23)(28) and 7	(3,249,494)	(74)	(2,841,449)	(79)
5950	Gross profit		<u>1,148,786</u>	<u>26</u>	<u>759,125</u>	<u>21</u>
	Operating expenses	6(9)(10)(12)(13)(18)(28) and 7				
6100	Selling expenses		(482,775)	(11)	(269,170)	(7)
6200	General and administrative expenses		(255,171)	(6)	(253,287)	(7)
6450	(Expected credit impairment loss) impairment gain	12(2)	(13,036)	-	2,042	-
6000	Total operating expenses		(750,982)	(17)	(520,415)	(14)
6900	Operating profit		<u>397,804</u>	<u>9</u>	<u>238,710</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(4)(10)(24) and 7	20,731	1	26,102	1
7010	Other income	6(11)(12)(17)(25)(32) and 7	20,220	-	53,286	1
7020	Other gains and losses	6(2)(10)(26)	(5,051)	-	2,260	-
7050	Finance costs	6(27)	(115,782)	(3)	(98,352)	(3)
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(8)	(5,276)	-	1,001	-
7000	Total non-operating income and expenses		(85,158)	(2)	(15,703)	(1)
7900	Profit before income tax		<u>312,646</u>	<u>7</u>	<u>223,007</u>	<u>6</u>
7950	Income tax expense	6(29)	(86,800)	(2)	(40,430)	(1)
8200	Profit for the year		<u>\$ 225,846</u>	<u>5</u>	<u>\$ 182,577</u>	<u>5</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 15,927)	-	\$ 2,565	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(2,260)	-	15,515	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	(7)	-	5	-
8300	Other comprehensive (loss) income for the year		(\$ 18,194)	-	\$ 18,085	1
8500	Total comprehensive income for the year		<u>\$ 207,652</u>	<u>5</u>	<u>\$ 200,662</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 186,277</u>	<u>4</u>	<u>\$ 168,384</u>	<u>5</u>
8620	Non-controlling interest		<u>\$ 39,569</u>	<u>1</u>	<u>\$ 14,193</u>	<u>-</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 168,076</u>	<u>4</u>	<u>\$ 185,552</u>	<u>6</u>
8720	Non-controlling interest		<u>\$ 39,576</u>	<u>1</u>	<u>\$ 15,110</u>	<u>-</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(30)	<u>\$ 1.00</u>	<u>1.00</u>	<u>\$ 1.01</u>	<u>1.01</u>
9850	Diluted earnings per share	6(30)	<u>\$ 1.00</u>	<u>1.00</u>	<u>\$ 0.98</u>	<u>0.98</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent														
		Capital Reserves			Retained Earnings			Other Equity Interest						

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 312,646	\$ 223,007
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (impairment gain)		13,036	(2,042)
Depreciation charge	6(9)(10)(12)(28)	626,039	608,819
Amortisation charge	6(13)(28)	33,148	25,148
Loss on disposal of property, plant and equipment	6(26)	6,776	1,447
Property, plant and equipment transferred to expenses	6(9)	-	133
(Gain) loss from lease modification	6(26)	(238)	7,333
Interest expense		131,399	118,458
Interest income	6(24)	(20,731)	(26,102)
Dividend income	6(25)	(694)	(758)
Government grant income		(1,559)	(1,294)
Bargain purchase gain	6(25)(32)	-	(362)
Share of loss (profit) of associates and joint ventures accounted for using equity method	6(8)	5,276	(1,001)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(26)	4,449	(4,030)
Gain on disposal of subsidiaries	6(26)	-	(3,534)
Amortisation of discount on bonds payable	6(27)	15,007	9,235
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(1,572)	22,465
Contract assets		(9,619)	(10,426)
Notes receivable		5,224	25,618
Accounts receivable		63,959	(320,082)
Accounts receivable due from related parties		(42,802)	35,751
Other receivables		32,439	(38,562)
Inventories		(172,656)	(255,603)
Prepayments		(190,642)	(108,579)
Other current assets		86,294	124,846
Changes in operating liabilities			
Contract liabilities		225,699	148,094
Notes payable		(24,064)	(5,510)
Accounts payable		31,989	62,671
Other payables		31,405	(29,880)
Provisions for liabilities		(864)	(2,020)
Other current liabilities		(390)	5,292
Cash inflow generated from operations		1,158,954	358,840
Dividends received during the year		694	1,058
Interest paid during the year		(105,886)	(96,071)
Interest received during the year		20,731	26,102
Income tax paid		(72,036)	(190,562)
Net cash flows from operating activities		1,002,457	99,367

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CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value			
through other comprehensive income		(\$ 46,525)	(\$ 48,300)
Acquisition of financial assets at amortised cost		(57,437)	-
Proceeds from disposal of financial assets at amortised cost		-	30,706
Acquisition of property, plant and equipment	6(9)	(868,130)	(431,086)
Proceeds from disposal of property, plant and equipment		14,273	11,049
Acquisition of investment properties	6(12)	(23,998)	(44,705)
Increase in refundable deposits		(135,579)	(114,289)
Decrease in refundable deposits		87,920	83,738
Increase in other non-current assets		(606,200)	(67,716)
Net cash flows from acquisition of subsidiaries	6(32)	-	(39,251)
Net cash flows from the disposal of a subsidiary	6(33)	-	74,999
Acquisition of intangible assets	6(13)	(5,200)	-
Net cash flows used in investing activities		(1,640,876)	(544,855)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(34)	5,399,851	2,849,655
Decrease in short-term loans	6(34)	(5,167,080)	(2,352,215)
Payments of lease liabilities	6(34)	(58,350)	(41,028)
Proceeds from long-term debt	6(34)	1,122,800	197,615
Repayments of long-term debt	6(34)	(1,182,020)	(211,704)
Increase in guarantee deposits received	6(34)	12,448	16,898
Decrease in guarantee deposits received	6(34)	(6,654)	(5,757)
Proceeds from issuance of bonds	6(34)	904,500	-
Issuance cost of bonds payable	6(34)	(5,295)	-
Repayments of bonds	6(16)(34)	(7,484)	-
Exercise of employee stock options		555	776
Payment of cash dividends	6(22)	(251,967)	(334,502)
Change in non-controlling interest	6(31)	39,182	83,053
Dividends paid to non-controlling interests		(16,360)	(14,553)
Net cash flows provided by financing activities		784,126	188,238
Effect of changes in foreign currency exchange rates on cash and cash equivalents		(997)	7,652
Increase (decrease) in cash and cash equivalents		144,710	(249,598)
Cash and cash equivalents at beginning of year		1,641,783	1,891,381
Cash and cash equivalents at end of year		\$ 1,786,493	\$ 1,641,783

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

CHC Healthcare Group (CHC or the “Company”) was incorporated in the Republic of China. The shares of the Company were listed on the Taiwan Stock Exchange on October 24, 2012. The Company and its subsidiaries (the “Group”) are primarily engaged in the trading of pharmaceutical products and health food, and the sale, leasing, installation, and repair of medical instruments.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 10, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless

otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as

owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
CHC	Chiu Ho Medical System Co., Ltd. (Chiu Ho Medical)	Medical instrument sale, leasing and services	100	100	
CHC	Tomorrow Medical System Co., Ltd. (Tomorrow)	Medical instrument sale, leasing and services	100	100	
CHC	Chiu Ho Scientific Co., Ltd. (Chiu Ho Scientific)	Ophthalmic equipment sale, leasing and services	100	100	
CHC	Chiu Ho Biotech Co., Ltd. (Chiu Ho Biotech)	Medical instrument leasing	100	100	
CHC	Shin-Ho Biotech Co., Ltd. (Shin-Ho)	Irradiation business	100	100	
CHC	Tong-Lin Instruments Co., Ltd. (Tong-Lin)	Medical instrument leasing	100	100	
CHC	Hua Lin Instruments Co., Ltd. (Hua Lin)	Medical instrument leasing	100	100	
CHC	E Century Healthcare Corporation (E Century)	Medical instrument sale and leasing	100	100	

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
CHC	CHC Healthcare (BVI) Limited (CHC (BVI))	Holdings and indirect investments	100	100	
CHC	Treasure of Health Co., Ltd. (Treasure of Health)	Drug and health supplements sale	50	51	
CHC	CHC Healthcare (UK) Limited (CHC (UK))	Medical instrument sale	100	100	
Chiu Ho Medical	Hsing-Yeh Biotechnology Co., Ltd. (Hsing-Yeh)	Medical instrument sale and leasing; drug sale	100	100	
Chiu Ho Medical	SenCare Healthcare Company (SenCare)	Consulting service and elderly residence	66	66	
Chiu Ho Medical	PT CHC Medika Indonesia (PT CHC)	Medical instrument leasing	100	100	
SenCare	CHC Long-Term Care Corporation (CHC LTC)	Long-term care services	97	97	
SenCare	Cin-An Co., Ltd. (Cin-An)	Elderly residence	-	-	Note 3
SenCare	Xing-An Long-term Care Corporation (Xing-An LTC)	Long-term care service	-	-	Notes 3
SenCare	Let We Care Seniors Service Co., Ltd. (Let We Care Seniors Service)	Senior services	74.88	74.88	Note 2
Treasure of Health	Exotic Pet Care Experts Co., Ltd. (Exotic Pet Care)	Veterinary medical instrument leasing and drug sale	51	51	
Treasure of Health	K&M International Trading Co., Ltd. (K&M)	Daily necessities and beauty products sale	90	90	Note 1
Treasure of Health	Happy Healthcare Company (Happy Healthcare)	Drug and health supplements sale	51	51	Note 4
CHC (BVI)	CHC Healthcare (HK) Limited (CHC (HK))	Medical instrument sale, leasing and services	100	100	

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
CHC (BVI)	CHC (Guangzhou) Medical Technology Co., Ltd. (CHC Guangzhou)	Medical instrument sale, leasing and services	100	100	
CHC (BVI)	Chiu Ho (CHINA) Medical Technology Co., Ltd. (Chiu Ho (CHINA))	Medical instrument sale, leasing and services	100	100	
CHC (Guangzhou)	Neusoft CHC Medical Service Co., Ltd. (Neusoft CHC)	Medical instrument leasing	51	51	

Note 1: The Company's subsidiary, Treasure of Health, acquired K&M International Trading on January 31, 2024 and was included in the consolidated financial statements thereafter.

Note 2: The Company's indirect subsidiary, SenCare, acquired Let We Care Seniors Service on April 23, 2024 and was included in the consolidated financial statements thereafter.

Note 3: The Company's indirect subsidiary, SenCare, sold 57.72% of its entire shares in the subsidiary, Cin-An, and 50.7% of its entire shares in the subsidiary, Xing-An LTC, on August 15, 2024 and therefore lost control over these subsidiaries. As a result, the Group recognised gain on disposal of investments amounting to \$3,534, which was recorded under "other gains and losses" in the statement of comprehensive income. The cash flow information relating to these subsidiaries is provided in Note 6(33) B. Supplemental cash flow information.

Note 4: The Company's subsidiary, Treasure of Health, acquired Happy Healthcare Company on November 1, 2024 and was included in the consolidated financial statements thereafter.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$420,221 and \$369,213, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2025		December 31, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	
Treasure of Health	Taiwan	\$ 254,321	50%	\$ 204,065	49%	-

Summarised financial information of the subsidiaries:

Balance sheet

	Treasure of Health	
	December 31, 2025	December 31, 2024
Current assets	\$ 689,889	\$ 529,769
Non-current assets	821,914	806,571
Current liabilities	(484,986)	(422,708)
Non-current liabilities	(315,342)	(294,338)
Total net assets	<u>\$ 711,475</u>	<u>\$ 619,294</u>

Statement of comprehensive income

	Treasure of Health	
	Years ended December 31,	
	2025	2024
Revenue	\$ 1,270,078	\$ 938,707
Profit before income tax	86,192	24,327
Income tax expense	(17,005)	(4,386)
Profit for the year	<u>69,187</u>	<u>19,941</u>
Total comprehensive income for the year	<u>\$ 69,187</u>	<u>\$ 19,941</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 34,690</u>	<u>\$ 9,771</u>
Dividends paid to non-controlling interest	<u>\$ 16,178</u>	<u>\$ 14,553</u>

Statement of cash flows

	Treasure of Health	
	Years ended December 31,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 24,948	(\$ 48,227)
Net cash used in investing activities	(17,781)	(115,548)
Net cash (used in) provided by financing activities	(2,297)	161,844
Increase (decrease) in cash and cash equivalents	<u>4,870</u>	<u>(1,931)</u>
Cash and cash equivalents, beginning of year	<u>86,555</u>	<u>88,486</u>
Cash and cash equivalents, end of year	<u>\$ 91,425</u>	<u>\$ 86,555</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional

currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains or losses’.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;

- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that are recognised in other comprehensive income are reclassified to retained earnings. When the equity instruments are derecognised the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity

period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, lease receivables, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)-lease receivables / operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.
- C. If the Group recognises rental revenue based on a certain percentage of lessees' operating revenue, then the rent is belong to a contingent rent, which should be treated as an operating lease. The revenue will be recognised based on the receivable rents during the contract period.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures (including auxiliary facilities)	2 ~ 50 years
Transportation equipment	5 years
Machinery and equipment	2 ~ 24 years
Leased assets-Machinery and equipment	0.83 ~ 50 years
Leased assets-others	0.33 ~ 25 years
Other equipment	1 ~ 50 years
Leasehold improvements	3 ~ 12 years

(17) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3~55 years.

(19) Intangible assets

- A. Trademark licenses and supply rights

Separately acquired supply rights are stated at historical cost. Trademark licenses and supply rights acquired in a business combination are recognised at fair value at the acquisition date. Trademark licenses and supply rights have a finite useful life and are amortised on a straight-line basis over their estimated useful life of 13 years.

- B. Customer Relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. Customer relationship has a finite useful life and is amortised on a straight-line basis over its useful life of 20 years.

- C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus-share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus - share options'.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(25) Provisions

Provisions (including warranties and decommissioning) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between

the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date of the share-based payment arrangements is the date that subscription price and shares are determined.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the

foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Board of Directors. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed in the Company's financial statements in the period in which they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of goods

- (a) The Group sells medical equipment, various medicines and health supplements. Sales are recognised when control of the goods has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The Group's obligation to provide maintenance and repair services for faulty goods under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
- (d) Installment sales with periodic collections of consideration
Revenue attributable to the sales price (excluding interest) is recognised on the date of sale. The sales price is the present value of consideration to be collected, calculated by discounting future payments receivable. Interest income is recognised when earned using the effective interest method.

B. Maintenance, repair, and installation service

- (a) The Group provides maintenance, repair, and installation services for medical equipment. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Certain customer contracts include equipment sale and installation services. In such contracts, the Group provides a significant service of integrating goods and services into a combined item, therefore the equipment and the installation service cannot be separately identified. The timing of revenue recognition is the same as that of the sale of goods.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.
- (d) Revenue from a service contract in which the Group bills a fixed amount based on the period of service provided is recognised at the amount to which the Group has the right to invoice.

C. Revenue from trademark licensing fee

The collection of trademark licensing fee is calculated based on a certain percentage of customer sales as negotiated by the Group and the customer. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

D. For detailed information on rental revenue, please refer to Note 4(13).

E. Financing components

The Group adjusts the transaction prices for the time value of money if the contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

F. Incremental costs of obtaining a contract

The Group recognises an asset the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that have

not been recognised as expenses.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(32) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates

concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

Except for the accounting estimates (detailed in (2) below), the management does not make any judgment that significantly affect the recognised amounts in consolidated financial statements when applying the Group's accounting policies.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the actual results. The estimates and assumptions that may significantly adjust the carrying amounts of assets and liabilities within the next financial year are addressed below:

A. Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

B. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 1,643	\$ 1,693
Checking accounts and demand deposits	1,523,850	1,379,090
Time deposits	261,000	261,000
	<u>\$ 1,786,493</u>	<u>\$ 1,641,783</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group classified restricted cash and cash equivalents pledged to others for the performance of contract and bank borrowings as other non-current assets. Please refer to Note 8 for details.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 21,555	\$ 61,467
Non-hedging derivatives (Redemption rights to the fourth domestic issuance of secured convertible corporate bonds)	-	896
Valuation adjustment	(5,559)	(12,694)
	<u>\$ 15,996</u>	<u>\$ 49,669</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 59,960	\$ 59,960
Privately offered funds	45,000	10,500
Non-hedging derivatives		
Valuation adjustment	(1,357)	(1,419)
	<u>\$ 103,603</u>	<u>\$ 69,041</u>
Non-hedging derivatives (Redemption rights to the fifth domestic issuance of secured convertible put options and call options)	(\$ 7,470)	\$ -
Valuation adjustment	(3,870)	-
	<u>(\$ 11,340)</u>	<u>\$ -</u>

For the years ended December 31, 2025 and 2024, net gain on financial assets (liabilities) at fair value through profit or loss were (\$4,449) and \$4,030, respectively, shown as ‘other gains and losses’.

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Listed stocks	\$ 371,912	\$ 340,215
Unlisted stocks	104,700	89,700
Valuation adjustment	(358,190)	(342,091)
	<u>\$ 118,422</u>	<u>\$ 87,824</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$118,422 and \$87,824 as at December 31, 2025 and 2024, respectively.

- B. The Group recognised (\$15,927) and \$2,565 in other comprehensive income (loss) for fair value change for the years ended December 31, 2025 and 2024, respectively.

(4) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits with maturity over three months	\$ <u>51,768</u>	\$ <u>33,712</u>
Non-current items:		
Time deposits with maturity over three months and a year	\$ <u>240,797</u>	\$ <u>201,416</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	\$ <u>5,207</u>	\$ <u>6,394</u>

- B. The Group's financial assets at amortised cost are time deposits in banks. The Group transacted with banks which have high credit rating.
- C. Details of the Group's certain financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable (including long-term notes and accounts receivable)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 3,030	\$ 2,630
Installment notes receivable	15,365	20,029
Less: Unrealised interest revenue-installment notes receivable	(<u>7</u>)	(<u>181</u>)
	18,388	22,478
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>
	\$ <u>18,388</u>	\$ <u>22,478</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 742,879	\$ 910,566
Installment accounts receivable	53,617	35,894
Less: Unrealised interest revenue-installment accounts receivable	(<u>9,132</u>)	(<u>6,218</u>)
Lease payments receivable	20,425	22,545
Less: Unearned finance income of finance lease	(<u>5,258</u>)	(<u>5,351</u>)
	802,531	957,436
Less: Allowance for doubtful accounts	(<u>15,529</u>)	(<u>4,613</u>)
	\$ <u>787,002</u>	\$ <u>952,823</u>

- A. The Group sold equipment under installment payment, subleased right-of-use asset - buildings under finance lease and recognised installment receivables with maturity over a year as long-term installment receivables (shown as ‘long-term notes and accounts receivable’). At the balance sheet date, the Group’s receivables arising from installment payments and financial lease are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total long-term installment notes receivable	\$ 1,475	\$ 1,880
Less: Unrealised interest revenue - long-term installment notes receivable	(736)	(7)
Total long-term installment accounts receivable	275,203	165,703
Less: Unrealised interest revenue - long-term installment accounts receivable	(23,688)	(16,159)
Long-term lease payments receivable	175,517	178,462
Less: Unearned finance income of finance lease	(28,737)	(32,726)
	399,034	297,153
Less: Allowance for doubtful accounts	-	-
	<u>\$ 399,034</u>	<u>\$ 297,153</u>

- B. Reconciliation of the undiscounted lease payments of the right-of-use asset - buildings and leased machinery and equipment sublease and the net investment under the finance lease is provided as follows:

	<u>December 31, 2025</u>		
	<u>Undiscounted lease payments</u>	<u>Unearned finance income</u>	<u>Net investment in the lease</u>
<u>Current</u>			
Not later than one year	\$ 20,425	(\$ 5,258)	\$ 15,167
<u>Non-current</u>			
Over one year	175,517	(28,737)	146,780
	<u>\$ 195,942</u>	<u>(\$ 33,995)</u>	<u>\$ 161,947</u>

	<u>December 31, 2024</u>		
	<u>Undiscounted lease payments</u>	<u>Unearned finance income</u>	<u>Net investment in the lease</u>
<u>Current</u>			
Not later than one year	\$ 22,545	(\$ 5,351)	\$ 17,194
<u>Non-current</u>			
Over one year	178,462	(32,726)	145,736
	<u>\$ 201,007</u>	<u>(\$ 38,077)</u>	<u>\$ 162,930</u>

C. The ageing analysis of notes and accounts receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 1,169,748	\$ 1,237,607
Up to 1 month	20,429	23,318
Up to 2 months	13,488	4,927
Up to 3 months	3,582	6,558
Up to 4 months	1,598	84
Up to 5 months	2,702	-
Up to 6 months	1,978	-
Over 6 months	6,428	4,573
	<u>\$ 1,219,953</u>	<u>\$ 1,277,067</u>

The above receivables included the receivables generated from the Group's business activities for the sales and lease of medical equipment and the ageing analysis was based on past due month.

D. The Group expected to recover installment notes and accounts receivable as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not later than one year	\$ 59,843	\$ 49,524
Over one year	252,254	151,417
	<u>\$ 312,097</u>	<u>\$ 200,941</u>

E. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables (including long-term receivables) from contracts with customers amounted to \$798,906, \$926,143, and \$673,938, respectively.

F. For the years ended December 31, 2025 and 2024, the interest income (shown as 'others' in 'operating revenue') for installment notes and accounts receivable (including long-term) is recognised in profit or loss of \$6,400 and \$7,853, respectively.

G. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(6) Inventories

December 31, 2025			
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 1,050,065	(\$ 93,768)	\$ 956,297
Inventory in transit	123,628	-	123,628
	<u>\$ 1,173,693</u>	<u>(\$ 93,768)</u>	<u>\$ 1,079,925</u>

December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 884,928	(\$ 84,245)	\$ 800,683
Inventory in transit	83,098	-	83,098
	<u>\$ 968,026</u>	<u>(\$ 84,245)</u>	<u>\$ 883,781</u>

A. The abovementioned inventories were not secured or pledged to others.

B. The cost of inventories recognised as expense and operating costs for the year:

	Years ended December 31,	
	2025	2024
Cost of goods sold	\$ 2,141,905	\$ 1,780,089
Repair supplies	95,685	79,278
Loss on decline in market value and obsolescence	10,914	7,926
Cost of inventories	2,248,504	1,867,293
Cost of rental	791,305	788,993
Cost of services	209,685	185,163
Total operating costs	<u>\$ 3,249,494</u>	<u>\$ 2,841,449</u>

(7) Prepayments

	December 31, 2025	December 31, 2024
Prepayments to suppliers	\$ 766,657	\$ 654,181
Excess business tax paid	50,773	21,898
Others	37,231	32,958
	<u>\$ 854,661</u>	<u>\$ 709,037</u>

(8) Investments accounted for using equity method

	December 31, 2025		December 31, 2024	
	Ownership %	Book value	Ownership %	Book value
<u>Associates</u>				
CHENG-HSIN Biotechnology Co., Ltd.	40%	<u>\$ 5,636</u>	40%	<u>\$ 10,912</u>

- A. The summarised financial information of the associate that is not material to the Group is as follows:

	Years ended December 31,	
	2025	2024
(Loss) profit for the year	(\$ 5,276)	\$ 1,001
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income for the year	(\$ 5,276)	\$ 1,001

- B. The Group is the single largest shareholder of CHENG-HSIN Biotechnology Co., Ltd. with a 40% equity interest. Given that the remaining 60% equity interest in CHENG-HSIN Biotechnology Co., Ltd. is held by other few investors that are related parties of another joint venture group, which indicates that the Group has no current ability to direct the relevant activities of CHENG-HSIN Biotechnology Co., Ltd., the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Machinery and equipment	Leased assets- machinery and equipment	Leased assets- others	Leasehold improvements	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1, 2025</u>										
Cost	\$ 759,015	\$ 1,191,953	\$ 2,935	\$ 350,996	\$ 6,336,442	\$ 1,518,280	\$ 42,238	\$ 107,329	\$ 85,246	\$10,394,434
Accumulated depreciation and impairment	-	(130,872)	(1,120)	(30,635)	(3,641,855)	(820,322)	(13,831)	(36,943)	-	(4,675,578)
	<u>\$ 759,015</u>	<u>\$ 1,061,081</u>	<u>\$ 1,815</u>	<u>\$ 320,361</u>	<u>\$ 2,694,587</u>	<u>\$ 697,958</u>	<u>\$ 28,407</u>	<u>\$ 70,386</u>	<u>\$ 85,246</u>	<u>\$ 5,718,856</u>
<u>2025</u>										
Opening net book amount as at January 1	\$ 759,015	\$ 1,061,081	\$ 1,815	\$ 320,361	\$ 2,694,587	\$ 697,958	\$ 28,407	\$ 70,386	\$ 85,246	\$ 5,718,856
Additions (Note 1)	-	7,377	-	50,675	410,492	74,661	8,428	4,635	334,913	891,181
Disposals	-	-	-	-	(12,047)	(140)	(7,820)	(1,042)	-	(21,049)
Depreciation charge	-	(46,593)	(404)	(18,187)	(376,617)	(90,835)	(6,661)	(12,925)	-	(552,222)
Reclassifications (Note 2)	-	-	-	8,666	32,581	21,845	768	3,008	(80,348)	(13,480)
Net exchange differences	-	-	-	-	(124)	(31)	2	-	-	(153)
Closing net book amount as at December 31	<u>\$ 759,015</u>	<u>\$ 1,021,865</u>	<u>\$ 1,411</u>	<u>\$ 361,515</u>	<u>\$ 2,748,872</u>	<u>\$ 703,458</u>	<u>\$ 23,124</u>	<u>\$ 64,062</u>	<u>\$ 339,811</u>	<u>\$ 6,023,133</u>
<u>At December 31, 2025</u>										
Cost	\$ 759,015	\$ 1,199,330	\$ 2,935	\$ 410,009	\$ 6,239,535	\$ 1,511,264	\$ 43,200	\$ 112,158	\$ 339,811	\$10,617,257
Accumulated depreciation and impairment	-	(177,465)	(1,524)	(48,494)	(3,490,663)	(807,806)	(20,076)	(48,096)	-	(4,594,124)
	<u>\$ 759,015</u>	<u>\$ 1,021,865</u>	<u>\$ 1,411</u>	<u>\$ 361,515</u>	<u>\$ 2,748,872</u>	<u>\$ 703,458</u>	<u>\$ 23,124</u>	<u>\$ 64,062</u>	<u>\$ 339,811</u>	<u>\$ 6,023,133</u>

Note 1: The acquisition of property, plant and equipment includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$13,498 and \$34,949, respectively, additions to decommissioning cost in the amount of \$1,600 (at the same time, additions to decommissioning liabilities in the amounts of \$1,600 which was shown as “Non-current provisions”) and the cash payment in the amount of \$868,130.

Note 2: Reclassifications with no cash flow effect are as follows:

- (a) Inventories transferred to property, plant and equipment amounted to \$142.
- (b) Property, plant and equipment transferred to inventories amounted to \$23,634.
- (c) Property, plant and equipment transferred to other non-current assets - other amounted to \$616.
- (d) Other non-current assets transferred to property, plant and equipment amounted to \$10,628.

	Land	Buildings and structures	Transportation equipment	Machinery and equipment	Leased assets-machinery and equipment	Leased assets-others	Leasehold improvements	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1, 2024</u>										
Cost	\$ 759,015	\$ 1,164,644	\$ 2,459	\$ 45,193	\$ 6,159,872	\$ 1,471,542	\$ 33,076	\$ 64,260	\$ 533,557	\$10,233,618
Accumulated depreciation and impairment	-	(85,091)	(777)	(29,250)	(3,380,861)	(786,202)	(7,623)	(27,567)	-	(4,317,371)
	<u>\$ 759,015</u>	<u>\$ 1,079,553</u>	<u>\$ 1,682</u>	<u>\$ 15,943</u>	<u>\$ 2,779,011</u>	<u>\$ 685,340</u>	<u>\$ 25,453</u>	<u>\$ 36,693</u>	<u>\$ 533,557</u>	<u>\$ 5,916,247</u>
<u>2024</u>										
Opening net book amount as at January 1	\$ 759,015	\$ 1,079,553	\$ 1,682	\$ 15,943	\$ 2,779,011	\$ 685,340	\$ 25,453	\$ 36,693	\$ 533,557	\$ 5,916,247
Additions (Note 1)	-	15,022	476	17,382	132,816	78,627	12,553	29,055	97,337	383,268
Disposals	-	-	-	-	(6,062)	(1,527)	(7,175)	(1,058)	-	(15,822)
Depreciation charge	-	(45,781)	(343)	(11,971)	(389,288)	(99,109)	(6,416)	(10,562)	-	(563,470)
Reclassifications (Note 2)	-	12,287	-	299,006	174,689	34,565	3,973	16,257	(547,579)	(6,802)
Net exchange differences	-	-	-	1	3,421	62	19	1	1,931	5,435
Closing net book amount as at December 31	<u>\$ 759,015</u>	<u>\$ 1,061,081</u>	<u>\$ 1,815</u>	<u>\$ 320,361</u>	<u>\$ 2,694,587</u>	<u>\$ 697,958</u>	<u>\$ 28,407</u>	<u>\$ 70,386</u>	<u>\$ 85,246</u>	<u>\$ 5,718,856</u>
<u>At December 31, 2024</u>										
Cost	\$ 759,015	\$ 1,191,953	\$ 2,935	\$ 350,996	\$ 6,336,442	\$ 1,518,280	\$ 42,238	\$ 107,329	\$ 85,246	\$10,394,434
Accumulated depreciation and impairment	-	(130,872)	(1,120)	(30,635)	(3,641,855)	(820,322)	(13,831)	(36,943)	-	(4,675,578)
	<u>\$ 759,015</u>	<u>\$ 1,061,081</u>	<u>\$ 1,815</u>	<u>\$ 320,361</u>	<u>\$ 2,694,587</u>	<u>\$ 697,958</u>	<u>\$ 28,407</u>	<u>\$ 70,386</u>	<u>\$ 85,246</u>	<u>\$ 5,718,856</u>

Note 1: The acquisition of property, plant and equipment includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$67,023 and \$13,498, respectively, additions to decommissioning cost in the amount of \$1,200 (at the same time, additions to decommissioning liabilities in the amounts of \$1,200 which was shown as “Non-current provisions”), capitalisation of amortised government granted loan interest expense of \$1,181 (at the same time, additions to long-term borrowings of \$1,181) and the cash payment in the amount of \$431,086.

Note 2: Reclassifications with no cash flow effect are as follows:

- (a) Inventories transferred to property, plant and equipment amounted to \$8,314.
- (b) Property, plant and equipment transferred to inventories amounted to \$15,016.
- (c) Property, plant and equipment transferred to expenses amounted to \$133.
- (d) Property, plant and equipment transferred to Prepayments amounted to \$20.
- (e) Other non-current assets transferred to property, plant and equipment amounted to \$53.

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and prepayments for business facilities (shown as 'other non-current assets - other') and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2025	2024
Amount capitalised	\$ 7,822	\$ 5,120
Range of the interest rates for capitalisation	1.92%~5.71%	0.85%~6.27%

- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements-lessee

- A. The Group leases various assets including land, buildings, machinery and equipment and business vehicles. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise business vehicles, offices and dormitories. Low-value assets comprise copy machines.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2025	December 31, 2024
Land	\$ 34,128	\$ 36,566
Buildings	244,309	229,144
Transportation equipment (Business vehicles)	5,967	4,995
Machinery and equipment	667	867
	<u>\$ 285,071</u>	<u>\$ 271,572</u>

	Depreciation charge	
	Years ended December 31,	
	2025	2024
Land	\$ 2,438	\$ 2,438
Buildings	45,289	18,437
Transportation equipment (Business vehicles)	4,114	3,935
Machinery and equipment	200	200
	<u>\$ 52,041</u>	<u>\$ 25,010</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$89,388 and \$109,927, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	(\$ 7,252)	(\$ 4,893)
Expense on short-term lease contracts	(1,558)	(1,231)
Expense on leases of low-value assets	(158)	(148)
Finance income from sublease of right-of-use assets (shown as 'interest income')	988	7,245
Gain on lease modification (shown as 'other gains and losses')	238	(7,333)

F. Reconciliation of the undiscounted lease payments of the right-of-use asset - buildings sublease and the net investment under the finance lease is provided in Note 6(5)B.

G. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$67,318 and \$47,300, respectively.

H. As of December 31, 2025 and 2024, the Group's undiscounted lease liabilities of housing leases that have not yet started but have been committed were \$17,534 and \$41,515, respectively.

(11) Leasing arrangements-lessor

A. The Group leases various assets including buildings, machinery and other equipment. Rental contracts are typically made for periods of 1 and 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. The Group leases machinery and equipment, other equipment and right-of-use assets - buildings under a finance lease. Based on the terms of the lease contract, the ownership of machinery and other equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
Sales profit	\$ 2,787	\$ 43,655
Finance income from the net investment in the finance lease (shown as 'others' in 'operating revenue')	5,201	3,347

- C. The maturity analysis of the undiscounted lease payments (including related parties) in the finance lease is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>
2026	\$ 30,987	2025	\$ 34,250
2027	26,736	2026	18,960
2028	26,049	2027	18,436
2029	24,674	2028	17,750
2030	22,193	2029	16,374
2031	27,722	2030	15,878
2032 and onwards	<u>77,523</u>	2031 and onwards	<u>99,072</u>
	<u>\$ 235,884</u>		<u>\$ 220,720</u>

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided in Notes 6(5) and 7.
- E. The credit risk information for the Group's lease receivables (listed under "Accounts Receivable" and "Long-term Accounts Receivable") is provided in Note 12(2).
- F. Gain arising from operating lease agreements for the years ended December 31, 2025 and 2024 are as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rent income	<u>\$ 90,895</u>	<u>\$ 59,757</u>
Contingent rental revenue	<u>\$ 1,024,195</u>	<u>\$ 1,024,927</u>

- G. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>
2026	\$ 53,924	2025	\$ 51,692
2027	5,632	2026	49,592
2028	2,678	2027	2,799
2029	590	2028	1,257
2030	621	2029	-
2031	631	2030	-
2032 and onwards	<u>2,583</u>	2031 and onwards	<u>-</u>
	<u>\$ 66,659</u>		<u>\$ 105,340</u>

(12) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 981,253	\$ 717,393	\$ 27,794	\$1,726,440
Accumulated depreciation and impairment	-	(266,965)	-	(266,965)
	<u>\$ 981,253</u>	<u>\$ 450,428</u>	<u>\$ 27,794</u>	<u>\$1,459,475</u>
<u>2025</u>				
Opening net book amount as at January 1	\$ 981,253	\$ 450,428	\$ 27,794	\$1,459,475
Acquired from acquisitions (Note)	664	18,296	-	18,960
Reclassifications	-	26,235	(26,235)	-
Depreciation charge	-	(21,776)	-	(21,776)
Net exchange differences	-	206	-	206
Closing net book amount as at December 31	<u>\$ 981,917</u>	<u>\$ 473,389</u>	<u>\$ 1,559</u>	<u>\$1,456,865</u>
<u>At December 31, 2025</u>				
Cost	\$ 981,917	\$ 762,307	\$ 1,559	\$1,745,783
Accumulated depreciation and impairment	-	(288,918)	-	(288,918)
	<u>\$ 981,917</u>	<u>\$ 473,389</u>	<u>\$ 1,559</u>	<u>\$1,456,865</u>

Note: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$6,057 and \$1,019, respectively, and the cash payment in the amount of \$23,998.

	<u>Land</u>	<u>Buildings and structures</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$1,067,906	\$ 728,382	\$ -	\$1,796,288
Accumulated depreciation and impairment	-	(246,984)	-	(246,984)
	<u>\$1,067,906</u>	<u>\$ 481,398</u>	<u>\$ -</u>	<u>\$1,549,304</u>
<u>2024</u>				
Opening net book amount as at January 1	\$1,067,906	\$ 481,398	\$ -	\$1,549,304
Acquired from acquisitions (Note 1)	-	5,649	44,084	49,733
Disposal of subsidiary	(86,653)	(18,790)	(20,088)	(125,531)
Reclassifications (Note 2)	-	-	3,798	3,798
Depreciation charge	-	(20,339)	-	(20,339)
Net exchange differences	-	2,510	-	(2,510)
Closing net book amount as at December 31	<u>\$ 981,253</u>	<u>\$ 450,428</u>	<u>\$ 27,794</u>	<u>\$1,459,475</u>
<u>At December 31, 2024</u>				
Cost	\$ 981,253	\$ 717,393	\$ 27,794	\$1,726,440
Accumulated depreciation and impairment	-	(266,965)	-	(266,965)
	<u>\$ 981,253</u>	<u>\$ 450,428</u>	<u>\$ 27,794</u>	<u>\$1,459,475</u>

Note 1: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$1,029 and \$6,057, respectively, and the cash payment in the amount of \$44,705.

Note 2: Reclassifications with no cash flow effects are as follows:

Other non-current assets transferred to investment property amounted to \$3,798.

A. Rental income from lease of the investment property and direct operating expenses arising from investment property are shown below:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from the lease of the investment property	<u>\$ 90,034</u>	<u>\$ 59,319</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 25,163</u>	<u>\$ 24,444</u>

	Years ended December 31,	
	2025	2024
Direct operating expenses arising from the investment property that did not generate rental income during the year	\$ <u>1,267</u>	\$ <u>602</u>

- B. As of December 31, 2025 and 2024, the fair value of the investment property held by the Group amounted to \$3,502,011 and \$3,201,369, respectively. The fair value was valued by adopting the transaction prices of similar property or valued by independent appraisers who adopted comparison approach and land development analysis approach to evaluate the land, assessed the building based on cost method, and considered weights on aforementioned costs to calculate the fair value.
- C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(13) Intangible assets

	Trademark licenses	Supply rights	Goodwill	Others	Total
<u>At January 1, 2025</u>					
Cost	\$ 176,387	\$ 237,648	\$ 381,609	\$ -	\$ 795,644
Accumulated amortisation	(33,127)	(39,471)	-	-	(72,598)
	<u>\$ 143,260</u>	<u>\$ 198,177</u>	<u>\$ 381,609</u>	<u>\$ -</u>	<u>\$ 723,046</u>
<u>2025</u>					
Opening net book amount as at January 1	\$ 143,260	\$ 198,177	\$ 381,609	\$ -	\$ 723,046
Additions - acquired separately	-	5,200	-	-	5,200
Additions - acquired through business combinations	-	-	4,114	-	4,114
Reclassifications (Note)	-	(10,083)	-	6,054	(4,029)
Amortisation charge	(13,568)	(17,743)	-	(952)	(32,263)
Closing net book amount as at December 31	<u>\$ 129,692</u>	<u>\$ 175,551</u>	<u>\$ 385,723</u>	<u>\$ 5,102</u>	<u>\$ 696,068</u>
<u>At December 31, 2025</u>					
Cost	\$ 176,387	\$ 232,765	\$ 385,723	\$ 6,054	\$ 800,929
Accumulated amortisation	(46,695)	(57,214)	-	(952)	(104,861)
	<u>\$ 129,692</u>	<u>\$ 175,551</u>	<u>\$ 385,723</u>	<u>\$ 5,102</u>	<u>\$ 696,068</u>

Note 1: Reclassifications with no cash flow effect are as follows:

Other non-current assets transferred to intangible assets amounted to \$6,054.

Note 2: The fair value measurements related to the acquisition of Happy Company at the acquisition date were finalized during 2025, which resulted in a decrease in Supply Rights of \$10,083 and an increase in Goodwill of \$4,114. For further details, please refer to Note 6(32)3.

	Trademark licenses	Supply rights	Goodwill	Others	Total
<u>At January 1, 2024</u>					
Cost	\$ 130,135	\$ 170,438	\$ 377,854	\$ 785	\$ 679,212
Accumulated amortisation	(22,524)	(25,498)	-	(40)	(48,062)
	<u>\$ 107,611</u>	<u>\$ 144,940</u>	<u>\$ 377,854</u>	<u>\$ 745</u>	<u>\$ 631,150</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 107,611	\$ 144,940	\$ 377,854	\$ 745	\$ 631,150
Additions - acquired through business combinations	46,252	67,210	19,624	-	133,086
Disposal of subsidiary	-	-	(15,869)	(723)	(16,592)
Amortisation charge	(10,603)	(13,973)	-	(22)	(24,598)
Closing net book amount as at December 31	<u>\$ 143,260</u>	<u>\$ 198,177</u>	<u>\$ 381,609</u>	<u>\$ -</u>	<u>\$ 723,046</u>
<u>At December 31, 2024</u>					
Cost	\$ 176,387	\$ 237,648	\$ 381,609	\$ -	\$ 795,644
Accumulated amortisation	(33,127)	(39,471)	-	-	(72,598)
	<u>\$ 143,260</u>	<u>\$ 198,177</u>	<u>\$ 381,609</u>	<u>\$ -</u>	<u>\$ 723,046</u>

A. Details of amortisation on intangible assets are as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Selling expenses	<u>\$ 32,263</u>	<u>\$ 24,598</u>

B. Goodwill is allocated as follows to the Group's cash-generating units:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Treasure of Health Co., Ltd.	\$ 202,834	\$ 202,834
Hsing-Yeh Biotechnology Co., Ltd.	150,617	150,617
Others	32,272	28,158
	<u>\$ 385,723</u>	<u>\$ 381,609</u>

C. Goodwill is allocated to the Group's cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations and fair value, net of disposal cost. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

D. As of December 31, 2025, the Group's goodwill arose from business combination amounting to \$385,723, consisting of benefits from expected operating revenue growth of acquired companies. In accordance with IAS 36, goodwill acquired from business combination shall be tested for impairment at least every year and where there is any indication of impairment. The impairment testing on the goodwill as of December 31, 2025 and 2024 is as follows:

For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows. Therefore, the impairment of goodwill is assessed by calculating the difference between the recoverable amount and the carrying amount of net assets of each company.

The Group used value-in-use calculated by external appraiser as the recoverable amount of goodwill arising from Treasure of Health Co., Ltd., Hsing-Yeh Biotechnology Co., Ltd. and Happy Healthcare Company. No impairment loss occurred as of December 31, 2025 and 2024 as the recoverable amount was higher than the carrying amount. The key assumptions used by the external appraiser in calculating value-in-use are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Growth rate	2.32%	2%~2.48%
Discount rate	7.19%~9.09%	7.31%~12.06%

The Group used the value-in-use as the recoverable amount of goodwill arising from the cash-generating units other than Treasure of Health Co., Ltd. and Hsing-Yeh Biotechnology Co., Ltd. as of December 31, 2025 and 2024. No impairment loss occurred as the recoverable amount was higher than the carrying amount. The key assumptions used for value-in-use calculations are operating profit margin and discount rate.

Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rates used are pre-tax and reflected specific risks relating to the relevant operating segments.

(14) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee deposits paid	\$ 398,671	\$ 351,148
Prepayments for equipment	486,205	51,573
Costs to fulfil contracts with customers	25,905	-
Restricted bank deposits	169,169	9,505
Deferred expenses	2,246	2,251
	<u>\$ 1,082,196</u>	<u>\$ 414,477</u>

Information about the restricted bank deposits that were pledged to others as collateral is provided in Note 8.

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank borrowings		
Secured borrowings	\$ -	\$ 53,600
Unsecured borrowings	1,089,893	802,915
	<u>\$ 1,089,893</u>	<u>\$ 856,515</u>
Interest rate range	<u>1.92%~5.51%</u>	<u>1.93%~5.56%</u>

Information on assets pledged as collateral for short-term borrowings is provided in Note 8.

(16) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	\$ 900,000	\$ 1,311,910
Less: Discount on bonds payable	(96,490)	(5,403)
	803,510	1,306,507
Less: Current portion or exercise of put options (shown as “including current portion”)	-	(1,306,507)
	<u>\$ 803,510</u>	<u>\$ -</u>

A. Fourth domestic secured convertible bonds issued by the Company

- (a) The terms of the fourth domestic secured convertible bonds issued by the Company:
- The Company issued the fourth domestic secured convertible bonds totaling \$1,515,000 with zero coupon rate which were issued at a 101% premium of the total face value of \$1,500,000 as approved by the regulatory authority. The bonds mature five years from the issue date (August 4, 2020 ~ August 4, 2025) and will be redeemed in cash at 102.525% of face value at the maturity date. The bonds were listed on the Taipei Exchange on August 4, 2020.
 - The bondholders have the right to request TDCC through the security dealers for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price on the issue date is NT\$53.9 (in dollars). On July 2, 2025, July 16, 2024, July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the Company adjusted the conversion price per share to NT\$43.9, NT\$45.2, NT\$46.9, NT\$48.4, NT\$50.9 and NT\$51.0 (in dollars), respectively, according to the rules described above.

- iv The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one months of the bonds issue to 40 days before the maturity date.
 - v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (b) The convertible bonds matured on August 4, 2025. Part of the bonds were converted into 33,033 thousand shares of common stock, and the remaining unconverted bonds were redeemed at \$7,484 by cash. The Company transferred the forfeited stock options of \$123 to capital surplus-forfeited stock options (shown as capital surplus-others).
- B. Fifth domestic secured convertible bonds issued by the Company
- (a) The terms of the fifth domestic secured convertible bonds issued by the Company are as follows:
- i. The Company issued the fifth domestic secured convertible bonds totaling \$904,500 with zero coupon rate which were issued at a 100.5% premium of the total face value of \$900,000 as approved by the regulatory authority. The bonds mature five years from the issue date (June 20, 2025 ~ June 20, 2030) and will be redeemed in cash of face value at the maturity date. The bonds were listed on the Taipei Exchange on June 20, 2025.
 - ii. The bondholders have the right to request TDCC through the security dealers for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price on the issue date is NT\$48.4 (in dollars). On July 2, 2025, the Company adjusted the conversion price per share to NT\$47.0, according to the rules described above.
 - iv The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the

bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one month of the bonds issue to 40 days before the maturity date.

- v. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 0.752% of the face value as interest refund upon three years from the issue date.
- vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

- (b) Regarding the fifth issuance of secured convertible bonds, the equity conversion options amounting to \$100,170 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32 as of December 31, 2025. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. As of December 31, 2025, the effective interest rate of the bonds payable after such separation was 2.5704%.

C. There were no assets pledged as collateral for the fourth and fifth domestic bonds.

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank borrowings			
Secured borrowings	2020.7~2030.12	\$ 3,143,652	\$ 3,179,964
Unsecured borrowings	2020.4~2028.12	<u>35,565</u>	<u>51,678</u>
		3,179,217	3,231,642
Less: Long-term borrowings, current portion		(<u>637,114</u>)	(<u>366,841</u>)
		<u>\$ 2,542,103</u>	<u>\$ 2,864,801</u>
Interest rate range		<u>0.975%~2.39%</u>	<u>0.975%~2.48%</u>

A. The subsidiary of the Company, Shin-Ho Instruments Co., Ltd., entered into a borrowing contract with Chinatrust Commercial Bank. Guarantees were provided by the Company jointly for the duration of this borrowing or before the debts of this borrowing are fully paid. In addition, the subsidiary started to provide collateral with Chinatrust Commercial Bank after the completion of the building construction and before the operation of the machinery and equipment.

- (a) The subsidiary of the Company, Shin-Ho Instruments Co., Ltd., met the common qualifications of the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" of the National Development Council of the Executive Yuan

and the specific qualifications of “Manufacturing industry - enterprise whose certain production lines for investment/expansion must have smart technology elements or smart functions and belongs to 5+2 Industrial Innovation”. The letter of approval for the qualification of Taiwanese businesses was issued by the Ministry of Economic Affairs.

- (b) Shin-Ho Biotech Co., Ltd. applied for a borrowing with the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”. The government provided grants on the borrowing interest rate. The borrowing interest rate was 0.1%~0.975% during the grant period would end in December 2026 and the borrowing interest rate would be 1.345%~2.22% starting from January 2027. In addition, the subsidiary also obtained a grace period of 24 months for principal repayment. The grace period would end in December 2023 and Shin-Ho Instruments Co., Ltd. would start to repay the principal from January 2024.
 - (c) Income from long-term deferred revenue - government grants recognised for the years ended December 31, 2025 and 2024 was \$30,952 and \$32,511 (shown as ‘other non-current liabilities), respectively.
 - (d) Income from long-term deferred revenue-government grants is related to property, plant and equipment and is recognised in profit or loss on a straight-line basis over the useful lives of related assets. For the years ended December 31, 2025 and 2024, the Group recognised government grant income of \$1,559 and \$1,294 (shown as ‘other gain and losses’), respectively.
- B. On September 21, 2022, the Company and its subsidiary, Tomorrow Medical System Co., Ltd. signed a syndicated loan agreement in the amount of \$2,580,000 with syndicate of banks including First Commercial Bank, in order to repay the Group’s existing financial liabilities and increase the working capital. In accordance with the syndicated loan agreement, the loan can be redrawn within the contract period. For each drawdown, the term shall not exceed 6 months and the amount of drawdown shall not be less than 50 million. For the amount that has not been paid at maturity, there is no need for the part of the same amount to make an additional procedure of remittance and loan. Therefore, the abovementioned financing will be listed as long-term borrowings and agreed to the following terms:
- (a) All the credit amounts which was obtained according to the contract shall be used for the credit purposes specified in the contract.
 - (b) The Company will periodically issue a financial assurance letter to the banks, indicating whether the Company has achieved the required financial ratios based on the annual and semi-annual consolidated financial statements as follows:
 - i. Current ratio must be 100% or higher.
 - ii. Debt ratio must equal to or less than 170%.
 - iii. Interest coverage ratio must be 3 or higher.

iv. Tangible net assets must be \$4,000,000 or higher.

If the Company fails to meet any of the requirements stated above, remedial measures, such as capital increase, must be taken to address the issue before the financial reporting date of the next annual or half-year consolidated financial statements. If the issue is resolved with the remedial measures, it is not considered a breach of contract. However, the Company is required to pay a fee, equal to 0.1% of the unpaid principal balance on the audit date, to the agency bank, who will distribute this fee among the syndicate lenders.

- (c) The Company shall maintain directly/ indirectly a 100% equity interest in Chiu Ho Medical System Co., Ltd., Tomorrow Medical System Co., Ltd., and Hsing-Yeh Biotechnology Co., Ltd. and the control over those companies' operations.

If the Company fails to meet abovementioned requirement, First Commercial Bank will determine whether there has been a breach of contract and, if necessary, call a meeting with all the syndicate lenders to discuss the matter.

C. Information on assets pledged as collateral for long-term borrowings is provided in Note 8.

(18) Pensions

- A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$19,582 and \$11,711 respectively.
- B. The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The pension plan is administered by the government. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$1,390 and \$1,274, respectively.

(19) Share-based payment

- A. As of December 31, 2025 and 2024, the Company's share-based payment transactions are as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	Quantity Granted	<u>Contract period</u>	<u>Vesting conditions</u>
		(in thousands of shares)		
Employee stock options-106	2018.4.13	2,000	7 years	Note

Note: After two years from the grant date, employees are allowed to exercise their stock options according to the vesting schedule specified in the plan.

B. Details of the share-based payment arrangements are as follows:

Stock options	2025		2024	
	No. of options (in thousands of shares)	Weighted-average exercise price (in dollars)	No. of options (in thousands of shares)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	142	\$ 25.50	172	\$ 26.50
Options forfeited	(120)	25.50	-	-
Options exercised	(22)	25.50	(30)	25.83
Options outstanding at December 31	-	-	142	25.50
Options exercisable at December 31	-	-	142	-

C. For the years ended December 31, 2025 and 2024, the weighted-average stock price of stock options on exercise dates were NT\$48.66 and NT\$47.30 (in dollars), respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

Issue date approved	Expiry date	December 31, 2025		December 31, 2024	
		No. of shares (in thousands of shares)	Exercise price (in dollars)	No. of shares (in thousands of shares)	Exercise price (in dollars)
2018.4.13	2025.4.12	-	\$ -	142	\$ 25.50

E. The Black-Scholes option pricing model was used for valuation of fair value of the stock options granted. The related information is listed as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate fair value	Fair value per unit (in dollars)
Employee stock options-106	2018.4.13	\$ 34.50	\$ 34.50	30.02%	5.25 years	0%	0.75%	\$8.46~ \$10.91

F. The Group incurred no share-based expenses for the year 2025 and 2024.

G. On July 16, 2024, July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the exercise prices of employee stock options-106 were adjusted to NT\$25.5, NT\$26.5, NT\$27.4, NT\$28.8 and NT\$28.8 (in dollars), respectively, according to the rules of the employee stock option plan.

(20) Share capital

A. As of December 31, 2025, the Company's authorised capital was \$2,500,000, consisting of 250 million shares of ordinary stock, and the paid-in capital was \$1,953,110 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

(In thousands of shares)

	2025	2024
At January 1	166,865	166,419
Employee stock options exercised	22	30
Conversion of convertible bonds	28,424	416
At December 31	<u>195,311</u>	<u>166,865</u>

- B. To attract strategic investors, strengthen the Company's financial structure, enrich working capital and improve the benefits of future competitiveness, the stockholders at their annual stockholders' meeting on July 1, 2021 adopted a resolution to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 20,000 thousand shares. The capital increase shall be processed in installments (no more than three times) within one year from the date of the resolution of the stockholders' meeting. The stockholders authorised the Board of Directors to determine the actual pricing date and issuance price within the range of not less than the percentage of the resolution of the stockholders' meeting considering the situation of the specific person and the market in the future. As resolved by the Board of Directors on October 6, 2021, the first effective date was on October 13, 2021, and the number of shares issued was 4,722 thousand shares at the subscription price of \$35.1 (in dollars) per share. The amount of capital raised through the private placement was \$165,742 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(21) Capital surplus

- A. Pursuant to Paragraph 4, Article 31 of the Business Mergers and Acquisitions Act, if a company becomes a wholly-owned subsidiary of another company through a share exchange, its undistributed earnings become part of the capital surplus of the acquiring company (parent company). Therefore, if the increase in the investment holding company's capital surplus is from the undistributed earnings of the subsidiary before the share exchange, this amount can be distributed as cash dividends or capitalised. Moreover, the proportion that can be capitalised is not subject to the restrictions set forth in Article 8 of the Securities and Exchange Act Enforcement Rules. In addition, according to Tai-Cai-Rong-Yi-Zi No. 0910016280, such increase in capital surplus was not generated by the holding company's business operations and thus will not affect the remuneration of directors and supervisors and bonuses of employees. As of December 31, 2025, capital surplus that is attributable to the undistributed earnings of Chiu Ho Medical System Co., Ltd. and other associates before share exchanges amounted to \$44,390.

- B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- C. Please refer to Note 6(19) for information on capital surplus - employee stock options.

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve unless legal reserve equals the authorised share capital. Special reserve is then appropriated or reversed in accordance with related regulations. At least 50% of the remainder, if any, and accumulated undistributed earnings from prior years shall be proposed by the Board of Directors for appropriation. The proposal for the appropriation of earnings shall be approved by the shareholders if dividends are distributed by issuing new shares and shall be reported to the shareholders during their meeting after being specially resolved by the Board of Directors if dividends are distributed in the form of cash.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of 2024 and 2023 earnings which were resolved at the shareholders' meeting on June 4, 2025 and June 12, 2024, respectively, are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 16,829		\$ 41,887	
Appropriation for (reversal of) special reserve	9,477		(1,760)	
Cash dividends	251,967	\$ 1.51	334,502	\$ 2.01
	<u>\$ 278,273</u>		<u>\$ 374,629</u>	

The aforementioned earnings appropriations for the years ended December 31, 2024 and 2023 were in agreement with the amounts resolved by the Board of Directors during its meetings held on March 12, 2025 and March 13, 2024, respectively, and the ex-dividend dates resolved in the same meetings were July 2, 2025 and July 16, 2024, respectively. For more information on the aforementioned earnings appropriations proposed by the Board of Directors and resolved by the shareholders, please go to the Market Observation Post System website maintained by the Taiwan Stock Exchange.

- E. The appropriations for 2025 earnings as resolved by the Board of Directors on March 10, 2026 are as follows:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 18,628	
Special reserve	18,202	
Cash dividends	<u>214,842</u>	\$ 1.10
	<u>\$ 251,672</u>	

(23) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	\$ 3,271,850	\$ 2,505,128
Rental revenue	1,114,829	1,084,246
Others	<u>11,601</u>	<u>11,200</u>
	<u>\$ 4,398,280</u>	<u>\$ 3,600,574</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2025	Sale of medical instruments and drugs	Repairs and maintenance and other services	Others	Total
Revenue from external customer contracts	<u>\$ 2,844,500</u>	<u>\$ 362,440</u>	<u>\$ 64,910</u>	<u>\$3,271,850</u>
Timing of revenue recognition				
At a point in time	\$ 2,844,500	\$ -	\$ 64,910	\$2,909,410
Over time	<u>-</u>	<u>362,440</u>	<u>-</u>	<u>362,440</u>
	<u>\$ 2,844,500</u>	<u>\$ 362,440</u>	<u>\$ 64,910</u>	<u>\$3,271,850</u>

Year ended December 31, 2024	Sale of medical instruments and drugs	Repairs and maintenance and other services	Others	Total
Revenue from external customer contracts	<u>\$ 2,127,274</u>	<u>\$ 329,139</u>	<u>\$ 48,715</u>	<u>\$2,505,128</u>
Timing of revenue recognition				
At a point in time	\$ 2,127,274	\$ -	\$ 48,715	\$2,175,989
Over time	-	329,139	-	329,139
	<u>\$ 2,127,274</u>	<u>\$ 329,139</u>	<u>\$ 48,715</u>	<u>\$2,505,128</u>

B. Contract assets and liabilities

- (a) The Group recognised contract assets and liabilities in relation to contract revenue arising from sales, maintenance and repairs of medical instruments and other services as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets	<u>\$ 131,154</u>	<u>\$ 121,535</u>	<u>\$ 111,109</u>
Contract liabilities	<u>\$ 1,167,945</u>	<u>\$ 924,491</u>	<u>\$ 760,294</u>

- (b) Revenue recognised that was included in the contract liability balance at the beginning of the year

	Years ended December 31,	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 172,687</u>	<u>\$ 43,071</u>

- (c) Information relating to credit risk of contract assets is provided in Note 12(2).

C. Unfulfilled long-term repairs, maintenance and medical instrument contracts

Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at December 31, 2025 and 2024, amounted to \$2,889,331 and \$1,600,301, respectively.

Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2025 and 2024 will be recognised as revenue from 2024 to 2034.

Except for the abovementioned contracts, all other repairs and maintenance contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

D. Assets recognised from costs to fulfill a contract

When the Group entered into long-term consulting contracts with customers in 2025, information transfer cost which occurred at the beginning should be recognised in assets and accounted as other non-current assets in the balance sheet under IFRS 15. As at December 31, 2025 and 2024, the balances are \$41,823 and \$0, respectively, and amortised to the cost

amounting to \$14,447 and \$0 for the years ended December 31, 2025 and 2024, respectively. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

(24) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 14,511	\$ 12,409
Interest income from financial assets measured at amortised cost	5,207	6,394
Finance income from sublease of right-of-use assets	988	7,245
Other interest income	25	54
	<u>\$ 20,731</u>	<u>\$ 26,102</u>

(25) Other income

	Years ended December 31,	
	2025	2024
Rent income	\$ 261	\$ 438
Dividend income	694	758
Bargain purchase gain	-	362
Government grant income	1,559	2,794
System service revenue	-	33,411
Other income	17,706	15,523
	<u>\$ 20,220</u>	<u>\$ 53,286</u>

Gain recognised in bargain purchase transaction of 2024 is provided in Note 6(32)A.

(26) Other gains and losses

	Years ended December 31,	
	2025	2024
Losses on disposal of property, plant and equipment	(\$ 6,776)	(\$ 1,447)
Gains on disposal of investment property	-	3,534
Gains (losses) arising from lease modifications	238	(7,333)
Net currency exchange gains	8,300	7,593
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(4,449)	4,030
Other losses	(2,364)	(4,117)
	<u>\$ 5,051</u>	<u>\$ 2,260</u>

(27) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 70,960	\$ 59,271
Convertible bonds	15,007	9,235
Long-term contract liabilities	17,755	14,325
Lease liability	6,550	4,748
Financial expense, others	5,510	10,773
	<u>\$ 115,782</u>	<u>\$ 98,352</u>

(28) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense		
Wages and salaries	\$ 469,091	\$ 331,610
Labour and health insurance fees	45,476	26,763
Pension costs	20,972	12,985
Other personnel expenses	21,747	15,170
Depreciation charge	626,039	608,819
Amortisation charge	33,148	25,148
	<u>\$ 1,216,473</u>	<u>\$ 1,020,495</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year (i.e. profit before tax less profit margin before the appropriation of employees' compensation and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.05% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration. Additionally, on June 4, 2025, the Company's Annual General Meeting of Shareholders approved certain amendments to the articles of incorporation. These amendments stipulate that, of the total employees' compensation, not less than 20% shall be allocated as compensation to non-managerial employees.

The aforementioned employees' compensation and directors' remuneration requires the approval from the majority of the directors attending a board meeting, with more than two thirds of all directors in attendance, and must be reported to the shareholders.

Employees' compensation is distributed in the form of shares or cash, and the recipients may include employees of affiliates who meet certain conditions. The distribution plan is set by the Chairman.

- B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$115 and \$150, respectively; directors' remuneration was accrued at \$5,600 for both years. The aforementioned amounts were recognised in salary expenses.

Employees' compensation of \$150 and directors' remuneration of \$5,600 for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors and approved by the shareholders at their meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 100,088	\$ 81,531
Tax on undistributed surplus earnings	-	2,255
Payment of Land Value Increment Tax Payable	3,749	-
Prior year income tax underestimation	1,042	28
Total current tax	104,879	83,814
Deferred tax		
Origination and reversal of temporary differences	(18,079)	(43,384)
Income tax expense	\$ 86,800	\$ 40,430

(b) Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2025	2024
Income tax calculated based on profit before tax and statutory tax rate	\$ 135,992	\$ 97,070
Expenses disallowed by tax regulation	(2,695)	(32)
Tax exempt income by tax regulation	(58,245)	(47,525)
Payment of Land Value Increment Tax Payable	3,749	-
Temporary differences not recognised as deferred tax assets	7,634	4,117
Taxable loss not recognised as deferred tax assets	-	3,075
Change in assessment of realisation of deferred tax assets	(677)	(18,851)
Prior year income tax underestimation	1,042	28
Effect from Alternative Minimum Tax	-	293
Tax on undistributed surplus earnings	-	2,255
Income tax expense	\$ 86,800	\$ 40,430

- (c) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2025	2024
Currency translation differences	(\$ <u>7</u>)	\$ <u>5</u>

- B. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2025				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
Temporary differences					
- Deferred tax assets:					
Unrealised allowance for inventory obsolescence	\$ 16,849	\$ 1,905	\$ -	\$ -	\$ 18,754
Unrealised exchange loss	1	546	-	-	547
Warranty obligations	2,481	228	-	-	2,709
Long-term contract liabilities interest expense	14,229	3,551	-	-	17,780
Others	3,985	502	-	-	4,487
Income tax losses	<u>96,551</u>	<u>(829)</u>	<u>-</u>	<u>-</u>	<u>95,722</u>
	<u>134,096</u>	<u>5,903</u>	<u>-</u>	<u>-</u>	<u>139,999</u>
Temporary differences					
- Deferred tax liabilities:					
Land revaluation increment tax	(39,395)	3,749	-	-	(35,646)
Book-tax difference on intangible assets from business combinations	(63,587)	5,788	-	2,017	(55,782)
Others	<u>(4,865)</u>	<u>2,639</u>	<u>(7)</u>	<u>-</u>	<u>(2,233)</u>
	<u>(107,847)</u>	<u>12,176</u>	<u>(7)</u>	<u>2,017</u>	<u>(93,661)</u>
	<u>(\$ 26,249)</u>	<u>\$ 18,079</u>	<u>(\$ 7)</u>	<u>\$ 2,017</u>	<u>\$ 46,338</u>

2024					
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Business combination</u>	<u>December 31</u>
Temporary differences					
- Deferred tax assets:					
Unrealised allowance for inventory obsolescence	\$ 15,264	\$ 1,585	\$ -	\$ -	\$ 16,849
Unrealised exchange loss	463	(462)	-	-	1
Warranty obligations	2,725	(244)	-	-	2,481
Long-term contract liabilities interest expense	11,364	2,865	-	-	14,229
Others	3,371	614	-	-	3,985
Income tax losses	<u>60,053</u>	<u>36,498</u>	<u>-</u>	<u>-</u>	<u>96,551</u>
	<u>93,240</u>	<u>40,856</u>	<u>-</u>	<u>-</u>	<u>134,096</u>
Temporary differences					
- Deferred tax liabilities:					
Land revaluation increment tax	(49,902)	-	-	10,507	(39,395)
Book-tax difference on intangible assets from business combinations	(46,466)	4,534	-	(21,655)	(63,587)
Others	(2,864)	(2,006)	5	-	(4,865)
	<u>(99,232)</u>	<u>2,528</u>	<u>5</u>	<u>(11,148)</u>	<u>(107,847)</u>
	<u>(\$ 5,992)</u>	<u>\$ 43,384</u>	<u>\$ 5</u>	<u>(\$ 11,148)</u>	<u>\$ 26,249</u>

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025					
<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>	
2015	\$ 9,659	\$ 2,798	\$ 2,798	2025	
2016	10,904	3,359	-	2026	
2017	15,584	888	-	2027	
2018	311,803	284,617	-	2028	
2019	1,346	612	-	2029	
2020	4,767	4,611	1,423	2030	
2021	9,003	9,003	989	2031	
2022	16,560	14,903	552	2032	
2023	70,501	67,339	665	2033	
2024	96,488	96,488	-	2034	
2025	421	421	-	2025	
	<u>\$ 547,036</u>	<u>\$ 485,039</u>	<u>\$ 6,427</u>		

December 31, 2024

<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2014	\$ 4,626	\$ 347	\$ 347	2024
2015	9,659	2,798	2,798	2025
2016	10,904	3,359	-	2026
2017	15,584	888	1	2027
2018	311,804	292,411	1	2028
2019	3,310	2,576	1,964	2029
2020	4,880	4,880	1,997	2030
2021	9,081	9,081	3,087	2031
2022	16,604	14,947	1,498	2032
2023	70,554	67,392	880	2033
2024	96,768	96,768	121	2034
	<u>\$ 553,774</u>	<u>\$ 495,447</u>	<u>\$ 12,694</u>	

- D. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	<u>\$ 193,783</u>	<u>\$ 153,308</u>

- E. Income tax assessment of the Company and its domestic subsidiaries is as follows:

	<u>Recent assessment</u>
The Company, SenCare Healthcare Company, Hsing-Yeh Biotechnology Co., Ltd., Chiu Ho Biotech Co., Ltd., Shin-Ho Biotech Co., Ltd., E Century Healthcare Corporation, Hua Lin Instruments Co., Ltd., Tong-Lin Instruments Co., Ltd., Treasure of Health Co., Ltd., CHC Long-Term Care Corporation , Tomorrow Medical System Co., Ltd., Chiu Ho Scientific Co., Ltd., Chiu Ho Medical System Co., Ltd., Let We Care Seniors Service, Exotic Pet Care Experts Co., Ltd., K&M INTERNATIONAL Trading Co., Ltd., Happy Healthcare Company	Through 2023

(30) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 186,277	185,811	\$ 1.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 186,277	185,811	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	22	
Employees' compensation	-	4	
Convertible bonds	8,456	9,443	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 194,733	195,280	\$ 1.00
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 168,384	166,769	\$ 1.01
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 168,384	166,769	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	80	
Employees' compensation	-	4	
Convertible bonds	22,571	27,789	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 190,955	194,642	\$ 0.98

Because employees' compensation may be distributed in the form of shares, the calculation of diluted earnings per share assumes that employees' compensation would be distributed entirely in shares. These dilutive potential common shares are included in the weighted average number of outstanding shares when calculating diluted earnings per share. When calculating basic earnings per share, shares issued as part of employees' compensation are included in the weighted average number of outstanding shares only if the number of such shares have been confirmed and resolved by the Board of Directors. Shares issued as part of employees' compensation are not considered bonus shares, therefore no retrospective adjustment is applied when calculating basic and diluted earnings per share.

(31) Transactions with non-controlling interest

- A. On February 23, 2024, Cin-An, a subsidiary of the Group, increased its capital by issuing new shares with a total investment amount of \$35,000. SenCare, the parent company of Cin-An, participated in the capital increase amounting to \$22,400, while non-controlling interests participated in the capital increase amounting to \$12,600. Cin-An did not acquire shares proportionally to its interest. As a result, Cin-An increased its share interest by 6.72%. This transaction resulted in a decrease in the non-controlling interest of Cin-An by \$3,095 and an increase in the equity attributable to SenCare by \$3,095. Furthermore, considering that the Company indirectly holds 66% shares of SenCare through its wholly-owned subsidiary, Chiu Ho Medical, this resulted in an increase in the equity of the ultimate parent company, the Company, by \$2,042, and a decrease in the non-controlling interest by \$2,042. However, the effect of changes in interests in Cin-An on the equity attributable to owners of SenCare for the years ended December 31, 2024 is shown below:

	Year ended <u>December 31, 2024</u>
Proceeds from capital increase subscribed by SenCare	(\$ 22,400)
Amount of acquisition of Cin-An's controlling interests	<u>25,495</u>
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 3,095</u>

- B. On March 22, 2024, K&M, a subsidiary of the Group, increased its capital by issuing new shares with a total investment amount of \$15,000. Treasure of Health, the parent company of K&M, participated in the capital increase amounting to \$13,000, while non-controlling interests participated in the capital increase amounting to \$2,000. Treasure of Health did not acquire shares proportionally to its interest. As a result, K&M decreased its share interest by 10%. This transaction resulted in an increase in the non-controlling interest of K&M by \$185 and a decrease in the equity attributable to Treasure of Health by \$185. Furthermore, considering that the Company holds 51% shares of Treasure of Health, this resulted in a decrease in the equity of the ultimate parent company, the Company, by \$94, and an increase

in the non-controlling interest by \$94. However, the effect of changes in interests in K&M on the equity attributable to owners of Treasure of Health for the years ended December 31, 2024 is shown below:

	Year ended <u>December 31, 2024</u>
Cash capital increase subscription payment of Treasure of Health	(\$ 13,000)
Acquisition amount of controlling interest in K&M	<u>12,815</u>
Capital surplus - recognition of changes in ownership interest in subsidiaries	(\$ <u><u>185</u></u>)

- C. On September 1, 2025, Treasure of Heath, a subsidiary of the Group, increased its capital by issuing new shares with a total investment amount of \$56,012. The Company participated in the capital increase amounting to \$16,830, while non-controlling interests participated in the capital increase amounting to \$39,182. The Company did not acquire shares proportionally to its interest. As a result, the Company decreased its share interest by 1%. This transaction resulted in a decrease in the non-controlling interest of Treasure of Heath by \$7,438 and an increase in the equity attributable to the Company by \$7,438. However, the effect of changes in interests in Treasure of Heath on the equity attributable to owners of the Company for the year ended December 31, 2025 is shown below:

	Year ended <u>December 31, 2024</u>
Cash capital increase subscription payment of the Company	(\$ 16,830)
Acquisition amount of controlling interest in Treasure of Health	<u>24,268</u>
Capital surplus - recognition of changes in ownership interest in subsidiaries	\$ <u><u>7,438</u></u>

(32) Business combinations

A. Acquisition of K&M

- (a) On January 31, 2024, the Company's subsidiary, Treasure of Health, acquired 100% of the share capital of K&M International Trading Co., Ltd. for \$5,724, and obtained control over K&M International Trading Co., Ltd.. The company is engaged in sales of commodities and cosmetics in the Republic of China. As a result of the acquisition, the Company is expected to expand its business and operating scale.
- (b) The following table summarises the consideration paid for K&M International Trading Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

<u>K&M International Trading</u>	<u>January 31, 2024</u>
Purchase consideration	
Cash paid	\$ 5,724
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	-
	<u>5,724</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	1,020
Notes receivable	190
Accounts receivable	3,185
Inventories	1,607
Prepayments	384
Guarantee deposits	709
Accounts payable	(45)
Other payables	(683)
Current tax liabilities	(272)
Other current liabilities	(9)
Total identifiable net assets	<u>6,086</u>
Bargain purchase gain (shown as "other income")	<u>(\$ 362)</u>

B. Acquisition of Let We Care Seniors Service

- (a) On April 23, 2024, the Company's indirect subsidiary, SenCare, acquired 74.88% of the share capital of Let We Care Seniors Service Co., Ltd. for \$4,946 and obtained control over Let We Care Seniors Service Co., Ltd.. The company is engaged in the design consultant for elderly services in the Republic of China. As a result of the acquisition, the Company is expected to expand its business and operating scale.
- (b) The following table summarises the consideration paid for Let We Care Seniors Service Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

<u>Let We Care Seniors Service</u>	<u>April 23, 2024</u>
Purchase consideration	
Cash paid	\$ 4,946
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>786</u>
	<u>5,732</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	4,483
Accounts receivable	64
Other accounts receivable	206
Right-of-use assets	395
Guarantee deposits	110
Other non-current assets	120
Contract liabilities	(144)
Other payables - related parties	(1,258)
Current tax liabilities	(78)
Lease liabilities	(396)
Other current liabilities	(26)
Long-term borrowings	(345)
Total identifiable net assets	<u>3,131</u>
Goodwill	<u>\$ 2,601</u>

C. Acquisition of Happy Healthcare

- (a) On November 1, 2024, the Company's subsidiary, Treasure of Health, acquired 51% of the share capital of Happy Healthcare Company for \$71,400, and obtained control over Happy Healthcare Company. The company is engaged in sales of drugs and health supplements in the Republic of China. As a result of the acquisition, the Company is expected to expand its business and operating scale. The allocation of relevant purchase consideration will be completed within a year.
- (b) The following table summarises the consideration paid for Happy Healthcare Company and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

<u>Happy Healthcare Company</u>	<u>November 1, 2024</u>
Purchase consideration	
Cash paid	\$ 71,400
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>48,292</u>
	<u>119,692</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	37,316
Notes receivable	320
Accounts receivable	5,447
Inventories	14,391
Prepayments	12,455
Other accounts receivable	114
Right-of-use assets	5,520
Guarantee deposits	60
Including trademark licenses	46,252
Supply rights	57,127
Contract liabilities	(1,633)
Notes payable	(15,262)
Accounts payable	(27,022)
Other payables - related parties	(9,122)
Current tax liabilities	(1,089)
Lease liabilities	(5,544)
Other current liabilities	(99)
Long-term borrowings	(<u>20,675</u>)
Total identifiable net assets	<u>98,556</u>
Goodwill	<u>\$ 21,136</u>

- (c) As it was agreed in the aforementioned acquisition contract that the original shareholders of Happy Healthcare Company have the right to sell the remaining 49% equity interests to Treasure of Health at fair value. Treasure of Health recognised “other equity – others” and redemption of liabilities (shown as “other non-current liabilities” which was recorded under the “non-current liabilities”.) amounting to \$52,245. Furthermore, considering that the Company holds 51% shares of Treasure of Health, this resulted in a decrease of the Company’s “other equity – others” by \$26,645 and a decrease of non-controlling interests by \$25,600.
- D. The operating revenue included in the consolidated statement of comprehensive income since January 31, 2024, April 23, 2024 and November 1, 2024 contributed by K&M International Trading Co., Ltd., We Care Seniors Service Co., Ltd. and Happy Healthcare Company, Had K&M International Trading Co., Ltd., Let We Care Seniors Service Co., Ltd. and Happy Healthcare Company been consolidated from January 1, 2024, the consolidated

statement of comprehensive income would show operating revenue of \$3,704,222 and profit before income tax of \$227,628.

(33) Supplemental cash flow information

- A. Information on investing activities with partial cash payments is provided in Notes 6(9), 6(12) and 6(13).
- B. The Company's indirect subsidiary, SenCare, sold 57.72% of its entire shares in the subsidiary, Cin-An, and 50.7% of its entire shares in the subsidiary, Xing-An LTC, on August 15, 2024 and therefore lost control over these subsidiaries, and therefore lost control over the subsidiary (please refer to Note 4(3) B.), which resulted in a decrease of non-controlling interests by \$55,918, and the Group recognised gains on disposal of investments amounting to \$3,534. Furthermore, considering that the Company indirectly holds 66% shares of SenCare through its wholly-owned subsidiary, Chiu Ho Medical, this resulted in a decrease in the non-controlling interest of the ultimate parent company, the Company, by \$56,971. The details of the consideration received from the transaction (including cash and cash equivalent) and assets and liabilities relating to these subsidiaries are as follows:

<u>Cin-An</u>	<u>August 15, 2024</u>
Purchase consideration	
Cash paid	\$ <u>80,513</u>
Book value of assets and liabilities of Cin-An	
Cash and bank deposits	8,580
Prepayments	843
Invested properties	125,531
Intangible assets	14,322
Restricted bank deposits	29,590
Current income tax liabilities	(187)
Other payables	(57)
Other current liabilities	(873)
Long-term borrowings	(29,194)
Deferred income tax liabilities	(11,400)
Guarantee deposits received	(<u>8,500</u>)
Net assets	\$ <u><u>128,655</u></u>

<u>Xing-An LTC</u>	<u>August 15, 2024</u>
Purchase consideration	
Cash paid	\$ 9,339
Book value of assets and liabilities of Xing-An LTC	
Cash and bank deposits	6,515
Prepayments	4
Right-of-use assets	680
Intangible assets	2,270
Guarantee deposits paid	8,500
Current income tax liabilities	(156)
Other payables	(69)
Lease liabilities	(682)
Deferred income tax liabilities	(145)
Net assets	\$ 16,917

(34) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Guarantee deposits received	Total liabilities from financing activities
January 1, 2025	\$ 856,515	\$1,306,507	\$ 3,266,303	\$ 316,072	\$ 25,067	\$ 5,770,464
Changes in cash flow from financing activities	232,771	891,721	(59,220)	(58,350)	5,794	1,012,716
Impact of changes in foreign exchange rate	607	-	-	(24)	46	629
Changes in other non- cash items	-	(1,394,718)	6,795	80,023	-	(1,307,900)
December 31, 2025	<u>\$ 1,089,893</u>	<u>\$ 803,510</u>	<u>\$ 3,213,878</u>	<u>\$ 337,721</u>	<u>\$ 30,907</u>	<u>\$ 5,475,909</u>

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Guarantee deposits received	Total liabilities from financing activities
January 1, 2024	\$ 359,075	\$1,317,066	\$ 3,301,771	\$ 241,222	\$ 13,764	\$ 5,232,898
Changes in cash flow from financing activities	497,440	-	(14,089)	(41,028)	11,141	453,464
Changes in acquisition of subsidiaries	-	-	345	5,940	-	6,285
Disposal of subsidiary	-	-	(30,049)	-	-	(30,049)
Impact of changes in foreign exchange rate	-	-	432	11	162	605
Changes in other non- cash items	-	(10,559)	7,893	109,927	-	107,261
December 31, 2024	<u>\$ 856,515</u>	<u>\$1,306,507</u>	<u>\$ 3,266,303</u>	<u>\$ 316,072</u>	<u>\$ 25,067</u>	<u>\$ 5,770,464</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's stocks are held by the public, so it has neither an ultimate parent company nor ultimate controlling party.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Yeezen General Hospital	Substantive related party
High-END VISION EYE CENTER	Substantive related party
S&S Hcalthcate Holding Ltd.	Substantive related party
Shin Shin Healthcare Co., Ltd.	Substantive related party
SWISSRAY ASIA HEALTHCARE COMPANY LIMITED	Substantive related party
AESolution Biomedical Co., Ltd.	Substantive related party
Chen Lin Charity Foundation	Substantive related party
Treasure of Health Pharmacy (Nangang)	Substantive related party
Treasure of Health Pharmacy (Donghu)	Substantive related party
Kun-Zhang Su	Substantive related party
Yu-Zhi Zhuang	Substantive related party
Yu-Hsiu Wang	Substantive related party
Hsiao-Chun Kan	Substantive related party
Errand Co., Ltd.	Substantive related party
EARK Exotic Animal Hospital	Substantive related party
Wu Yang Biotcthnology	Substantive related party
LSZW Seniors Service Association	Substantive related party
Cang Xing Biotech Co., Ltd.	Substantive related party
CHENG-HSIN Biotechnology Co., Ltd.	Associate

(3) Significant transactions and balances with related parties

A. Operating revenue

(a) Sales revenue

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
Substantive related party	\$ 291,117	\$ 253,732
Associate	-	70
	<u>\$ 291,117</u>	<u>\$ 253,802</u>

In terms of the transactions between the subsidiaries, Chiu Ho Medical System Co., Ltd., Chiu Ho Scientific Co., Ltd., Treasure of Health Co., Ltd., K&M International Trading Co., Ltd. and Let We Care Seniors Service Co., Ltd. and the abovementioned related parties, goods are sold based on the price lists in force and terms that would be available to third parties. Hsing-Yeh Biotechnology Co., Ltd. and the abovementioned related parties have no other similar transactions that can be used for comparison. The collection period is approximately 2~6 months.

(b) Rental revenue

	Years ended December 31,	
	2024	2023
Rental revenue:		
Yeezen General Hospital	\$ 139,038	\$ 82,656
Substantive related party	<u>22,131</u>	<u>17,853</u>
	<u>\$ 161,169</u>	<u>\$ 100,509</u>

- i. The subsidiaries, Hsing-Yeh Biotechnology Co., Ltd. and Chiu Ho Medical System Co., Ltd., lease property to the abovementioned related parties. The lease terms are from 2023 to 2028. Lease payments are determined by negotiations between the two parties and are made monthly.
- ii. The subsidiaries, Chiu Ho Scientific Co., Ltd., E Century Healthcare Corporation and Chiu Ho Medical System Co., Ltd., and Exotic Pet Care Experts Co., Ltd., lease medical equipment to the abovementioned related parties. The lease terms are from 2016 to 2031. The monthly lease payment is set as a predetermined percentage of the monthly revenue of the related party. The collection period is between 2 and 6 months.
- iii. The rental of other equipment provided by the subsidiary, Let We Care Seniors Service Co., Ltd., to the aforementioned related party constitutes unscheduled, one-time leases, with rental fees mutually agreed upon by both parties for each transaction.

(c) Royalty income

	Years ended December 31,	
	2025	2024
Royalty income:		
Substantive related party	<u>\$ 3,836</u>	<u>\$ 4,093</u>

Royalty income was collected because the subsidiary, Treasure of Health Co., Ltd., provided trademark licenses to the abovementioned related parties. The licensing fee received in each period is calculated according to the agreed percentage of the abovementioned related parties' monthly sales revenue. The collection term was 2 months.

B. Purchases

	Years ended December 31,	
	2025	2024
Purchases of goods:		
Substantive related party	<u>\$ 10,277</u>	<u>\$ 10,167</u>

The subsidiaries, Chiu Ho Scientific Co., Ltd., Chiu Ho Medical System Co., Ltd., and Happy Healthcare Company and the abovementioned related parties have no other similar transactions that can be used for comparison. In terms of the transactions between Treasure of Health Co., Ltd and the abovementioned related parties, goods are purchased based on the price lists in force and terms that would be available to third parties. The payment period is between 1 and 3 months.

C. System service revenue (shown as ‘other income’)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantive related party	\$ -	\$ 3,368

The subsidiary, Treasure of Health, provides system services to the aforementioned related parties, and the sales prices and terms were determined by mutual agreement.

D. Notes and accounts receivable

(a) Receivables from related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Yeezen General Hospital	\$ 197,734	\$ 184,611
Substantive related party	40,140	28,856
	<u>237,874</u>	<u>213,467</u>
Less: Allowance for doubtful accounts	-	-
	<u>\$ 237,874</u>	<u>\$ 213,467</u>

(b) As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables due from related parties from contracts with customers amounted to \$192,712, \$195,948, and \$207,662, respectively.

(c) Lease payments receivable (shown as ‘accounts receivable - related parties’ and long-term notes and accounts receivable - related parties)

The subsidiaries, Hsing-Yeh Biotechnology Co., Ltd., and E Century Healthcare Corporation, lease machinery and other equipment to Yeezen General Hospital under a finance lease. The lease terms are from 2019 to 2030. Based on the terms of the lease contract, the ownership of the equipment shall be transferred to the lessee when the lease expires. In addition, Hsing-Yeh Biotechnology Co., Ltd. leases renovation project assets to CHENG-HSIN Biotechnology Co., Ltd under a finance lease. The lease term is from 2017 to 2024 which is for the major part of economic life of the underlying asset. The lease payments from the aforementioned agreements are expected to be collected on schedule.

As of December 31, 2025 and 2024, reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

December 31, 2025			
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
<u>Current</u>			
Yeezen General Hospital	\$ 10,562	(\$ 976)	\$ 9,586
Loss allowance	-	-	-
	<u>\$ 10,562</u>	<u>(\$ 976)</u>	<u>\$ 9,586</u>
<u>Non-current</u>			
Yeezen General Hospital	\$ 29,380	(\$ 1,492)	\$ 27,888
Loss allowance	-	-	-
	<u>\$ 29,380</u>	<u>(\$ 1,492)</u>	<u>\$ 27,888</u>
December 31, 2024			
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
<u>Current</u>			
Yeezen General Hospital	\$ 4,665	(\$ 291)	\$ 4,374
CHENG-HSIN Biotechnology Co., Ltd.	7,040	-	7,040
Loss allowance	-	-	-
	<u>\$ 11,705</u>	<u>(\$ 291)</u>	<u>\$ 11,414</u>
<u>Non-current</u>			
Yeezen General Hospital	\$ 8,008	(\$ 343)	\$ 7,665
Loss allowance	-	-	-
	<u>\$ 8,008</u>	<u>(\$ 343)</u>	<u>\$ 7,665</u>

(d) The ageing analysis of accounts receivable due from related parties is as follows:

	December 31, 2025	December 31, 2024
Not past due	\$ 211,562	\$ 156,038
Past due		
Up to 1 month	17,351	17,704
Up to 2 months	15,087	17,096
Up to 3 months	16,324	15,701
Up to 4 months	15,024	12,310
Up to 5 months	-	13,697
Up to 6 months	-	-
Over 6 months	-	-
	<u>\$ 275,348</u>	<u>\$ 232,546</u>

The above receivables included the receivables generated from the Group's business activities of sales and lease of medical equipment and the ageing analysis was based on past due month.

(e) Information relating to credit risk is provided in Note 12(2).

E. Other receivables due from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantive related party	\$ <u>-</u>	\$ <u>3,536</u>

The consideration received arose from the subsidiary, Treasure of Health, providing system services to the aforementioned related parties.

Loans to related parties

<u>Year ended December 31, 2024</u>					
	<u>Maximum balance</u>	<u>Ending balance</u>	<u>Interest rate</u>	<u>Amount of interest</u>	<u>Ending balance of interest receivable</u>
Yeezen General Hospital	\$ <u>15,000</u>	\$ <u>-</u>	3.0%	\$ <u>27</u>	\$ <u>-</u>

There is no such transaction for the year ended December 31, 2025.

F. Accounts payable - related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantive related party	\$ <u>1,472</u>	\$ <u>2,630</u>

The payables to related parties arise mainly from purchases and the payment term is 2~3 months. The payables bear no interest.

G. Property transactions

Disposal of property, plant and equipment

	<u>Year ended December 31, 2025</u>		<u>Year ended December 31, 2024</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Yeezen General Hospital	\$ <u>-</u>	\$ <u>-</u>	\$ <u>214</u>	\$ <u>19</u>

H. Lease transactions - lessee

(a) The subsidiary, Treasure of Health Co., Ltd., and Happy Healthcare Company leases offices and warehouses from Substantive related party Rental contracts are made for periods of 10 years. Rents are paid at the beginning of the month.

(b) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Substantive related party	\$ <u>32,852</u>	\$ <u>37,745</u>

(4) Key management compensation

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 31,874	\$ 36,794
Post-employment benefits	324	324
	<u>\$ 32,198</u>	<u>\$ 37,118</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Financial assets at amortised cost - non-current			Performance and customs duty guarantee related to operations
-Time deposits	\$ 240,797	\$ 201,416	
Other non-current assets			
-Restricted bank deposits			Collateral for long-term borrowings and performance and customs duty guarantee related to operations
	169,169	9,505	
Property, plant and equipment (including investment property)			
-Land	808,838	808,838	Collateral for long-term borrowings
-Buildings and structures	996,812	1,031,502	Collateral for long-term borrowings
-Leased assets - machinery and equipment	633,860	439,095	Collateral for long-term borrowings
-Equipments pending acceptance	-	55,782	Collateral for short-term borrowings
	<u>2,439,510</u>	<u>2,335,217</u>	
	<u>\$ 2,849,476</u>	<u>\$ 2,546,138</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. Please refer to Note 6(17) for commitments related to the syndicated bank loan.
- B. As of December 31, 2025 and 2024, the committed but not yet commenced property leases are described in Note 6(10) H.
- C. As of December 31, 2025 and 2024, capital expenditures on property, plant and equipment and inventories contracted for but not yet incurred were \$4,602,686 and \$602,596, respectively.

- D. As of December 31, 2025 and 2024, amounts available under unused letters of credit were \$258,732 and \$218,249, respectively.
- E. As of December 31, 2025 and 2024, the committed but not yet invested amounts in private equity fund contracts signed by the Group were \$45,000 and \$19,500, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 8, 2026, the Company's subsidiary, Chiu Ho Medical System Co., Ltd., entered into an agreement with MacKay Memorial Hospital for the sale of a proton therapy system, which will benefit the hospital's business expansion and sales.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>119,599</u>	\$ <u>118,710</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ <u>118,422</u>	\$ <u>87,824</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,786,493	\$ 1,641,783
Financial assets at amortised cost	292,565	235,128
Notes receivable	18,388	22,478
Accounts receivable (including related parties)	1,034,462	1,177,704
Other receivables (including related parties)	7,219	39,660
Other financial assets (shown as 'other non-current assets')	169,169	9,505
Long-term notes and accounts receivable (including related parties)	426,922	304,818
Guarantee deposits paid	398,671	351,148
	<u>\$ 4,133,889</u>	<u>\$ 3,782,224</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	<u>\$ 11,340</u>	<u>\$ -</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,089,893	\$ 856,515
Notes payable	6,905	30,969
Accounts payable	518,535	475,566
Other payables	156,741	118,940
Bonds payable (including current portion)	803,510	1,306,507
Long-term borrowings (including current portion)	3,179,217	3,231,642
Guarantee deposits received	30,907	25,067
	<u>\$ 5,785,708</u>	<u>\$ 6,045,206</u>
Lease liability	<u>\$ 337,721</u>	<u>\$ 316,072</u>

B. Financial risk management policies

- (a) The Group's operating activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as credit risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group conducts business worldwide and imports state-of-the-art medical equipment and supplies from various countries and is therefore exposed to foreign exchange risk from multiple foreign currencies, primarily the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Under the Group's financial risk management policy, foreign exchange risk is managed using debt denominated in the relevant foreign currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, HKD, IDR or GBP). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	<u>December 31, 2025</u>			<u>Year ended December 31, 2025</u>	
	Foreign currency amount <u>(in thousands)</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>	<u>Extent of variation</u>	<u>Effect on profit or loss</u>
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 8,718	31.43	\$ 274,007	1%	\$ 2,740
USD:HKD	324	7.78	10,183	1%	102
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	12,920	31.43	406,076	1%	4,061
EUR:NTD	3,630	36.90	133,947	1%	1,339
SGD:NTD	1,997	24.45	48,827	1%	488

	December 31, 2024			Year ended December 31, 2024	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 8,517	32.79	\$ 279,272	1%	\$ 2,793
USD:HKD	1,339	7.77	43,906	1%	439
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	8,383	32.79	274,879	1%	2,749
EUR:NTD	529	34.14	18,060	1%	181

- iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$8,300 and \$7,593, respectively

Price risk

- i. The Group is exposed to equity price risk from its investments classified on the consolidated balance sheet either as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group has set stop-loss points and therefore does not expect to incur significant losses from equity price risk.
- ii. The Group's investments in equity and debt securities comprise domestic and foreign listed and unlisted stocks. The prices of equity and debt securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$11,960 and \$11,871, respectively, as a result of gains/losses on equity and debt securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$11,842 and \$8,782, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Long-term borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at variable rates. The

Group's borrowings at variable rates are primarily denominated in NTD and USD.

- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have decreased/increased by \$31,871 and \$32,463, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or financial instruments on the contract obligations. The main factor is the counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost. According to the Group's credit policy, each local entity in the Group is responsible for managing and assessing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit control supervisor. The utilisation of credit limits is regularly monitored.
- ii. If the contract payments were past due over one month based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; the default occurs when the contract payments are past due over three months and up to two years.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the modified approach using the provision matrix to estimate expected credit loss.
- v. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- vi. The Group took into consideration the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including long-term and related parties) and contract assets. On December 31, 2025 and 2024, the provision matrix is as follows:

<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.00%~5.81%	\$ 1,512,464	\$ 1,161
Up to 1 month	0.00%~49.08%	37,780	1,199
Up to 2 months	0.00%~49.54%	28,575	1,324
Up to 3 months	0.00%~50.99%	19,906	1,179
Up to 4 months	0.00%~100%	16,622	888
Up to 5 months	0.00%~100%	2,702	1,679
Up to 6 months	0.00%~100%	1,978	1,671
Over 6 months	30%~100%	6,428	6,428
		<u>\$ 1,626,455</u>	<u>\$ 15,529</u>

<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.00%~1%	\$ 1,515,180	\$ 2
Up to 1 month	0.00%~1%	41,022	4
Up to 2 months	0.00%~1%	22,023	4
Up to 3 months	0.00%~1%	22,259	30
Up to 4 months	0.00%~100%	12,394	-
Up to 5 months	0.00%~100%	13,697	-
Up to 6 months	0.00%~100%	-	-
Over 6 months	30%~100%	4,573	4,573
		<u>\$ 1,631,148</u>	<u>\$ 4,613</u>

- vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable, contract assets, notes receivable, long-term and short-term lease payments receivable and other receivables are as follows:

	2025				
	<u>Accounts receivable (including related parties)</u>	<u>Contract assets (including related parties)</u>	<u>Notes receivable</u>	<u>Lease payments receivable (including related parties)</u>	<u>Other receivables (including related parties)</u>
At January 1	\$ 4,613	\$ -	\$ -	\$ -	\$ 4394
Provision for impairment	13,590	-	-	-	-
Reversal of impairment	(554)	-	-	-	-
Derecognised	(2,628)	-	-	-	-
Effect of foreign exchange	508	-	-	-	2
At December 31	<u>\$ 15,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441</u>

	2024				
	Accounts receivable (including related parties)	Contract assets (including related parties)	Notes receivable	Lease payments receivable (including related parties)	Other receivables (including related parties)
At January 1	\$ 6,531	\$ -	\$ 1	\$ -	\$ 424
Provision for impairment	698	-	-	-	-
Reversal of impairment	(2,739)	-	(1)	-	-
Effect of foreign exchange	123	-	-	-	15
At December 31	<u>\$ 4,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the expected or contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2025				
Short-term borrowings	\$ 1,106,174	\$ -	\$ -	\$ -
Notes payable	6,905	-	-	-
Accounts payable	518,535	-	-	-
Other payables	156,741	-	-	-
Lease liability	58,668	51,748	143,252	128,858
Bonds payable and embedded derivative instruments (including current portion)	-	-	900,000	-
Long-term borrowings (including current portion)	687,864	2,121,810	491,556	-

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 856,515	\$ -	\$ -	\$ -
Notes payable	30,969	-	-	-
Accounts payable	475,566	-	-	-
Other payables	118,940	-	-	-
Lease liability	48,809	46,191	117,619	135,830
Bonds payable and embedded derivative instruments (including current portion)	1,311,910	-	-	-
Long-term borrowings (including current portion)	431,458	1,757,726	1,232,724	-

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity and debt investment without active market is included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(12).
- C. The carrying amount of a financial instrument not measured at fair value is a reasonable approximation of its fair value. Such financial instruments include cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, long-term notes and accounts receivable (including related parties), guarantee deposits paid, other financial assets, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including the current portion), bonds payable (including current portion), guarantee deposits received and lease liability.
- D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 15,996	\$ -	\$ -	\$ 15,996
Debt instruments	-	-	59,960	59,960
Privately offered funds	-	-	43,643	43,643
Financial assets at fair value through other comprehensive income				
Equity securities	28,322	-	90,100	118,422
	<u>\$ 44,318</u>	<u>\$ -</u>	<u>\$ 193,703</u>	<u>\$238,021</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,340</u>	<u>\$ 11,340</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 49,669	\$ -	\$ -	\$ 49,669
Debt instruments	-	-	59,960	59,960
Derivative instruments	-	-	-	-
Privately offered funds	-	-	9,081	9,081
Financial assets at fair value through other comprehensive income				
Equity securities	12,724	-	75,100	87,824
	<u>\$ 62,393</u>	<u>\$ -</u>	<u>\$ 144,141</u>	<u>\$206,534</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. Listed stocks are instruments whose fair values are measured using quoted market prices (that is, Level 1). The quoted market prices used for these stocks are the closing prices on the balance sheet date.

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

- E. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024.

	2025				
	Equity securities	Privately offered funds	Debt instruments	Derivative financial instruments	Total
At January 1	\$ 75,100	\$ 9,081	\$ 59,960	\$ -	\$ 144,141
Gains and losses recognised in profit or loss	-	62	-	(3,766)	(3,704)
Acquired during the year	15,000	34,500	-	-	49,500
Convertible bonds issued	-	-	-	(7,470)	(7,470)
Convertible bonds converted during the year	-	-	-	(104)	(104)
At December 31	<u>\$ 90,100</u>	<u>\$ 43,643</u>	<u>\$ 59,960</u>	<u>(\$ 11,340)</u>	<u>\$ 182,363</u>
	2024				
	Equity securities	Privately offered funds	Debt instruments	Derivative financial instruments	Total
At January 1	\$ 26,800	\$ 5,231	\$ 59,960	\$ 2,598	\$ 94,589
Gains and losses recognised in profit or loss	-	(650)	-	(2,574)	(3,224)
Acquired during the year	48,300	4,500	-	-	52,800
Convertible bonds converted during the year	-	-	-	(24)	(24)
At December 31	<u>\$ 75,100</u>	<u>\$ 9,081</u>	<u>\$ 59,960</u>	<u>\$ -</u>	<u>\$ 144,141</u>

- G. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.
- H. Financial accounting department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and performing reviews regularly.

- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 90,100	Market comparable companies	Price to book ratio multiple	2.69~4.28 (3.22)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30.55% (30.55%)	The higher the discount for lack of marketability, the lower the fair value
Privately offered funds	43,643	Net asset value	Not applicable	-	Not applicable

	<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative debt instrument:					
Unlisted stocks	59,960	Discounted cash flow method	Weighted average capital cost	2.93% (2.93%)	The higher the weighted average capital cost, the lower the fair value
			Discount for lack of marketability	25.24% (25.24%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:					
Convertible bonds and call options	(11,340)	Binomial Model	Volatility	41.00% (41.00%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	2.3401% (2.3401%)	

	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 26,800	Market comparable companies	Price to book ratio multiple	3.56 (3.56)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30.55% (30.55%)	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	48,300	Net asset value	Not applicable	-	Not applicable
Privately offered	9,081	Net asset	Not applicable	-	Not applicable

funds	Fair value at December 31, 2024	Valuation technique value	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative debt instrument:					
Unlisted stocks	59,960	Discounted cash flow method	Price to book ratio multiple	4.38% (4.38%)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	22.52% (22.52%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:					
Convertible bonds	-	Binomial Model	Volatility	28.59% (28.59%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	1.5759% (1.5759%)	

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and financial liabilities classified as Level 3, an increase or decrease in their valuation parameter by 1% would have no material impact on gain or loss and other comprehensive income as at December 31, 2025 and 2024.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting periods: None exceeds \$100 million.

(2) Information on investees

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

(3) Information on investments in Mainland China

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

A. Basic information: Refer to table 6.

B. Limits on investments in Mainland China: Refer to table 6.

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: There were no significant transactions.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment. The chief operating decision-maker assesses performance based on net profits, and the amounts of assets, liabilities, profits and losses provided to the decision-maker are consistent with those presented in the financial statements. Under one reportable segment, information on profits, losses, assets and liabilities of individual departments are not disclosed.

(2) Measurement of segment information

The chief operating decision-maker assesses performance based on net profits, and the amounts of assets, liabilities, profits and losses provided to the decision-maker are consistent with those presented in the financial statements. Under one reportable segment, information on profits, losses, assets and liabilities of individual departments are not disclosed.

(3) Information on products and services

Because the Company and its subsidiaries are all engaged in sales of drugs and sales, rent and installment and maintenance of medical devices, information on products and services is the same with the financial information provided in Note 6 (23).

(4) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	<u>Revenue (Note)</u>	<u>Non-current assets</u>	<u>Revenue (Note)</u>	<u>Non-current assets</u>
Taiwan	\$ 4,326,077	\$ 8,767,959	\$ 3,523,648	\$ 8,047,350
China	63,504	207,442	64,637	230,504
Others	8,699	92	12,289	129
	<u>\$ 4,398,280</u>	<u>\$ 8,975,493</u>	<u>\$ 3,600,574</u>	<u>\$ 8,277,983</u>

Note: Revenue was reclassified based on the country where the customers are located.

(5) Major customer information

	Years ended December 31,	
	2025	2024
	<u>Revenue</u>	<u>Revenue</u>
Customer A	<u>\$ 333,444</u>	<u>\$ 249,712</u>

CHC Healthcare Group and Subsidiaries

Loans to others

For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
					year ended December 31, 2025	December 31, 2025							Item	Value			
0	The Company	Chiu Ho Medical System Co., Ltd.	Other receivables	Y	\$ 300,000	\$ 300,000	\$ -	2%~3.5%	Short-term financing	\$ -	Operation	\$ -	None	\$ -	\$ 762,952	\$ 3,051,809	
0	The Company	Chiu Ho Scientific Co., Ltd.	Other receivables	Y	50,000	50,000	-	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Shin-Ho Biotech Co., Ltd.	Other receivables	Y	600,000	600,000	250,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Tomorrow Medical System Co., Ltd.	Other receivables	Y	450,000	450,000	200,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	Other receivables	Y	600,000	600,000	400,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Chiu Ho Biotech Co., Ltd.	Other receivables	Y	60,000	60,000	20,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Tong-Lin Instruments Co., Ltd.	Other receivables	Y	60,000	60,000	30,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Hua Lin Instruments Co., Ltd.	Other receivables	Y	50,000	30,000	-	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	E Century Healthcare Corporation	Other receivables	Y	200,000	200,000	50,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
0	The Company	Treasure of Health Co., Ltd.	Other receivables	Y	250,000	250,000	110,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	762,952	3,051,809	
1	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC (Guangzhou) Medical Technology Co., Ltd.	Other receivables	Y	23,644	-	-	3.45%	Short-term financing	-	Operation	-	None	-	21,716	43,433	
3	SenCare Healthcare Company	Let We Care Seniors Service Co., Ltd.	Other receivables	Y	10,000	5,000	2,000	2%~3.5%	Short-term financing		Operation	-	None	-	59,149	118,298	
4	Treasure of Health Co., Ltd.	K&M INTERNATIONAL Trading Co., Ltd.	Other receivables	Y	30,000	30,000	10,000	2%~3.5%	Short-term financing	-	Operation	-	None	-	72,158	144,317	
						<u>\$ 2,635,000</u>	<u>\$ 1,072,000</u>										

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: (1) In accordance with the Company's lending policies and procedures, the credit limit for each type of borrower is set as follows:
A. For borrowers with which the Company has a business relationship, the individual loan amount cannot exceed the total transaction amount with the Company in the most recent year.
B. For borrowers with short-term financing needs, the individual loan amount cannot exceed 10% of the Company's net assets according to the most recent financial statements.
(2) In accordance with the lending policies and procedures of the Company's subsidiary, the credit limit for each type of borrower is set as follows:
A. For borrowers with which the subsidiary has a business relationship, the individual loan amount cannot exceed the total transaction amount with the subsidiary in the most recent year.
B. The total loan amount granted to a single party cannot exceed 20% of the subsidiary's net assets according to the most recent financial statements.

Note 3: (1) Limit on total loans granted by the Company: Total loan amount cannot exceed 40% of the Company's net assets according to the most recent financial statements.
(2) Limit on total loans granted by the Company's subsidiary: Total loan amount cannot exceed 40% of the subsidiary's net assets according to the most recent financial statements.

CHC Healthcare Group and Subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	Chiu Ho Medical System Co., Ltd.	2	\$ 15,259,046	\$ 850,000	\$ 400,000	\$ 108,691	\$ -	5.24%	\$ 22,888,569	Y	N	N	
0	The Company	Tomorrow Medical System Co., Ltd.	2	15,259,046	1,288,000	988,800	934,842	-	12.96%	22,888,569	Y	N	N	
0	The Company	Chiu Ho Scientific Co., Ltd.	2	15,259,046	80,000	80,000	28,523	-	1.05%	22,888,569	Y	N	N	
0	The Company	Shin-Ho Biotech Co., Ltd.	2	15,259,046	771,000	771,000	498,672	-	10.11%	22,888,569	Y	N	N	
0	The Company	CHC (Guangzhou) Medical Technology Co., Ltd.	2	15,259,046	33,720	33,720	16,456	-	0.44%	22,888,569	Y	N	N	
1	Chiu Ho Medical System Co., Ltd.	The Company	3	9,892,189	1,106,687	1,106,687	940,684	1,106,687	22.37%	14,838,284	N	Y	N	
1	Chiu Ho Medical System Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	9,892,189	621,674	621,674	528,423	621,674	12.57%	14,838,284	N	N	N	
						<u>\$ 4,001,881</u>	<u>\$ 3,056,291</u>	<u>\$ 1,728,361</u>						

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) In accordance with the Company's policies and procedures on endorsements and guarantees, the endorsement or guarantee amount for a single party cannot exceed 200% of the Company's net assets according to the most recent financial statements.

(2) In accordance with the policies and procedures on endorsements and guarantees provided by the Company's subsidiary, the endorsement or guarantee amount for a single party cannot exceed 200% of the subsidiary's net assets according to the most recent financial statements.

(3) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement or guarantee amount for a single party provided by the Company and its subsidiaries cannot exceed 200% of the Company's net assets according to the most recent financial statements.

Note 4: (1) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement and guarantee amount provided to external parties cannot exceed 300% of the Company's net assets according to the most recent financial statemetns.

(2) In accordance with policies and procedures on endorsements and guarantees provided by Company's subsidiary, the total endorsement and guarantee amount provided to external partines cannot exceed 300% of the subsidiary's net assets according to the most recent financial statements.

(3) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement and guarantee amount provided to external parties by the Company and its subsidiaries cannot exceed 300% of the net assets of the Company according to the most recent financial statements.

Note 5: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CHC Healthcare Group and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Sale of goods	\$ 274,370	99%	6 months	-	-	\$ 201,979	100%	Note

Note 1: Sales amount includes rental revenue.

Note 2: Notes and accounts receivable include lease payments receivable.

CHC Healthcare Group and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate (Note 1)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Notes and accounts receivable (including lease payments receivable): \$201,979	1.42	\$ 62,264	In collection	\$ 40,246	\$ -
CHC Healthcare Group	Shin-Ho Biotech Co., Ltd.	Subsidiary	Other receivables: \$250,000	0.00	-	-	-	-
CHC Healthcare Group	Tomorrow Medical System Co., Ltd.	Subsidiary	Other receivables: \$200,000	0.00	-	-	-	-
CHC Healthcare Group	Hsing-Yeh Biotechnology Co., Ltd.	Subsidiary	Other receivables: \$400,000	0.00	-	-	-	-
CHC Healthcare Group	Treasure of Health Co., Ltd.	Subsidiary	Other receivables: \$110,000	0.00	-	-	-	-

Note 1: Turnover rate shown as 0.00 is because the amount is shown as other receivables in parent company only financial statement and is not applicable to turnover rate. Please refer to table 1 for the amount regarding loaning to others.

Note 2: The subsequent collections were amounts collected as of March 10, 2026.

CHC Healthcare Group and Subsidiaries
Information on investees
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
The Company	Chiu Ho Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	\$ 2,956,388	\$ 2,956,388	445,000,000	100.00%	\$ 4,898,741	\$ 173,672	\$ 175,258	Subsidiary
The Company	Tomorrow Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	613,484	613,484	90,800,000	100.00%	975,953	483	(11,590)	Subsidiary
The Company	Chiu Ho Scientific Co., Ltd.	Taiwan	Ophthalmic equipment sale, leasing and services	151,422	151,422	9,853,841	100.00%	150,089	10,972	10,972	Subsidiary
The Company	Chiu Ho Biotech Co., Ltd.	Taiwan	Medical instrument leasing	47,182	186,822	6,000,000	100.00%	95,858	46,919	18,892	Subsidiary
The Company	Shin-Ho Biotech Co., Ltd.	Taiwan	Irradiation business	499,171	219,171	49,300,000	100.00%	273,661	(75,937)	(75,937)	Subsidiary
The Company	Tong-Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	281,183	281,183	31,000,000	100.00%	380,688	10,493	10,536	Subsidiary
The Company	Hua Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	265,815	265,815	30,000,000	100.00%	400,824	23,227	23,297	Subsidiary
The Company	E Century Healthcare Corporation	Taiwan	Medical instrument sale and leasing	396,151	396,151	44,000,000	100.00%	659,580	55,336	55,336	Subsidiary
The Company	CHC Healthcare (UK) Limited	United Kingdom	Medical instrument sale	14,613	7,364	380,000	100.00%	6,737	(2,413)	(2,413)	Subsidiary
The Company	CHC Healthcare (BVI) Limited	British Virgin Islands	Holdings and indirect investments	522,432	522,432	940	100.00%	302,399	(35,758)	(35,758)	Subsidiary (Note 1)
The Company	Treasure of Health Co., Ltd.	Taiwan	Drug and health supplements sale	423,147	406,317	6,652,950	50.00%	457,155	86,084	34,497	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
CHC Healthcare (BVI) Limited	CHC Healthcare (HK) Limited	Hong Kong	Medical instrument sale, leasing and services	\$ 4,080	\$ 4,255	100,000	100.00%	\$ 24,554	\$ 92	\$ 92	Subsidiary
Chiu Ho Medical System Co., Ltd.	SenCare Healthcare Company	Taiwan	Consulting service and elderly residence	194,000	194,000	19,400,000	65.99%	195,153	3,349	2,210	Subsidiary
Chiu Ho Medical System Co., Ltd.	PT CHC Medika Indonesia	Indonesia	Medical instrument leasing	5,358	5,358	2,566	100.00% (	720) (	309) (	309)	Subsidiary (Note 1)
Chiu Ho Medical System Co., Ltd.	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	1,513,464	1,513,464	93,600,000	100.00%	1,622,660	46,475	45,681	Subsidiary
Hsing-Yeh Biotechnology Co., Ltd.	CHENG-HSIN Biotechnology Co., Ltd.	Taiwan	Management consulting services and retail sales of food products and drugs	12,000	12,000	1,200,000	40.00%	5,636 (	13,189) (	5,276)	Associate
SenCare Healthcare Company	CHC Long-term Care Corporation	Taiwan	Long-term care services	31,040	31,040	-	97.00%	28,272	852	826	Subsidiary (Note 2)
SenCare Healthcare Company	Let We Care Seniors Service Co., Ltd.	Taiwan	Senior services	4,946	4,946	471,700	74.88%	4,811 (	341) (	256)	Subsidiary
Treasure of Health Co., Ltd.	Exotic Pet Care Experts Co., Ltd.	Taiwan	Veterinary medical instrument leasing and drug sale	4,080	4,080	408,000	51.00%	5,691	3,119	1,596	Subsidiary
Treasure of Health Co., Ltd.	K&M INTERNATIONAL Trading Co., Ltd.	Taiwan	Daily necessities and beauty products sale	25,924	25,924	2,607,300	90.00%	28,270	2,334	2,102	Subsidiary
Treasure of Health Co., Ltd.	Happy Healthcare Company	Taiwan	Drug and health supplements sale	71,400	71,400	1,014,453	51.00%	75,597	10,606	2,217	Subsidiary

Note 1: Indirect investment company is organised as a limited liability company.

Note 2: Investee is organised as an association.

CHC Healthcare Group and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
CHC (Guangzhou) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	\$ 298,672	(2) Indirect investment through CHC(BVI), a wholly- owned subsidiary of the Company	\$ 298,672	\$ -	\$ -	\$ 298,672	(\$ 30,488)	100%	(\$ 30,479)	\$ 160,188	\$ -	
Chiu Ho (CHINA) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	237,121	(2) Indirect investment through CHC(BVI), a wholly- owned subsidiary of the Company	237,121	-	-	237,121	(5,336)	100%	(5,336)	108,584	-	
Company name		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025		Investment amount approved by the Investment Commission of the Ministry of Economic affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)								
The Company		\$ 535,793		\$ 535,793	\$ 4,829,847								

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Income (loss) recognised based on financial statements audited by independent auditors.

Note 3: Disclosed in accordance with the investment limits set forth in Jin-Shen-Zi No. 09704604680, issued by the Investment Commission of MOEA on August 29, 2008.

Note 4: The Company invested in the investees in Mainland China, including Neusoft CHC Medical Service Co., Ltd. through an existing company in Mainland China. Due to the existing company in Mainland China is a holding company, therefore it shall first submit an application for approval from Investment Commission of the Ministry of Economic Affairs (MOEA) for its reinvestments, but the approval from MOEA are not required for other investments.