A Plus Biotechnology Co., Ltd. and its Subsidiaries

Consolidated Financial Statements for the Years Ended

December 31, 2025 and 2024 and Independent Auditors' Report

(Stock Code: 6918)

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A Plus Biotechnology Co., Ltd. and its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report of 2025 and 2024

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A Plus Biotechnology Co., Ltd. and its Subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Considering that the companies to be included into the consolidated Financial Statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those to be included into the consolidated Financial Statements of the parent and subsidiaries under IFRS 10 in 2025 (from January 1, 2025 to December 31, 2025) and the related information to be disclosed in the consolidated Financial Statements of affiliates were already disclosed in said consolidated Financial Statements of the parent and subsidiaries, no consolidated Financial Statements of affiliates were prepared separately.

Hereby declare

Company Name: A Plus Biotechnology Co., Ltd.

Responsible Person: Sih-Ming Li

March 10, 2026

Independent Auditors' Report

(115) Cai-Shen-Bao-Zi No.25004517

To A Plus Biotechnology Co., Ltd.:

Audit opinion

We have audited the accompanying consolidated balance sheets of A Plus Biotechnology Co., Ltd. and its subsidiaries (collectively, the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies (together, the "consolidated financial statements").

In our opinion, which is based on our audit results and the audit reports of other CPAs (please refer to Other Matters), the said Consolidated Financial Statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission, and thus presented fairly, in all material aspects, the consolidated financial position of A Plus Biotechnology Co., Ltd. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated financial performance and cash flow for the period from January 1 to December 31, 2025 and 2024.

Basis of audit opinion

We concluded our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are described in the section Auditors' Responsibilities for the Audit of the Consolidated Financial Statements. We were independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. Based on our audit results and the audit reports of other CPAs, 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 refer to, based on our professional judgment, the most important matters for auditing the 2025 Consolidated Financial Statements of the Group. 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 of the 2025 consolidated financial statements of the Group are as follows:

Valuation of allowance for inventory valuation loss

<u>Description</u>

For the accounting policies relating to inventories, please refer to Note IV(XII) of the Consolidated Financial Statements. For significant accounting estimates and assumptions, please refer to Note V(II). For details of the inventory and allowance for decline in value, please refer to Note VI(IV).

The products of the Group primarily comprise bone graft materials and other medical devices. As these medical devices are produced in small quantities and in a wide variety, and given the rapid pace of technological advancements in the medical industry—which may result in slower-than-expected turnover—together with price volatility driven by government policy, the risk of inventory impairment and obsolescence is relatively high. Inventories are measured at the lower of cost and net realizable value. For inventories exceeding a specific aging threshold or individually identified as obsolete, net realizable value is determined based on historical experience of inventory turnover.

Because the determination of net realizable value for obsolete inventories involves significant management judgment and is subject to uncertainty, and given that inventories and their related allowance for decline in value have a material impact on the financial statements, we have determined that the evaluation of the allowance for decline in value of inventories is one of the key audit matters for the current year.

<u>The corresponding audit procedures:</u>

The principal audit procedures we performed in relation to the above key audit matter are summarized as follows:

1. Assessed the reasonableness and consistency of the Company's policy and procedures for recording the allowance for inventory valuation losses, taking into account the characteristics of the industry.
2. Obtained an understanding of the Company's warehouse management processes, reviewed its annual stocktaking plan, and participated in the year-end physical inventory count to evaluate the effectiveness of management's identification and control of obsolete inventories.
3. Verified the accuracy of the aging reports used for identifying obsolete inventories, including confirming that inventory movements were recorded in the appropriate aging categories, and obtained supporting documentation for management's assessment of obsolete products to confirm the reasonableness of the related allowance.
4. Reviewed the appropriateness of the basis used to estimate net realizable value, including sampling to verify the accuracy of sales and purchase prices, and recalculated the allowance for inventory valuation losses to assess its reasonableness.

Other matters - reference to the audit of other CPAs

The investee partially adopting the equity method included in the parent company only financial statements of the Group for 2025 was not audited by us and were audited by other CPAs. Therefore, in our opinion on the consolidated financial statements, the figures listed in the company's financial statements were based on the audit reports of other independent auditors. The investment amount under the equity method in the aforementioned company as of December 31, 2025 was $87,661 thousand, representing 5.66% of total consolidated assets. The comprehensive income recognized in the aforementioned company for the period from January 1 to December 31, 2025 was $3,661 thousand, representing 2.14% of consolidated comprehensive income.

Other Matters – Parent Company Only Financial Statements

A Plus Biotechnology Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2025 and 2024, on which we have issued unqualified audit opinions and a Other Matters paragraph, respectively. These financial statements are available for reference.

Responsibilities of Management and Those in Charge with Governance of the Consolidated Financial Statements

The management was responsible for preparation of the consolidated Financial Statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated Financial Statements to ensure that the consolidated Financial Statements were free of material misstatement due to fraud or errors.

During preparation of the consolidated Financial Statements, the management was also responsible for evaluating A Plus Biotechnology Co., Ltd. and its subsidiaries' ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make A Plus Biotechnology Co., Ltd. and its subsidiaries enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

The Group's governance unit (including number of the Audit Committee) was responsible for supervising the financial reporting procedures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that and audit conducted in accordance with the accounting principles will always detect a material misstatement in the consolidated Financial Statements when it exists. Misstatements can arise from fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated Financial Statements, the misstatements were deemed as material.

When we audit the Financial Statements in accordance with the auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following duties:

1. Identify and assess the risks of material misstatement of the consolidated Financial Statements due to fraud or error; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for expressing our audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; however, our purpose is not to express an opinion on the effectiveness of A Plus Biotechnology Co., Ltd. and its subsidiaries' internal control.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on A Plus Biotechnology Co., Ltd. and its subsidiaries' ability to continue as a going concern. If we conclude that such events or conditions involve a material uncertainty, we are required to draw users' 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 the auditor's report. However, future events or circumstances might result in a situation where A Plus Biotechnology Co., Ltd. and its subsidiaries' would no longer have the ability of going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. We acquired sufficient and appropriate audit evidence of the financial information of the entities comprising the Group to provide opinions towards the consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the Group audit and for forming the Group 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 identified 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 the key audit matters for the audit of the Group's 2025 Consolidated Financial Statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

PricewaterhouseCoopers Taiwan

Huang, Chin-Lien

CPA

Hsu, Ming-Chuan

Approval No. from the Financial Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No. 1100348083
Jin-Guan-Zheng-Shen-Zi No. 1050029449

March 10, 2026

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Balance Sheet
December 31 of 2025 and 2024

Unit: NT$ thousand

			December 31, 2025		December 31, 2024	
	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and Cash Equivalents	VI(I)	$ 604,351	39	$ 360,968	31
1136	Financial assets at amortized cost - current	VI(I)(II), VIII and IX	5,000	-	31,000	3
1150	Net notes receivable	VI(III)	716	-	5,569	-
1170	Net accounts receivable	VI(III)	177,612	12	178,965	15
1200	Other receivables		175	-	-	-
130X	Inventory	VI(IV)	354,536	23	286,939	24
1410	Prepayments		39,374	3	29,255	3
1470	Other current assets	VIII	5,297	-	4,153	-
11XX	**Total current assets**		1,187,061	77	896,849	76
	Non-current assets					
1550	Investment under Equity Method	VI(V)	87,661	6	-	-
1600	Property, plant, and equipment	VI(VI) and VIII	234,656	15	237,096	20
1755	Right-of-use assets	VI(VII)	9,094	-	14,818	1
1780	Intangible assets	VI(VIII)	3,966	-	6,506	1
1840	Deferred tax assets	VI(XXVI)	13,986	1	12,661	1
1900	Other non-current assets	VI(VI) and VIII	13,575	1	9,384	1
15XX	**Total non-current assets**		362,938	23	280,465	24
1XXX	**Total assets**		$ 1,549,999	100	$ 1,177,314	100

(continued)

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2130	Contract liabilities - current	VI(XVIII)	$ 2,964	-	$ 914	-
2150	Notes payable		63	-	5	-
2170	Accounts payable		40,335	3	39,396	3
2180	Accounts payable - related parties	VII	660	-	-	-
2200	Other payables	VI(IX)	86,676	6	83,995	7
2230	Current tax liabilities		32,932	2	2,954	-
2280	Lease liabilities - current	VI(VII)	8,274	1	8,070	1
2320	Long-term liabilities due within one year or one operating cycle	VI(XI), VII and VIII	4,820	-	4,721	1
2399	Other current liabilities - others	VI(X)	21,409	1	23,254	2
21XX	**Total current liabilities**		198,133	13	163,309	14
	Non-current liabilities					
2540	Long-term loan	VI(XI), VII and VIII	82,379	5	87,199	7
2550	Liability reserve - non-current		321	-	936	-
2570	Deferred tax liabilities	VI(XXVI)	2,991	-	8	-
2580	Lease liabilities - non-current	VI(VII)	622	-	6,817	1
25XX	**Total non-current liabilities**		86,313	5	94,960	8
2XXX	**Total liabilities**		284,446	18	258,269	22
	Equity					
	Equity attributable to owners of the parent company					
	Capital Stock	VI(XIV)				
3110	Capital stock - common shares		345,710	22	304,710	26
	Capital Surplus	VI(XV)				
3200	Capital Surplus		600,329	39	307,679	26
	Retained earnings	VI(XVI)				
3310	Legal reserve		45,303	3	30,197	2
3350	Unappropriated earnings		302,243	19	269,851	23
	Other Equity Interest	VI(XVII)				
3400	Other Equity Interest		7,859	1	6,608	1
3500	Treasury stock	VI(XIV)	(38,657)	(2)	-	-
31XX	**Total equity attributable to owners of the parent company**		1,262,787	82	919,045	78
36XX	**Non-controlling interests**		2,766	-	-	-
3XXX	**Total equity**		1,265,553	82	919,045	78
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Significant Subsequent Events	XI				
3X2X	**Total liabilities and equity**		$ 1,549,999	100	$ 1,177,314	100

The enclosed notes to the consolidated Financial Statements are an integral part of this consolidated financial report. Please refer to the notes.

Chairperson: Sih-Ming Li　　Manager: Hsiang-Wei Lo　　Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT$ thousand
(except earnings per share expressed in NTD)

Code	Items	Notes	2025 Amount	2025 %	2024 Amount	2024 %
4000	Operating revenue	VI(XVIII) and VII	$ 835,891	100	$ 769,591	100
5000	Operating cost	VI(IV)(XIX)(XXIV)(XXV) and VII	(262,433)	(31)	(234,813)	(30)
5950	Operating gross profit		573,458	69	534,778	70
	Operating expenses	VI(XXIV)(XXV) and VII				
6100	Selling expenses		(201,595)	(24)	(173,549)	(23)
6200	Administrative expenses		(116,462)	(14)	(125,604)	(16)
6300	R&D expenses		(46,639)	(6)	(53,344)	(7)
6450	Expected profit from credit impairment	XII(II)	-	-	178	-
6000	Total operating expenses		(364,696)	(44)	(352,319)	(46)
6900	Operating profit		208,762	25	182,459	24
	Non-operating income and expenses					
7100	Interest income	VI(II)(XX)	3,793	1	2,265	-
7010	Other revenue	VI(XXI)	1,300	-	4,074	-
7020	Other profits and losses	VI(XXII)	793	-	948	-
7050	Financial costs	VI(VII)(XXIII)	(2,167)	-	(2,190)	-
7060	Share of profit or loss of associates and joint ventures under the equity method	VI(V)	3,661	-	-	-
7000	Total non-operating income and expenses		7,380	1	5,097	-
7900	**Net profit before tax**		216,142	26	187,556	24
7950	Income tax expense	VI(XXVI)	(46,601)	(6)	(36,500)	(5)
8200	**Net income for the period**		$ 169,541	20	$ 151,056	19
	Other comprehensive income					
	Titles that could be reclassified as profit (loss) accounts in the future					
8361	Exchange differences from translation of foreign operations' Financial Statements	VI(XVII)	$ 1,251	-	$ 6,263	1
8300	**Other comprehensive income (net)**		$ 1,251	-	$ 6,263	1
8500	**Total Amount of Comprehensive Income for current period**		$ 170,792	20	$ 157,319	20
	Net profit attributable to:					
8610	Shareholders of the parent company		$ 169,382	20	$ 151,056	19
8620	Non-controlling interests		$ 159	-	$ -	-
	Total comprehensive income attributable to:					
8710	Shareholders of the parent company		$ 170,633	20	$ 157,319	20
8720	Non-controlling interests		$ 159	-	$ -	-
	Earnings per Share	VI(XXVII)				
9750	Basic earnings per share		$ 5.16		$ 4.99	
9850	Diluted earnings per share		$ 5.15		$ 4.97	

The enclosed notes to the consolidated Financial Statements are an integral part of this consolidated financial report. Please refer to the notes.

Chairperson: Sih-Ming Li Manager: Hsiang-Wei Lo Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	Equity attributable to owners of the parent company												
			Capital Surplus					Retained earnings						
		Capital stock - common shares	Share premium from issuance	Treasury stock transaction	Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Employee stock option	Other	Legal reserve	Unappropriated earnings	Exchange differences from translation of foreign operations' Financial Statements	Treasury stock	Total	Non-controlling interests	Total
2024														
Balance on January 1, 2024		$ 304,710	$ 358,548	$ -	$ 1,458	$ -	$ -	$ 27,081	$ 149,954	$ 345	($ 14,153)	$ 827,943	$ -	$ 827,943
Net income for the period		-	-	-	-	-	-	-	151,056	-	-	151,056	-	151,056
Other comprehensive income in the current period	VI(XVII)	-	-	-	-	-	-	-	-	6,263	-	6,263	-	6,263
Total Amount of Comprehensive Income for current period		-	-	-	-	-	-	-	151,056	6,263	-	157,319	-	157,319
2023 Appropriation and Distribution of Earnings	VI(XVI)													
Legal reserve		-	-	-	-	-	-	3,116	(3,116)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(28,043)	-	-	(28,043)	-	(28,043)
Distribution of cash dividends from capital surplus	VI(XV)(XVI)	-	(53,451)	-	-	-	-	-	-	-	-	(53,451)	-	(53,451)
Repurchase of treasury stock	VI(XIV)	-	-	-	-	-	-	-	-	-	(16,250)	(16,250)	-	(16,250)
Share-based payment	VI(XIII)(XIV)(XV)	-	-	-	-	1,203	-	-	-	-	-	1,203	-	1,203
Employee share option exercise	VI(XIV)(XV)	-	-	1,124	-	(1,203)	-	-	-	-	30,403	30,324	-	30,324
Balance as of December 31, 2024		$ 304,710	$ 305,097	$ 1,124	$ 1,458	$ -	$ -	$ 30,197	$ 269,851	$ 6,608	$ -	$ 919,045	$ -	$ 919,045
2025														
Balance on January 1, 2025		$ 304,710	$ 305,097	$ 1,124	$ 1,458	$ -	$ -	$ 30,197	$ 269,851	$ 6,608	$ -	$ 919,045	$ -	$ 919,045
Net income for the period		-	-	-	-	-	-	-	169,382	-	-	169,382	159	169,541
Other comprehensive income in the current period	VI(XVII)	-	-	-	-	-	-	-	-	1,251	-	1,251	-	1,251
Total Amount of Comprehensive Income for current period		-	-	-	-	-	-	-	169,382	1,251	-	170,633	159	170,792
2024 Appropriation and Distribution of Earnings	VI(XVI)													
Legal reserve		-	-	-	-	-	-	15,106	(15,106)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(121,884)	-	-	(121,884)	-	(121,884)
Capital increase in cash	VI(XIV)(XV)	41,000	292,507	-	-	(487)	-	-	-	-	-	333,020	-	333,020
Repurchase of treasury stock	VI(XIV)	-	-	-	-	-	-	-	-	-	(38,657)	(38,657)	-	(38,657)
Share-based payment	VI(XIII)(XIV)(XV)	-	-	-	-	554	-	-	-	-	-	554	-	554
Lapsed employee stock options	VI(XIII)(XV)	-	-	-	-	(67)	67	-	-	-	-	-	-	-
Exercise of conversion right	VI(XV)	-	-	-	-	-	76	-	-	-	-	76	-	76
Increase in non-controlling interests	VI(XXVIII)	-	-	-	-	-	-	-	-	-	-	-	2,607	2,607
Balance as of December 31, 2025		$ 345,710	$ 597,604	$ 1,124	$ 1,458	$ -	$ 143	$ 45,303	$ 302,243	$ 7,859	($ 38,657)	$ 1,262,787	$ 2,766	$ 1,265,553

The enclosed notes to the consolidated Financial Statements are an integral part of this consolidated financial report. Please refer to the notes.

Chairperson: Sih-Ming Li　　Manager: Hsiang-Wei Lo　　Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	2025	2024
Cash flows from operating activities			
Net profit before tax for the period		$ 216,142	$ 187,556
Adjustments			
Income and expenses			
Expected profit from credit impairment	VI(XXIV) and XII(II)	-	(178)
Depreciation expenses	VI(VI)(VII) (XXIV)	24,197	23,623
Amortization expenses	VI(VIII)(XXIV)	3,050	3,074
Share of profit of associates and joint ventures under the equity method	VI(V)	(3,661)	-
Loss on disposal of property, plant, and equipment	VI(XXII)	4	12
Profit from lease modification	VI(VII)(XXII)	(22)	-
Property, Plant and Equipment reclassified as Overheads	VI(VI)	-	804
Employee remuneration cost	VI(XIII) (XXV)	554	1,203
Interest income	VI(XX)	(3,793)	(2,265)
Interest expenditure	VI(XXIII)	2,167	2,190
Changes in operating assets/ liabilities			
Net changes in assets related to operating activities			
Notes receivable		4,853	(5,569)
Accounts receivable		1,787	(36,756)
Accounts receivable – related parties		-	42
Other receivables		(175)	22
Inventory		(67,743)	(3,818)
Prepayments		(10,110)	(11,736)
Other current assets		(57)	(98)
Other non-current assets		-	2,460
Net changes in liabilities related to operating activities			
Contract liabilities – current		2,047	(617)
Notes payable		58	(95)
Accounts payable		844	10,593
Accounts payable - related parties		660	-
Other payables		1,688	23,503
Other current liabilities		39	71
Cash inflow from operating activities		172,529	194,021
Interest received		3,793	2,265
Interest paid		(2,165)	(2,188)
Income tax refund		-	2,086
Income tax paid		(15,245)	(35,226)
Net cash inflow from operating activities		158,912	160,958

(continued)

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	2025	2024
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		($ 131,000)	($ 30,000)
Disposal of financial assets at amortized cost		160,000	-
Investment obtained using the equity method	VI(V)	(84,000)	-
Acquisition of subsidiaries (net of cash acquired)	VI(XXVIII)	(555)	-
Acquisition of property, plant, and equipment	VI(XXIX)	(13,120)	(7,370)
Proceeds from disposal of property, plant, and equipment		271	-
Acquisition of intangible assets	VI(VIII)	(510)	(265)
Increase in prepayments for equipment		-	(1,500)
Increase in prepayments for real estate	VI(VI)	(1,000)	-
Refundable deposits (increase) decrease		(3,593)	90
Net cash outflow from investing activities		(73,507)	(39,045)
Cash flow from financing activities			
Increase (decrease) in deposits received	VI(XXX)	(1,973)	3,255
Repayments of long-term borrowings	VI(XXX)	(4,721)	(6,685)
Lease principal repayment	VI(XXX)	(9,016)	(9,639)
Capital increase in cash	VI(XIV)	333,020	-
Distribution of cash dividends	VI(XVI)	(121,884)	(81,494)
Cost of repurchasing treasury stock	VI(XIV)	(38,657)	(16,250)
Employee share option exercise	VI(XIV)	-	30,324
Exercise of conversion rights		76	-
Net cash inflow (outflow) from financing activities		156,845	(80,489)
Exchange rate impact		1,133	478
Increase in cash and cash equivalents in the current period		243,383	41,902
Cash and cash equivalents balance – beginning of period		360,968	319,066
Cash and cash equivalents balance – end of period		$ 604,351	$ 360,968

The enclosed notes to the consolidated Financial Statements are an integral part of this consolidated financial report. Please refer to the notes.

Chairperson: Sih-Ming Li　　Manager: Hsiang-Wei Lo　　Accounting Supervisor: Pei-Jun Ke

A Plus Biotechnology Co., Ltd. and its Subsidiaries
Notes to Consolidated Financial Statements
2025 and 2024

Unit: NT$ thousand
(unless otherwise specified)

I. Company History

A Plus Biotechnology Co., Ltd. (hereinafter referred to as the “Company”) was established in the Republic of China. The principal business of the Company and its subsidiaries (hereinafter referred to as the “Group”) is the manufacturing and wholesale of medical devices such as bone material. The Company's shares have been listed on the Taiwan Stock Exchange since June 10, 2025.

II. Financial Report Approval Date and Procedures

The consolidated Financial Statements were approved by the Board of Directors and released on March 10, 2026.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the new and amended IFRSs approved and released by the Financial Supervisory Commission (hereinafter referred to as the "FSC") is included.

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of the International Financial Reporting Standards (IFRS) recognized and issued into effect by the FSC for application in 2025:

New, Revised and Amended Standards or Interpretations	Effective Date Issued by IASB
Amendment to IAS No. 21 “Lack of Convertibility”	January 1, 2025

The Group has assessed that the above standards and interpretations have no material influence on the Group’s financial position and financial performance.

(II) The impact of not adopting newly issued or amended IFRSs approved by the FSC.

The following table sets forth the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2026:

New, Revised and Amended Standards or Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 - “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”.	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment 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 Group has assessed that the above standards and interpretations have no material influence on the Group's financial position and financial performance.

(III) The impact of the IFRSs issued by the IASB but not yet approved by the FSC

The following table sets forth the newly issued, amended, and revised International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) but have not yet been approved by the FSC:

New, Revised and Amended Standards or Interpretations	Effective Date Issued by IASB
Amendments to IFRS No. 10 and IAS No. 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be decided by the IASB
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Disclosure of Subsidiaries without Public Accountability"	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note: Note: In a press release on September 25, 2025, the Financial Supervisory Commission (FSC) announced that publicly listed companies will be required to adopt International Financial Reporting Standard 18 (hereinafter referred to as "IFRS 18") from 2028 onwards. In addition, companies may adopt IFRS 18 in advance after being approved by the FSC.

The Group has assessed that the standards and interpretations above have no material influence on the Group's financial position and financial performance, except for the following:

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 "Presentation and Disclosure of Financial Statements" has replaced IAS 1 and updated the framework of the statement of comprehensive income, and added the disclosure of management performance measurement, and strengthened the summary and division principles applied to the main financial statements and notes.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted for the preparation of these consolidated Financial Statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Statement of compliance

The consolidated Financial Statements have been prepared 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 endorsed and issued into effect by the FSC (collectively, the "IFRSs").

(II) Basis of preparation

1. The consolidated Financial Statements are prepared based on historical cost.
2. The preparation of financial reports in conformity with IFRSs requires the use of some important accounting estimates. In the application of the Group's accounting policies, management's judgment is also required, particularly for items involving high degrees of judgment or complexity, or items involving significant assumptions and estimates in the consolidated Financial Statements. Please refer to Note V for details.

(III) Basis of consolidation

1. Principles of preparation of consolidated Financial Statements
   (1) The Group consolidates all subsidiaries into the consolidated Financial Statements. A subsidiary is an entity (including a structured entity) that is controlled by the Group. Control exists 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. Subsidiaries are included in the consolidated Financial Statements from the date on which control is obtained and are excluded from consolidation from the date on which control is lost.
   (2) Intra-group transactions, balances, and unrealized gains or losses are eliminated in full. Where necessary, the accounting policies of subsidiaries have been adjusted to align with those adopted by the Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to non-controlling interests.
   (3) The total comprehensive income is attributed to the owners of the parent and to non-controlling interests, even if this results in a deficit balance for non-controlling interests.
   (4) Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control (transactions with non-controlling interests) are accounted for as equity transactions and are treated as transactions with owners in their capacity as owners. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

2. Subsidiaries included in the consolidated Financial Statements

Name of the investing company	Subsidiary name	Business nature	Shareholding December 31, 2025	Shareholding December 31, 2024	Description
A Plus Biotechnology Co., Ltd.	A Plus(Cayman) Holding Inc.	Holding company	100%	100%	
A Plus Biotechnology Co., Ltd.	Alehan biotechnology Co., Ltd. (Alehan)	Sales of medical devices	51%	-	Note 1
A Plus(Cayman) Holding Inc.	A Plus (Shanghai) Trading Co., Ltd.	Sales of medical devices	100%	100%	Note 2

Note 1: On July 28, 2025, the Board of Directors resolved to invest in 51% of Alehan's equity, making it a subsidiary of the Company. Since gaining controlling interest, Alehan has been included in the consolidated financial statements. Please refer to Note VI(XXVIII) for relevant descriptions.

Note 2: On December 28, 2023, the Board of Directors of A Plus (Shanghai) Trading Co., Ltd. resolved to reduce capital by RMB 28,000 thousand to offset accumulated losses, resulting in paid-in capital of RMB 42,206 thousand. The capital reduction process was completed on February 29, 2024.

3. Subsidiaries not included in the consolidated Financial Statements: None.
4. Adjustments for subsidiaries with different reporting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with material non-controlling interests: None.

(IV) Currency translation

Items included in the Financial Statements of each entity in the Group 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 functional currency of the Company.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency at the spot exchange rate on the transaction or measurement date. Exchange differences arising from the settlement or retranslation of such transactions are recognized in profit or loss for the period.

(2) Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate on the reporting date, and the resulting exchange differences are recognized in profit or loss.

(3) Non-monetary assets and liabilities measured at fair value through profit or loss are translated at the closing exchange rate on the reporting date, with resulting exchange differences recognized in profit or loss. Non-monetary

assets and liabilities measured at fair value through other comprehensive income are translated at the closing exchange rate, with exchange differences recognized in other comprehensive income. Non-monetary items not measured at fair value are translated using the exchange rate at the date of the initial transaction.

(4) All exchange gains and losses are presented in "Other profits and losses" in the statement of profit or loss.

2. Exchange of foreign operating institutions

(1) For all group entities, associates and joint arrangements whose functional currency is different from the presentation currency, their operating results and financial position are translated into the presentation currency in the following manner:

A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;

B. Income and expenses presented in each statement of comprehensive income are translated at the average exchange rate for the period; and

C. All exchange differences arising from the translation are recognized in other comprehensive income.

(2) When a foreign operation that is partially disposed of or sold is a subsidiary, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests of that foreign operation. However, when the Group, despite retaining part of the equity interest in the former subsidiary, has lost control over the foreign operation, the transaction is accounted for as a disposal of the entire equity interest in the foreign operation.

(V) <u>Classification of current and non-current assets and liabilities</u>

1. Assets that meet any of the following conditions are classified as current assets:

(1) Expected to be realized in the normal operating cycle, or intended to be sold or consumed.

(2) Held primarily for trading purposes.

(3) Expected to be realized within twelve months after the balance sheet date.

(4) Cash or cash equivalents, except for those restricted from being exchanged or used to settle a liability at least twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet any of the following conditions are classified as current liabilities:

(1) Expected to be settled within the normal operating cycle.

(2) Held primarily for trading purposes.

(3) Settled within twelve months after the balance sheet date.

(4) Do not have the right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet the aforementioned definition and are held for the purpose of fulfilling short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets at amortized cost

1. Refers to those who meet the following conditions:

   (1) The financial asset is held under the business model to collect the contractual cash flow.

   (2) The contractual terms of the financial asset give rise to a cash flow on a specific date, which is solely the payment of the principal and the interest on the principal amount outstanding.

2. The Group adopts trade date accounting for financial assets at amortized cost in conformity with general practice.

3. The Group measures at fair value plus transaction costs at initial recognition; subsequently, the effective interest method is adopted to recognize interest revenue and impairment loss through the amortization procedure during the period; also, gains or losses are recognized in profit or loss at the time of derecognition.

4. Due to the short holding period, the fixed deposits held by the Group that do not conform to cash equivalents have a material discounting effect and are therefore measured by the investment amount.

(VIII) Accounts and notes receivable

1. The accounts and notes representing the right to receive consideration for the transfer of goods or services without any conditions as agreed in the Contract.

2. For short-term accounts receivable and notes receivable with unpaid interest, as the effect of discounting is immaterial, the Group measures them based on the original invoice amount.

(IX) Impairment of financial assets

At each balance sheet date, for financial assets at amortized cost and accounts receivable that contain a significant financing component, the Group takes into account all reasonable and supportable information (including forward-looking information). If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses; if the credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable or contract assets that do not contain a significant financing component, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

(X) Derecognition of financial assets

When the Group's contractual rights to receive cash flows from financial assets expire, the financial assets will be derecognized.

(XI) Lessee's lease transaction – operating lease

The income from operating leases, after deducting any incentives given to the lessee, is amortized and recognized as current profit or loss over the lease term in accordance with the straight-line method.

(XII) Inventory

Inventory is measured at the lower of cost or net realizable value, and cost is determined by the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production overheads (allocated according to normal production capacity, but not including borrowing costs). If the cost is lower than the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs needed to complete the sale.

(XIII) Investment under equity method - associates

1. Associates refer to all entities over which the Group has significant influence but does not exercise control, typically through direct or indirect ownership of more than 20% of their voting rights. The Group's investment in associates is accounted for using the equity method and is recognized at cost upon acquisition.

2. The Group recognizes its share of the associate’s profit or loss after acquisition as current profit or loss, and its share of other comprehensive income after acquisition as other comprehensive income. If the Group's share of losses on any associate equals or exceeds its equity in the associate (including any other unsecured receivables), the Group will not recognize further loss unless the Group has incurred legal or presumed obligations, or payment has been made on behalf of them.

3. When there are changes in the equity of an associate that do not result in profit or loss or other comprehensive income and do not affect the Group’s shareholding ratio in the associate, the Group recognizes all equity changes in “capital surplus” in proportion to its shareholding ratio.

4. The unrealized gains and losses arising from the transactions between the Group and its associates have been written off in proportion to the Group's interest in the associates. Unless there is evidence showing that the assets transferred in the transaction have been impaired, the unrealized losses will also be written off. The accounting policies of the associates have been adjusted as necessary to be consistent with the policies adopted by the Group.

5. When the Group disposes of an associate, if the significant influence on the associate is lost, for all amounts related to the associate that have been previously recognized in other comprehensive income, the accounting treatment is the same as the basis for the Group's direct disposal of the relevant assets or liabilities. That is, if a gain or loss previously recognized as other comprehensive income or loss would have been reclassified to profit or loss upon disposal of the related asset or liability, the gain or loss is reclassified from equity to profit or loss when significant influence over the related asset or liability is lost. The gain or loss is reclassified from equity to profit or loss when the significant influence on the associate is lost. If there is still significant influence on the associate, only the amount previously recognized in other comprehensive income should be transferred out according to the above method.

6. The Group conducts impairment tests on associates with signs of impairment at the balance sheet date by treating the overall carrying amount of the investment (including goodwill) as a single asset and comparing its recoverable amount (the higher of value in use or fair value less costs to sell) with the carrying amount. The recognized impairment loss was included in the carrying amount of the investment. Impairment losses are reversed to the extent to which the recoverable amount of the investment subsequently increases.

(XIV) Property, plant, and equipment

1. Property, Plant and Equipment are recorded at cost, and relevant interest during the acquisition period is capitalized.

2. Subsequent costs are included in the carrying amount of assets or recognized as an independent asset only when future economic benefits related to the item are probable to flow into the Group, and the cost of the item can be reliably measured. The carrying amount of the replaced part shall be recognized. All other maintenance costs are recognized in profit or loss when incurred.

3. The subsequent measurement of property, plant and equipment is based on the cost model. Except for land, which is not depreciated, other items are depreciated using the straight-line method based on the estimated useful lives. If the components of property, plant and equipment are material, they are depreciated separately.

4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of each asset. If expectations differ from previous estimates or if there has been a significant change in the expected pattern of consumption of future economic benefits, the changes are accounted for as changes in accounting estimates under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The useful lives of assets are as follows:

Houses and buildings (including attached equipment)	3 - 50 years
Machinery and equipment	3 - 10 years
Office equipment	3 - 5 years
Other equipment	3 - 5 years
Leasehold improvements	1 - 5 years

(XV) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Leased assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense over the lease term by the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been paid on the inception of the lease, which is discounted at the Group's incremental borrowing rate of interest. Lease payments include fixed payments, less any lease incentives receivable. Subsequently, the interest method is used to measure at amortized cost, and interest expenses are recognized during the lease term. When the lease term or lease payment changes due to a contract modification, the lease liabilities will be reassessed and the right-of-use asset will be re-measured.
3. Right-of-use assets are recognized at cost on the Inception of the Lease date, including:

   (1) The initial measurement of lease liabilities; and

   (2) Estimated cost for the dismantling, removal of the underlying asset, and restoration of the location, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

   Subsequently, the cost model is adopted for measurement. Depreciation expense is recognized when the useful life of the right-of-use asset expires or the lease term expires, whichever comes first. When the lease liabilities are re-evaluated, the right-of-use asset will be adjusted for any remeasurement of the lease liabilities.

(XVI) Intangible assets

1. Computer software

   Recognized at cost, amortized using the straight-line method over a useful life of 3 to 10 years.

2. Patent rights

   Recognized at cost, amortized using the straight-line method over a useful life of 10 to 15 years.

(XVII) Impairment loss of non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount refers to the higher of the fair value of an asset less costs of disposal or its value in use. Except for goodwill, when the impairment loss of assets previously recognized no longer exists or is reduced, the impairment loss is reversed. However, the increase in the asset's carrying amount shall not exceed its carrying amount had no impairment loss been recognized, net of depreciation or amortization.

(XVIII) Loan

Refers to long-term and short-term borrowings from Banks. The Group measures at fair value less transaction costs at initial recognition, and subsequently, any difference between the price after deducting transaction costs and the redemption value is recognized as interest expense in profit or loss over the period using the effective interest method in accordance with the amortization procedure.

(XIX) Accounts and notes payable

1. Refers to debt incurred for the purchase of raw materials, goods, or services, and notes payable arising from business and non-business activities.

2. For short-term accounts and notes payable with unpaid interest, as the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(XX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired.

(XXI) Liability reserve

The reserve for liabilities due to past events is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the present legal or constructive obligation, and the amount of the obligation can be reliably estimated. The measurement of the liability reserve is based on the best estimate of the present value required to settle the obligation on the balance sheet date. The discount rate is the pre-tax discount rate that reflects the current market's assessment of the time value of money and the specific risk of the liability. The amortization of the discount is recognized as an interest expense. No liability reserve may be recognized for future losses.

(XXII) Employee Welfare

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-cash amount expected to be paid and recognized as an expense when the related services are provided.

2. Pension

   Defined contribution pension plan

   For the defined contribution plan, the amount of pension fund appropriated based on the accrual basis is recognized as current pension cost. The prepaid contribution is recognized as an Asset to the extent it is refundable in cash or reduces future payments.

3. Termination benefits

   Termination benefits are benefits provided upon the termination of an employee's employment before normal retirement date, either when the employment is terminated by the company or when the employee accepts the company's benefits offer in exchange for termination of employment. The Group recognizes the expenses when it cannot revoke the offer of termination benefits or upon recognition of related restructuring costs, whichever comes first. Benefits not expected to be completely paid off within 12 months of the balance sheet date should be discounted.

4. Employee remuneration and director remuneration

   The remuneration to employees and directors is recognized as an expense and a liability when there is a legal or constructive obligation and the amount can be reasonably estimated. In case of any difference between the actual value distributed and the estimated value later, it will be handled as changes in accounting estimates.

(XXIII) Share-based Payment to employees

The share-based payment arrangement for equity-settled shares is measured at the fair value of the equity instrument granted on the grant date to measure the labor service provided by the employees, and is recognized as the remuneration cost in the vesting period, and equity is adjusted accordingly. The fair value of equity instruments should reflect the impact of market price vesting conditions and non-vested conditions. The remuneration cost recognized is adjusted according to the expected number of rewards that meet the service conditions and the non-market price vesting conditions until the amount recognized ultimately is based on the vested amount on the vesting date.

(XXIV) Income tax

1. Income tax expense includes current and deferred tax. Except for the income tax related to items recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.

2. The Group calculates the current income tax based on the statutory or substantively enacted tax rate in the country where it is operating and generating taxable income as of the balance sheet date. The management is responsible for periodically evaluating the status of income tax returns in accordance with applicable income tax laws and regulations, and for estimating income tax liabilities based on expected taxes payable to the tax authorities as applicable. The income tax on undistributed earnings shall be added in accordance with the Income Tax Act. The income tax expense for undistributed earnings shall be recognized in the year following the earnings generation year after the earnings distribution proposal is approved by the shareholders' meeting.

3. Deferred tax is recognized in accordance with the balance sheet method based on the temporary difference between the tax base of assets and liabilities and their carrying amount on the consolidated balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill shall not be recognized. If the deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding a business combination), and the transaction does not affect accounting profit or taxable profit (tax loss), and no deductible temporary difference is generated, then it shall not be recognized. If the temporary difference generated from the investment in subsidiaries and associates is controllable by the Group, and the temporary difference is probable not to be reversed in the foreseeable future, it will not be recognized. Deferred tax is based on the tax rate (tax laws) that have

been enacted or substantively enacted by the balance sheet date, and that are expected to apply when the deferred tax assets are realized or deferred tax liabilities are settled.

4. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which to offset the temporary differences, and both recognized and unrecognized deferred tax assets are reassessed on each balance sheet date.

(XXV) Capital stock

1. Common stock is classified as equity. The incremental cost directly attributable to the issuance of new shares or share options is deducted by the net amount after income tax and listed in equity as a deduction from payment.

2. When the Company repurchases issued shares, the consideration paid for the repurchase includes any directly attributable incremental costs, which are recognized as a deduction in shareholders' equity, net of tax. If the repurchase of shares is followed by a subsequent issuance, the difference between the consideration received and the carrying amount, after deducting any directly attributable incremental costs and income tax effect, is recognized as an adjustment to shareholders' equity.

(XXVI) Dividend distribution

Cash dividends distributed to the Company's shareholders are recognized as liabilities in the Financial Statements when the Board of Directors decides to distribute them.

(XXVII) Recognition of revenue

Sales income

The Group manufactures and sells medical equipment-related products. Revenue is the fair value of the consideration received or receivable from the sale of products to external customers in the normal course of operating activities, presented as the net amount after deduction of tax, sales returns, quantity discounts and allowances. Sales revenue is recognized when control of the product is transferred to the customer, that is, when the product is delivered to the customer, the customer has discretion over the product, and the Group has no unperformed performance obligation that may affect the customer's acceptance of the product. When the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the Customer, and the Customer accepts the product according to the Contract, or if objective evidence proves that all acceptance criteria have been met, delivery is deemed to have occurred.

Service revenues

The Group provides technical support services. Revenue recognition for labor services occurs when the performance obligation is fulfilled.

(XXVIII) Business combination

1. The Group uses the acquisition method for business combination. The consideration for the combination is calculated at the fair value of the assets transferred, liabilities

assumed, and equity instruments issued. The consideration for the transfer includes the fair value of any assets and liabilities arising from contingent consideration arrangements. The cost related to the acquisition is recognized as an expense when incurred. The identifiable assets and liabilities acquired in a business combination are measured at fair value on the acquisition date. The Group bases its accounting on individual acquisition transactions. Components of non-controlling interests that represent current ownership interests, where holders are entitled to a proportionate share of the entity's net assets upon liquidation, are measured either at fair value on the acquisition date or at the proportion of non-controlling interests in the identifiable net assets of the acquiree. All other components of non-controlling equity are measured at fair value on the acquisition date.

2. If the total fair value of the transfer consideration, the non-controlling interest of the acquiree, and the previously held equity interest in the acquiree exceeds the fair value of the identifiable assets acquired and the liabilities assumed, the excess is recognized as goodwill on the acquisition date. If the fair value of the identifiable assets acquired and liabilities assumed exceeds the total fair value of the transfer consideration, the non-controlling interest of the acquiree, and any previously held equity interest in the acquiree, the difference is recognized in current profit or loss on the acquisition date.

(XXIX) Operating Segments

The information of the Group's Operating Segments is reported in a consistent manner with the internal management report provided to the Chief operating decision maker. The key operating decision maker is responsible for allocating resources to operating segments and assessing their performance. After identifying that the key operating decision maker of the Group is the Board of Directors.

V. Sources of uncertainties to significant account judgments, estimates, and assumptions

When the Group prepares the consolidated Financial Statements, management has used its judgment to determine the adopted Accounting policies, and has made Accounting estimates and assumptions based on the reasonable expectations of future events based on the situation on the Balance Sheet date. The material accounting estimates and assumptions made may differ from actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. These estimates and assumptions may lead to material adjustments in the carrying amount of assets and liabilities in the next financial year. Please refer to the description of material accounting judgments, estimates, and assumptions uncertainty below:

(I) Key judgments in adopting accounting policy

None.

(II) Key accounting estimates and assumptions

Valuation of inventories

Since inventory must be priced at the lower of cost or net realizable value, the Group must exercise judgment and estimate to determine the net realizable value of inventories on the balance sheet date. As medical technology continues to evolve, potentially leading to slower-than-expected product depletion, and merchandise prices are also subject to fluctuations due to government policies, inventory valuation losses and the risk of obsolescence are higher. The Group evaluates the amount of inventories on the balance sheet date for normal consumption, obsolescence, or lack of market sales value, and offsets the inventory cost to net realizable value. The inventory valuation is mainly based on estimated product demand within a specific future period, so material changes may occur.

As of December 31, 2025, the carrying amount of the Group's inventories amounted to $354,536.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and working capital	$ 213	$ 249
Demand deposits	603,886	329,341
Check deposits	252	178
Time deposit	-	31,200
Total	$ 604,351	$ 360,968

1. The credit quality of the financial institutions with which the Group transacts is good, and the Group transacts with several financial institutions to diversify credit risk. The probability of default is expected to be very low.
2. As of December 31, 2025 and 2024, the Group’s cash and cash equivalents restricted in use due to providing a guarantee letter to the Customs Bureau for import goods under the post-amortization cost method were both $1,000, classified as financial assets at amortized cost – current. Please refer to Note VI(II), VIII and IX.

(II) Financial assets at amortized cost - current

Items	December 31, 2025	December 31, 2024
Current items:		
Restricted bank deposits	$ 1,000	$ 1,000
Time deposit with the original maturity date over three months	4,000	30,000
Total	$ 5,000	$ 31,000

1. Recognition of financial assets measured at amortized cost in profit or loss is detailed as follows:

	2025	2024
Interest income	$ 866	$ 12

2. For information on the credit risk of financial assets measured at amortized cost, please refer to Note XII(II). The counterparties of the Group's investment in time deposits and restricted bank deposits are financial institutions with good credit quality, and the probability of default is expected to be very low.

3. For the financial assets at amortized cost pledged by the Group as collateral, please refer to Note VIII and IX.

4. Without considering the collateral or other credit enhancements held, the amount of credit risk exposure that best represented the Group's financial assets measured at amortized cost was $5,000 and $31,000 as of December 31, 2025 and 2024, respectively.

(III) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 716	$ 5,569
Accounts receivable	$ 177,612	$ 178,965

1. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	$ 172,635	$ 716	$ 173,089	$ 5,569
Within 90 days	4,977	-	5,876	-
	$ 177,612	$ 716	$ 178,965	$ 5,569

The above aging analysis is based on the number of past due days.

2. The balance of notes and accounts receivable as of December 31, 2025 and 2024 were generated from customer contracts. As of January 1, 2024, the balance of notes and accounts receivable from customer contracts was $0 and $141,665, respectively.

3. Without considering the collateral or other credit enhancements held, the maximum risk exposure that best represents the Group's notes receivable as of December 31, 2025 and 2024 was $716 and $5,569, respectively; the maximum risk exposure that best represents the Group's accounts receivable as of December 31, 2025 and 2024 was $177,612 and $178,965, respectively.

4. For the credit risk information of accounts receivable, please refer to Note XII(II).

(IV) <u>Inventory</u>

	December 31, 2025		
	Costs	Allowance for valuation losses	Book Value
Raw materials	$ 4,958	($ 3,960)	$ 998
Work in process	27,648	(44)	27,604
Finished goods	316,919	(64,746)	252,173
Inventory of goods	79,898	(6,137)	73,761
Total	$ 429,423	($ 74,887)	$ 354,536

	December 31, 2024		
	Costs	Allowance for valuation losses	Book Value
Raw materials	$ 4,693	($ 4,246)	$ 447
Work in process	15,734	(27)	15,707
Finished goods	302,416	(69,893)	232,523
Inventory of goods	44,165	(5,903)	38,262
Total	$ 367,008	($ 80,069)	$ 286,939

The cost of inventory recognized as expense by the Group in the current period:

	2025	2024
Cost of inventory sold	$ 259,588	$ 226,495
Inventory devaluation loss (gain from price recovery)	(5,182)	7,106
Inventory scrap loss	7,439	673
Inventory losses	5	1
	$ $261,850	$ 234,275

The Group recognized a decrease in the cost of sales due to an increase in the net realizable value of inventories sold and scrapped in 2025, while in 2024, it recognized an increase in the cost of sales due to a write-down of inventories from cost to net realizable value.

(V) Investment under Equity Method

	2025
January 1	$ -
Increase in investment using the equity method	84,000
Share of investment gain or loss under the equity method	3,661
December 31	$ 87,661

Details of the investment are as follows:

	December 31, 2025
Associate:	
Joinsmart Biomedical Co., Ltd. (Joinsmart)	$ 87,661

1. Basic information of the Group's major associates is as follows:

Company Name	Principal business place	Shareholding ratio	Nature of relationship	Measurement method
		December 31, 2025		
Joinsmart	Taiwan	20%	Strategic investment	Equity method

2. The Group's Board of Directors resolved on June 27, 2025, to acquire a 20% equity interest in Joinsmart from an external party for a total of $84,000. The transaction was completed on July 21, 2025, with all payments made.

3. The overview of the financial information of the Group's associates is provided below:

Balance Sheet

	Joinsmart December 31, 2025
Current assets	$ 126,113
Noncurrent assets	4,571
Current liabilities	(27,222)
Non-current liabilities	(2,037)
Total net assets	$ 101,425
Proportion of net assets of the associate (Note)	$ 20,285

Note: The difference from the book value is mainly attributable to goodwill.

Statement of Comprehensive Income

	Joinsmart 2025
Revenues	$ 305,453
Net income for the period	70,378
Other comprehensive income (net of tax)	-
Total Amount of Comprehensive Income for current period	$ 70,378

4. The value of the investment in Joinsmart accounted for under the equity method as of December 31, 2025 was based on the financial statements audited and certified by other CPAs.

(VI) Property, plant, and equipment

	2025							
	Land	Housing and construction	Machinery and equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction	Total
January 1								
Costs	$ 117,343	$ 115,921	$ 5,019	$ 3,880	$ 26,250	$ 5,185	$ 212	$ 273,810
Accumulated depreciation	-	(10,946)	(2,932)	(1,931)	(16,852)	(4,053)	-	(36,714)
	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,398	$ 1,132	$ 212	$ 237,096
January 1	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,398	$ 1,132	$ 212	$ 237,096
Add	-	350	-	464	1,712	2,117	8,397	13,040
Transfer	-	-	-	2,411	614	5,486	(8,511)	-
Disposal - Cost	-	-	(83)	(1,196)	(4,297)	-	-	(5,576)
Disposal - accumulated depreciation	-	-	83	1,196	4,023	-	-	5,302
Depreciation expenses	-	(5,331)	(750)	(1,164)	(5,420)	(2,540)	-	(15,205)
Net exchange differences	-	-	-	-	(1)	-	-	(1)
December 31	$ 117,343	$ 99,994	$ 1,337	$ 3,660	$ 6,029	$ 6,195	$ 98	$ 234,656
December 31								
Costs	$ 117,343	$ 116,271	$ 4,936	$ 5,559	$ 24,279	$ 12,788	$ 98	$ 281,274
Accumulated depreciation	-	(16,277)	(3,599)	(1,899)	(18,250)	(6,593)	-	(46,618)
	$ 117,343	$ 99,994	$ 1,337	$ 3,660	$ 6,029	$ 6,195	$ 98	$ 234,656

	2024							
	Land	Housing and construction	Machinery and equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction	Total
January 1								
Costs	$ 117,343	$ 103,550	$ 7,652	$ 3,094	$ 36,093	$ 5,615	$ 13,475	$ 286,822
Accumulated depreciation	-	(6,655)	(4,990)	(1,295)	(25,486)	(3,792)	-	(42,218)
	$ 117,343	$ 96,895	$ 2,662	$ 1,799	$ 10,607	$ 1,823	$ 13,475	$ 244,604
January 1	$ 117,343	$ 96,895	$ 2,662	$ 1,799	$ 10,607	$ 1,823	$ 13,475	$ 244,604
Add	-	347	214	97	5,229	39	1,310	7,236
Reclassification (Note)	-	12,024	-	1,038	276	431	(14,573)	(804)
Disposal - Cost	-	-	(2,847)	(349)	(15,402)	(927)	-	(19,525)
Disposal - accumulated depreciation	-	-	2,847	349	15,385	927	-	19,508
Depreciation expense	-	(4,291)	(789)	(985)	(6,703)	(1,162)	-	(13,930)
Net exchange differences	-	-	-	-	6	1	-	7
December 31	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,398	$ 1,132	$ 212	$ 237,096)
December 31								
Costs	$ 117,343	$ 115,921	$ 5,019	$ 3,880	$ 26,250	$ 5,185	$ 212	$ 273,810
Accumulated depreciation	-	(10,946)	(2,932)	(1,931)	(16,852)	(4,053)	-	(36,714)
	$ 117,343	$ 104,975	$ 2,087	$ 1,949	$ 9,398	$ 1,132	$ 212	$ 237,096

Note: Reclassified to operating cost of $129 and expenses of $675.

1. There were no capitalized costs of property, plant and equipment in 2025 and 2024.
2. For information on collateral secured by property, plant and equipment, please refer to Note VIII.
3. On January 8, 2025, the Board of Directors resolved to purchase two offices. For one office, a real estate purchase agreement was signed with an unrelated party in March 2025 for a total price of $98,440 (tax included). As of December 31, 2025, a prepayment of $1,000 (listed as other non-current assets) had been made, and related procedures were in progress. For the other office, a letter of intent was signed with an unrelated party in February 2025 for a transaction amount of $55,000 (tax included). A guarantee deposit of $1,000 (listed as other current assets) had been paid, and a real estate purchase agreement was signed on January 14, 2026. As of the report date, the transfer of the deed and handover of the premises had been completed.

(VII) Lease transaction - Lessee

1. The assets leased by the Group include offices, warehouses, transportation equipment and other equipment, and the lease terms usually range from 2022 to 2029. Lease contracts are negotiated individually and contain various terms and conditions. Except that the leased Assets cannot be used as a loan guarantee, there are no other restrictions.

2. The lease term of the warehouse, parking space and transportation equipment rented by the Group does not exceed 12 months. The Underlying asset rented are office equipment.

3. The carrying amount of the right-of-use assets and the recognized depreciation expense are as follows:

	2025			
	Housing and construction	Transport Equipment	Other equipment	Total
January 1				
Costs	$ 18,789	$ 1,236	$ -	$ 20,025
Accumulated depreciation	(4,040)	(1,167)	-	(5,207)
	$ 14,749	$ 69	$ -	$ 14,818
January 1	$ 14,749	$ 69	$ -	$ 14,818
Add	3,803	703	557	5,063
Book value - cost	(1,302)	(1,210)	-	(2,512)
Book value - accumulated depreciation	1,302	1,210	-	2,512
Lease modification	(1,703)	-	-	(1,703)
Depreciation expenses	(8,753)	(184)	(55)	(8,992)
Net exchange differences	(114)	22	-	(92)
December 31	$ 7,982	$ 610	$ 502	$ 9,094
December 31				
Costs	$ 18,271	$ 732	$ 557	$ 19,560
Accumulated depreciation	(10,289)	(122)	(55)	(10,466)
	$ 7,982	$ 610	$ 502	$ 9,094

	2024			
	Housing and construction	Transport Equipment	Other equipment	Total
January 1				
Costs	$ 22,623	$ 1,194	$ -	$ 23,817
Accumulated depreciation	(8,674)	(730)	-	(9,404)
	$ 13,949	$ 464	$ -	$ 14,413
January 1	$ 13,949	$ 464	$ -	$ 14,413
Add	9,944	-	-	9,944
Book value - cost	(14,055)	-	-	(14,055)
Book value - accumulated depreciation	14,055	-	-	14,055
Depreciation expenses	(9,283)	(410)	-	(9,693)
Net exchange differences	139	15	-	154
December 31	$ 14,749	$ 69	$ -	$ 14,818
December 31				
Costs	$ 18,789	$ 1,236	$ -	$ 20,025
Accumulated depreciation	(4,040)	(1,167)	-	(5,207)
	$ 14,749	$ 69	$ -	$ 14,818

4. Lease liabilities related to lease contracts are as follows:

	December 31, 2025	December 31, 2024
Total lease liabilities	$ 8,896	$ 14,887
Due within one year (presented as "Lease liabilities - current" in the Financial Statements)	(8,274)	(8,070)
	$ 622	$ 6,817

5. The information on profit and loss items related to lease contracts is as follows:

	2025	2024
Items affecting current profit or loss		
Interest on lease liabilities	$ 303	$ 250
Expenses of short-term lease contracts	6,087	6,869
Low-value asset lease expenses	379	379
Profit from lease modification	(22)	-

6. The Group's total cash outflow for leases was $15,785 and $17,137 for 2025 and 2024, respectively.

7. The Group terminated part of the office lease contract early on March 31, 2025, and derecognized right-of-use assets of $1,703 and lease liabilities of $1,725, resulting in a lease modification benefit of $22.

(VIII) Intangible assets

	2025			
	Computer software	Royalty	Patent rights	Total
January 1				
Costs	$ 12,623	$ -	$ 9,500	$ 22,123
Accumulated amortization	(9,498)	-	(6,119)	(15,617)
	$ 3,125	$ -	$ 3,381	$ 6,506
January 1	$ 3,125	$ -	$ 3,381	$ 6,506
Increase - from standalone acquisition	510	-	-	510
Book value - cost	(1,540)	-	-	(1,540)
Book value - accumulated amortization	1,540	-	-	1,540
Amortization expenses	(2,117)	-	(933)	(3,050)
December 31	$ 1,518	$ -	$ 2,448	$ 3,966
December 31				
Costs	$ 11,593	$ -	$ 9,500	$ 21,093
Accumulated amortization	(10,075)	-	(7,052)	(17,127)
	$ 1,518	$ -	$ 2,448	$ 3,966

	2024			
	Computer software	Royalty	Patent rights	Total
January 1				
Costs	$ 23,913	$ $456	$ 9,500	$ 33,869
Accumulated amortization	(19,986)	(456)	(5,186)	(25,628)
	$ 3,927	$ -	$ 4,314	$ 8,241
January 1	$ 3,927	$ -	$ 4,314	$ 8,241
Increase - from standalone acquisition	265	-	-	265
Reclassification (Note)	1,074	-	-	1,074
Book value - cost	(12,629)	(456)	-	(13,085)
Book value - accumulated amortization	12,629	456	-	13,085
Amortization expenses	(2,141)	-	(933)	(3,074)
December 31	$ 3,125	$ -	$ 3,381	$ 6,506
December 31				
Costs	$ 12,623	$ -	$ 9,500	$ 22,123
Accumulated amortization	(9,498)	-	(6,119)	(15,617)
	$ 3,125	$ -	$ 3,381	$ 6,506

Note: Reclassified from prepaid equipment (presented as "other non-current assets" in the statement) to $1,074.

The amortization of intangible assets is as follows:

	2025	2024
Selling expenses	$ 441	$ 389
Administrative expenses	812	886
R&D expenses	1,797	1,799
	$ 3,050	$ 3,074

(IX) Other payables

	December 31, 2025	December 31, 2024
Salary and bonus payable	$ 43,404	$ 43,654
Remuneration to employees and directors payable	18,339	16,248
Business tax payables	6,888	7,048
Service fee payable	1,475	5,530
Equipment Payables	34	114
Other payables	16,536	11,401
	$ 86,676	$ 83,995

(X) Other current liabilities

	December 31, 2025		December 31, 2024	
Deposits received	$	20,645	$	22,529
Other		764		725
	$	21,409	$	23,254

(XI) Long-term loan

Nature of loan	Duration and repayment terms of the loan	Interest rate range	Collateral	December 31, 2025
Borrowings repaid in installments				
Secured loan	From June 17, 2021 to June 17, 2041, with monthly interest payments; principal and interest are repaid in 240 equal installments commencing on July 17, 2021.	2.075%	Real estate	$ 87,199
Less: Long-term borrowings with maturity of less than one year.				(4,820)
				$ 82,379

Nature of loan	Duration and repayment terms of the loan	Interest rate range	Collateral	December 31, 2024
Borrowings repaid in installments				
Secured loan	From June 17, 2021 to June 17, 2041, with monthly interest payments; principal and interest are repaid in 240 equal installments commencing on July 17, 2021.	2.075%	Real estate	$ 91,920
Less: Long-term borrowings with maturity of less than one year				(4,721)
				$ 87,199

For the collateral provided for the long-term loan facility of the Group, please refer to Notes VII and VIII.

(XII) Pension

1. The Company has established a defined contribution pension plan in accordance with the "Labor Pension Act," applicable to employees of ROC nationality. For employees who choose to adopt the labor pension system under the "Labor Pension Act", the Company contributes 6% of their monthly salary to their individual pension accounts at the Bureau of Labor Insurance. The payment of employee pension is based on the employee's individual pension account and the amount of accumulated income, and is paid either monthly or as a lump sum.

   In 2025 and 2024, the Company recognized pension costs of $5,659 and $5,062, respectively, in accordance with the above-mentioned pension plan.

2. The subsidiary, A Plus (Shanghai) Trading Co., Ltd. contributes to the pension plan in accordance with the regulations of the People's Republic of China. Contributions are made monthly based on a certain percentage of the total salary of local employees. Each employee’s pension is managed and administered by the government. Aside from these monthly contributions, the Group has no further

obligations. The contributions for 2025 and 2024 were $3,992 and $4,148, respectively.

3. The subsidiary, Alehan, did not hire any full-time employees and therefore did not establish a pension plan or related policies.

(XIII) Share-based payment

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

Types of agreements	Grant date	Quantity granted (thousand units)	Vesting conditions
Transfer of treasury stocks to employees	June 20, 2024	573	Vested immediately
Reserved employee stock options for a cash capital increase	May 29, 2025	615	Vested immediately

2. The details of the above share-based payment arrangement are as follows:

	2025		2024	
	Number of share options (thousand units)	Weighted Average Contract Price ($)	Number of share options (thousand units)	Weighted Average Contract Price ($)
Beginning outstanding share options - January 1	-	$ -	-	$ -
Stock options granted in the current period	615	75.00	573	53.08
Execution of share options in the current period	(541)	75.00	(573)	53.08
Stock options lapsed in the current period	(74)	75.00	-	-
Outstanding share options - as of December 31	-		-	

3. The fair value of the share-based payment transaction on the grant date is estimated using the Black-Scholes option valuation model. The relevant information is as follows:

Agreement's type	Grant date	Stock price ($)	Performance price ($)	Expected volatility	Expected duration	Expected dividends	Risk-free interest rate	Fair value per unit ($)
Transfer of treasury shares to employees	June 20, 2024	$ 58.06	$ 53.08	20.38%	0.5 (years)	0.00%	1.34%	$ 2.1
Reserved employee stock options for a cash capital increase	May 29, 2025	75.10	75.00	21.02%	7 (days)	0.00%	1.20%	0.9

4. The overheads generated from the share-based payment transactions are as follows:

	2025	2024
Remuneration cost of employee stock options	$ 554	$ 1,203

(XIV) Capital stock

1. As of December 31, 2025, the Company’s authorized capital was $800,000, divided into 80,000 thousand shares, with a paid-in capital of $345,710, and a par value of $10 per share. All the proceeds from the Company's issued shares have been collected.

   The outstanding shares of the Company’s common stock at the beginning and end of the period (in thousands of shares) are adjusted as follows:

	2025	2024
January 1	30,471	30,183
Employee share option exercise	-	573
Capital increase in cash	4,100	-
Shares recovered	(438)	(285)
December 31	34,133	30,471

2. In order to align with the Company’s initial public offering, the Board of Directors resolved on March 31, 2025, to issue 4,100 thousand shares of cash capital at a premium. The par value of each share was $ 10, and the public offering price was $75 per share. The price of each successful bid and the weighted average price were $85.23 per share. After considering the necessary costs for the new share issuance, the total capital increase amounted to $333,020. The base date for the capital increase is June 6, 2025, and the change registration was completed on June 18, 2025.

3. Treasury stock

   (1) Reasons for the recovery of shares and the number of shares recovered:

		December 31, 2025	
Name of the holding company	Reason for recovery	Number of Shares	Book Value
The Company	Transfer of shares to employees	438 thousand shares	$ 38,657

   (2) The changes in the Company's treasury stocks are as follows:

	2025	2024
January 1	$ -	$ 14,153
Repurchase of treasury stock	38,657	16,250
Transfer of treasury stock - employee share option exercise	-	(30,403)
December 31	$ $38,657	$ -

(3) According to the Securities and Exchange Act, the percentage of shares repurchased by the Company shall not exceed 10% of the total number of issued shares, and the total amount of repurchase shall not exceed the sum of retained earnings plus realized capital surplus.

(4) The treasury shares held by the Company shall not be pledged and shall not be entitled to shareholder rights before transfer in accordance with the Securities and Exchange Act.

(5) According to the Securities and Exchange Act, the shares repurchased for transfer to employees must be transferred within five years from the date of repurchase. If the shares are not transferred within that period, they shall be deemed unissued shares and shall be canceled through a change of registration. To protect the Company's credit and shareholders' interests, the repurchased shares must be reclassified and canceled within six months of repurchase.

(6) On March 29, 2024, the Board of Directors approved the repurchase of treasury stock for transfer to the Company's employees. The number of shares repurchased is 300 thousand, and the repurchase period is from April 1, 2024, to May 31, 2024. The repurchase price per share will be between $40 and $60. The aforementioned repurchase of treasury stock was completed on May 31, 2024, with 285 thousand shares repurchased for a total of $16,250.

(7) On June 19, 2024, the Company's Board of Directors approved the transfer of 573 thousand shares of treasury shares to the Company's employees at $53.08 per share, transferring the entire amount to employees for $30,403 (including a $79 fee), and recognized remuneration cost of $1,203.

(8) On November 10, 2025, the Company's Board of Directors approved the repurchase of treasury shares for transfer to the Company's employees. The estimated number of shares to be repurchased is 500 thousand, and the repurchase period was from November 11, 2025, to January 10, 2026, at a price between $75 and $110 per share. As of December 31, 2025, 438 thousand shares had been repurchased for $38,657. The aforementioned repurchased treasury shares were completed on January 9, 2026, with 500 thousand shares repurchased for a total of $43,937.

(XV) Capital Surplus

According to the Company Act, the premium from the issuance of shares at a price higher than the par value and the capital surplus from the receipt of gifts may be used to offset a deficit. When the Company has no accumulated deficit, new shares or Cash may be issued or paid based on the original Shareholder shareholding ratio. In accordance with the relevant provisions of the Securities and Exchange Act, the aforementioned capital surplus may not exceed 10% of the paid-in capital annually when appropriated as capital. The Company shall not use surplus reserves to offset capital deficits if the surplus reserves are insufficient; additional paid-in capital may not be used to supplement the deficit.

2025	Share premium from issuance	Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Employee stock option	Other	Treasury stock transaction	Total
January 1	$ 305,097	$ 1,458	$ -	$ -	$ 1,124	$ 307,679
Capital increase in cash	292,507	-	(487)	-	-	292,020
Share-based payment	-	-	554	-	-	554
Lapsed employee stock options	-	-	(67)	67	-	-
Exercise of conversion rights	-	-	-	76	-	76
December 31	$ 597,604	$ 1,458	$ -	$ 143	$ 1,124	$ 600,329

2024	Share premium from issuance	Difference between the actual acquisition or disposal price and the carrying amount of subsidiary	Employee stock option	Other	Treasury stock transaction	Total
January 1	$ 358,548	$ 1,458	$ -	$ -	$ -	$ 360,006
Distribution of cash dividends from capital surplus	(53,451)	-	-	-	-	(53,451)
Share-based payment	-	-	1,203	-	-	1,203
Employee share option exercise	-	-	(1,203)	-	1,124	(79)
December 31	$ 305,097	$ 1,458	$ -	$ -	$ 1,124	$ 307,679

(XVI) Retained earnings

1. If the Company has earnings in a fiscal year, the earnings shall first be used to pay taxes and to offset accumulated losses. Then, 10% of the remaining earnings shall be set aside as legal reserve, unless the legal reserve has already reached the Company's paid-in capital. A special reserve may also be set aside or reversed in accordance with laws or operational needs. Any remaining earnings, together with undistributed earnings from prior years, shall be used as the basis for a distribution plan.
   If dividends are to be distributed in the form of new shares, the plan must be submitted to the Shareholders' Meeting for approval before distribution. If dividends are to be distributed in cash, the plan must be approved by the Board of Directors and then reported to the Shareholders' Meeting.

   The Company's dividend policy shall be based on the overall operating environment and industry characteristics, considering the Company's future financial structure and capital budget, and taking into account profitability, undistributed earnings, and capital surplus, to formulate an appropriate dividend distribution. However, the total amount of dividends distributed in the year shall not be less than 5% of the distributable surplus. The proportion of cash dividends shall not be less than 10% of the total dividends distributed in the year.

2. The legal reserve may not be used except to offset a company deficit or to issue new shares or cash dividends in proportion to shareholders' original shareholdings; however, any such distribution shall be limited to the portion of the legal reserve exceeding 25% of the paid-in capital.

3. The Company may, in accordance with Article 241 of the Company Act, authorize the Board of Directors, by special resolution, to distribute all or part of the legal reserve and capital surplus in cash and report to the Shareholders' Meeting; or to distribute by issuing new shares, subject to resolution of the Shareholders' Meeting.

4. On March 31, 2025, the Company's Board of Directors resolved to distribute cash dividends totaling $121,884 for 2024. On June 30, 2025, the shareholders' meeting approved the distribution of earnings for 2024 as follows:

	2024	
	Amount	Dividends per share ($)
Legal Capital Reserve	$ 15,106	
Cash dividends	121,884	$ 4.0
Total	$ 136,990	

5. (1) On June 27, 2024, the shareholders' meeting approved the distribution of earnings for 2023 as follows:

	2023	
	Amount	Dividends per share ($)
Legal Capital Reserve	$ 3,116	
Cash dividends	28,043	$ 0.9
Total	$ 31,159	

(2) On June 27, 2024, the Company's shareholders' meeting approved a cash distribution of $1.8 per share from additional paid-in capital – premium, totaling $53,451.

6. (1) On March 10, 2026, the Board of Directors approved a profit distribution plan for 2025, as follows:

	Amount	Dividends per share ($)
Legal Capital Reserve	$ 16,938	
Cash dividends	119,249	$ 3.5
Total	$ 136,187	

(2) On March 10, 2026, the Board of Directors approved a cash distribution of $1.5 per share from capital surplus – issuance premium, totaling $51,106.

(XVII) Other Equity Interest

	2025	2024
Currency translation:		
January 1	$ 6,608	$ 345
- Group	1,251	6,263
December 31	$ 7,859	$ 6,608

(XVIII) Operating revenue

	2025	2024
Customer contract revenues		
Revenue from sale of products	$ 831,862	$ 765,868
Service revenue	4,029	3,723
	$ 835,891	$ 769,591

1. Customer contract income breakdown

The Group's revenue is derived from the transfer of merchandise at a point in time and the provision of labor services over time. Revenue can be broken down by product and geographical area as follows:

2025	Taiwan			China		
	In-house products	Agent Products	Labor service	In-house products	Agent Products	Total
Segment revenues	$ 540,059	$ 183,085	$ 4,029	$ 143,931	$ 31,368	$ 902,472
Revenue from transactions between internal departments	(66,574)	(7)	-	-	-	(66,581)
Revenue from transactions with external departments	$ 473,485	$ 183,078	$ 4,029	$ 143,931	$ 31,368	$ 835,891
Time of revenue recognition						
Revenue recognized at a point in time	$ 473,485	$ 183,078	$ -	$ 143,931	$ 31,368	$ 831,862
Revenue recognized gradually over time	-	-	4,029	-	-	4,029
	$ 473,485	$ 183,078	$ 4,029	$ 143,931	$ 31,368	$ 835,891

2024	Taiwan			China		
	In-house products	Agent Products	Labor service	In-house products	Agent Products	Total
Segment revenues	$ 535,361	$ 129,411	$ 3,723	$ 161,546	$ -	$ 830,041
Revenue from transactions between internal departments	(60,450)	-	-	-	-	(60,450)
Income from transactions with external departments	$ 474,911	$ 129,411	$ 3,723	$ 161,546	$ -	$ 769,591
Time of revenue recognition						
Revenue recognized at a point in time	$ 474,911	$ 129,411	$ -	$ 161,546	$ -	$ 765,868
Revenue recognized gradually over time	-	-	3,723	-	-	3,723
	$ 474,911	$ 129,411	$ 3,723	$ 161,546	$ -	$ 769,591

2. Contract liabilities

The contract liabilities related to the revenue from contracts with customers recognized by the Group are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - Sales contract	$ 2,964	$ 914	$ 1,487

3. Revenue recognized from contract liabilities at the beginning of the period

	2025	2024
Revenue recognized in the period from the opening balance of contract liabilities	$ 750	$ 1,391

(XIX) Operating cost

	2025	2024
Cost of merchandise inventories	$ 261,850	$ 234,275
Service cost	583	538
	$ 262,433	$ 234,813

(XX) Interest income

	2025	2024
Bank deposit interest	$ 2,867	$ 2,198
Interest income from financial assets at amortized cost	866	12
Other interest income	60	55
	$ 3,793	$ 2,265

(XXI) Other revenue

	2025	2024
Rent income	$ 23	$ 17
Revenue from subsidies	737	2,661
Other non-operating income - others	540	1,396
	$ 1,300	$ 4,074

(XXII) Other profits and losses

	2025	2024
Loss on disposal of property, plant, and equipment	($ 4)	($ 12)
Net foreign exchange gain	1,604	1,680
Profit from lease modification	22	-
Other losses	(829)	(720)
	$ 793	$ 948

(XXIII) Financial costs

	2025	2024
Interest expenditure:		
Bank loans	$ 1,862	$ 1,938
Lease liability	303	250
Liability reserve - amortization of discount	2	2
	$ $2,167	$ $2,190

(XXIV) Additional information on the nature of expenses

	2025	2024
Changes in finished goods and work-in-progress inventories	$ 215,512	$ 197,243
Inventory scrap loss	7,439	673
Inventory (revaluation gain) and impairment loss	(5,182)	7,106
Raw materials and supplies consumed	563	391
Employee benefit expense	238,995	223,394
Depreciation expense on property, plant and equipment	15,205	13,930
Depreciation expense of right-of-use assets	8,992	9,693
Operating lease rent	6,466	7,248
Amortization expenses	3,050	3,074
Expected profit from credit impairment	-	(178)
Other overheads	136,089	124,558
Operating costs and operating expenses	$ 627,129	$ 587,132

(XXV) Employee benefit expense

	2025	2024
Payroll expense	$ 191,505	$ 181,101
Employee stock option	554	1,203
Labor and health insurance expense	13,060	10,737
Pension expense	9,651	9,210
Director remuneration	13,324	11,680
Other personnel overheads	10,901	9,463
	$ 238,995	$ 223,394

1. As required by the Company's Articles of Incorporation, after deducting the cumulative deficit from the annual profit, if a balance remains, at least 2% shall be allocated as remuneration to employees, with no less than 1% going to base-level employees and no more than 5% to directors. However, if the Company still has a cumulative deficit, funds must first be reserved to cover it.

2. The Company estimated the amount of employee compensation for 2025 and 2024 at $6,877 and $6,093, respectively; directors' compensation was estimated at $ 11,462 and $ 10,155, respectively. These amounts were recorded under the salary expense account.

3. The remuneration to employees and directors was estimated at 3% and 5% of the profit in 2025. The Board of Directors resolved to distribute $6,877 and $11,462, respectively, of which employee remuneration will be paid in cash.

   The amount of remuneration to employees and directors, as resolved by the Board of Directors in 2024, is consistent with the amount recognized in the financial statements for 2024. The remuneration had been fully distributed as of December 31, 2025.

The information on remuneration to employees and directors approved by the Board of Directors of the Company can be found on the MOPS.

(XXVI) Income tax

1. Income tax expense

	2025	2024
Income tax expenses in the current period		
Income tax generated from current income	$ 44,834	$ 18,338
Additional levy on unappropriated earnings	112	-
Over-estimated income tax in previous years	(3)	(420)
Total income tax for the current period	44,943	17,918
Deferred tax		
Generation and reversal of temporary difference	1,658	18,582
Total deferred income tax	1,658	18,582
Income tax expense	$ 46,601	$ 36,500

2. Relation between income tax expense and accounting profit

	2025	2024
Income tax expense on net profits before tax at statutory rate	$ 47,050	$ 38,659
Expenses to be removed under tax laws and regulations	32	-
Income subject to taxation under the tax laws	227	-
Income exempted from taxation under the tax laws	(817)	(1,148)
Changes in the realizability of deferred tax assets	-	(591)
Additional levy on unappropriated earnings	112	-
Over-estimated income tax in previous years	(3)	(420)
Income tax expense	$ 46,601	$ 36,500

Note: The basis for the applicable Tax rate is calculated based on the Tax rate applicable to the income of the relevant country.

3. Deferred income tax assets or liabilities arising from temporary differences are as follows:

	2025		
	January 1	Recognized in profit or loss	December 31
- Deferred tax assets:			
Temporary difference			
Unrealized gross margin from sales	$ 1,879	$ 1,389	$ 3,268
Allowance for inventory write-down	10,457	(585)	9,872
Non-Leave Bonus	138	163	301
Other	187	358	545
Subtotal	12,661	1,325	13,986
- Deferred tax liabilities:			
Temporary difference			
Amount of foreign long-term investment income under the equity method	-	(2,779)	(2,779)
Unrealized exchange gain	(8)	(204)	(212)
Subtotal	(8)	(2,983)	(2,991)
Total	$ 12,653	($ 1,658)	$ 10,995

	2024		
	January 1	Recognized in profit or loss	December 31
- Deferred tax assets:			
Temporary difference			
Foreign long-term investment losses under the equity method	$ 20,422	($ 20,422)	$ -
Unrealized gross margin from sales	1,429	450	1,879
Allowance for inventory write-down	9,021	1,436	10,457
Non-Leave Bonus	140	(2)	138
Unrealized exchange loss	39	(39)	-
Other	184	3	187
Subtotal	31,235	(18,574)	12,661
- Deferred tax liabilities:			
Temporary difference			
Unrealized exchange gain	-	(8)	(8)
Subtotal	-	(8)	(8)
Total	$ 31,235	($ 18,582)	$ 12,653

4. The Company's income tax from its profit-seeking enterprise has been approved by the tax authorities through 2023.

(XXVII) Earnings per Share

	2025		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to the ordinary shareholders of the parent company	$ 169,382	32,817	$ 5.16
Diluted earnings per share			
Impact of potential common stock with dilutive effect:			
Employee Compensation	-	88	
The effect of the net income of the period attributable to the ordinary shareholders of the parent company plus the effect of potential common stock.	$ 169,382	32,905	$ 5.15

	2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to the ordinary shareholders of the parent company	$ 151,056	30,281	$ 4.99
Diluted earnings per share			
Impact of potential common stock with dilutive effect:			
Employee Compensation	-	85	
The effect of the net income of the period attributable to the ordinary shareholders of the parent company plus the effect of potential common stock.	$ 151,056	30,366	$ 4.97

(XXVIII) Business combination

1. The Group acquired 51% of Alehan's equity with cash of $2,713 on August 1, 2025, and obtained control of Alehan. The company is engaged in sales of medical equipment in Taiwan.

2. Information on the consideration paid for the acquisition of Alehan, the fair value of the assets acquired and liabilities assumed on the acquisition date, and the non-controlling interest's share of the acquiree's net identifiable assets on the acquisition date is as follows:

	August 1, 2025
Acquisition consideration	
Cash	$ 2,713
Non-controlling interests as a percentage of the acquiree's identifiable net assets	2,607
	5,320
Fair value of identifiable assets acquired and liabilities assumed	
Cash	2,158
Financial assets at amortized cost	3,000
Accounts receivable	346
Inventory	74
Prepayments	12
Other non-current assets	6
Accounts payable	(95)
Other payables	(91)
Current tax liabilities	(90)
Total net identifiable assets	5,320
Goodwill	$ -

(XXIX) Supplementary information on cash flow

1. Investment activities partially paid in cash

	2025	2024
Property, plant, and equipment	$ 13,040	$ 7,236
Add: Payables for equipment, beginning of period	114	248
Less: Payables for equipment, ending period	(34)	(114)
Paid in cash this period	$ 13,120	$ 7,370

2. Investment activities that do not affect cash flow:

	2025	2024
Prepaid equipment transferred to intangible assets	$ -	$ 1,074
Property, Plant and Equipment reclassified as Overheads	$ -	$ 804

(XXX) Changes in liabilities from financing activities

	Lease liabilities (including current portion)	Long-term bank borrowings (including due in one year)	Guarantee deposits received (current)	Total liabilities from financing activities
January 1, 2025	$ 14,887	$ 91,920	$ 22,529	$ 129,336
Changes in cash flow from financing	(9,016)	(4,721)	(1,973)	(15,710)
Impact of exchange rate changes	(313)	-	89	(224)
Changes to the lease contract modification	(1,725)	-	-	(1,725)
Changes in other non-cash items	5,063	-	-	5,063
December 31, 2025	$ 8,896	$ 87,199	$ 20,645	$ 116,740

	Lease liabilities (including current portion)	Long-term bank borrowings (including due in one year)	Guarantee deposits received (current)	Total liabilities from financing activities
January 1, 2024	$ 14,429	$ 98,605	$ 18,624	$ 131,658
Changes in cash flow from financing	(9,639)	(6,685)	3,255	(13,069)
Impact of exchange rate changes	153	-	650	803
Changes in other non-cash items	9,944	-	-	9,944
December 31, 2024	$ 14,887	$ 91,920	$ 22,529	$ 129,336

VII. Transactions with related parties

(I) Name of related party and relationship

Name of related party	Relationship to the Group
Joinsmart Biomedical Co., Ltd. (Note)	Associate (investee accounted for using the equity method)
NEW BEST HEARING INTERNATIONAL TRADE CO., LTD.	Other affiliated companies (the Chairperson of the Company serves as a Director of the company)
Taiwan Medical Device Innovation and Development Association	Other affiliated companies (the Company’s key management personnel serve as the standing directors of the association)
Ho Ming Investment Co., Ltd.	Other affiliated company (management personnel of the Company also serve as corporate representatives of this company)
Weikai International Co., Ltd.	Other affiliated company (management personnel of the Company also serve as corporate representatives of this company)
Sih-Ming Li	The Company's key management personnel
Hsiang-Wei Lo	The Company's key management personnel

The Company acquired equity in Joinsmart on July 21, 2025, holding a 20% share. Joinsmart is an associate of the Company, and transactions with Joinsmart have been disclosed from that date onwards. Please refer to Note VI(V) for details.

(II) Major transactions with related parties

1. Operating revenue

	2025	2024
Sale of products:		
Other affiliated enterprises	$ -	$ 1,198
Key management personnel	23	-
	$ 23	$ 1,198

There is no material difference between the transaction price of the sale of merchandise and the payment terms offered to non-related parties.

2. Sales return

	2025	2024
Other affiliated enterprises	$ 40	$ 24

3. Purchase

	2025	2024
Purchase of merchandise:		
Associate	$ 13,476	$ -

The purchasing price of a product is determined through negotiation between the buyer and the seller. Payments are made according to the payment terms of the contract, with no material difference from payments to related parties.

4. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Associate	$ 660	$ -

Accounts payable are mainly generated from merchandise transactions.

5. Operating expenses

	2025	2024
Service expense:		
Other affiliated enterprises	$ 935	$ 627
Other overheads:		
Other affiliated enterprises	40	-
Total	$ 975	$ 627

(1) The labor service fee is 1% of the selling price of the joint development products paid by the Company under the collaboration agreement signed with the Taiwan Medical Devices Innovation Association. Payment terms are settlement within 30 days.

(2) Other overheads are directors' transportation allowances.

6. Endorsements and Guarantees Provided by Related Parties

The Company's long-term and short-term borrowings are jointly guaranteed by Chairperson Sih-Ming Li and General Manager Hsiang-Wei Lo.

(III) Remuneration for key management

	2025		2024	
Salaries and other short-term employee benefits	$	27,342	$	26,269
Post-employment benefits		216		216
Share-based payment		27		288
Total	$	27,585	$	26,773

VIII. Pledged assets

The details of the collateral provided by the Group's assets are as follows:

	Book value				
Asset item	December 31, 2025		December 31, 2024		Purpose of guarantee
Financial assets at amortized cost - current	$	1,000	$	1,000	Customs Import Guarantee Letter
refundable deposits (stated as other current assets and other non-current assets)		10,258		6,650	Lease deposits and performance bonds
Property, plant, and equipment		197,389		199,148	Long-term loan collateral
	$	208,647	$	206,798	

IX. Significant contingent liabilities and unrecognized contractual commitments

Commitment

Except as stated in Note VI(VI), other significant commitments are as follows:

As of December 31, 2025 and 2024, the Company provided a guarantee letter of $1,000 to the Customs Bureau for the post-tax release of imported goods.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

Other than as described in Notes VI(VI), (XIV) and (XVI), the rest are as follows:

On January 23, 2026, the Board of Directors approved the purchase of the Taichung office. In February 2026, the Company signed a real estate purchase agreement with an unrelated party for a total price of $63,000 (including tax). As of the reporting date, the deed had been transferred and the office handed over.

XII. Other

(I) Capital management

The Group's capital management objective is to ensure the Company's continued operation, maintain an optimal capital structure to reduce capital costs, and provide returns to shareholders. In order to maintain or adjust its capital structure, the Group may adjust the amount of Dividends paid to Shareholders, refund capital to Shareholders, issue new shares, or sell Assets to reduce Debt.

(II) Financial instruments

1. Type of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortized cost		
Cash and Cash Equivalents	$ 604,351	$ 360,968
Financial assets at amortized cost - current	5,000	31,000
Notes receivable	716	5,569
Accounts receivable	177,612	178,965
Other receivables	175	-
Refundable deposits (stated as other current and non-current assets)	10,258	6,650
	$ 798,112	$ 583,152

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes payable	$ 63	$ 5
Accounts payable (including related parties)	40,995	39,396
Other payables	86,676	83,995
Long-term bank borrowings (including due in one year)	87,199	91,920
Guarantee deposits received (stated as other current liabilities)	20,645	22,529
	$ 235,578	$ 237,845
Lease liabilities (including current portion)	$ 8,896	$ 14,887

2. Financial risk management policy

   (1) The Group's daily operations are affected by multiple financial risks, including market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial market and seeks to reduce potential adverse effects on the Group's financial position and financial performance.

   (2) The Group's Finance Department is responsible for the execution of risk management in accordance with the policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Company's operating units. The Board has set out written principles for overall risk management, and also provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity.

3. The nature and level of material financial risks

   (1) Market risk

   <u>Exchange rate risk</u>

   A. The Group is a trans-national operation, so it is exposed to exchange rate risk arising from a variety of different currencies, mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

   B. The Group's management has established policies to manage exchange rate risk for foreign currencies within the Group. When future commercial transactions, recognized assets or liabilities are denominated in a foreign currency other than the entity's functional currency, exchange rate risk arises.

   C. The business activities of the Group involve a number of non-functional currencies (NTD is the functional currency of the Group, and NTD, USD and RMB are the functional currencies of its Subsidiaries). Therefore, the Group is exposed to the impact of exchange rate fluctuations. The information on foreign currency Assets and Liabilities with Material exchange rate fluctuations is as follows:

	December 31, 2025				
				Sensitivity analysis	
	Foreign currency ($ thousand)	Exchange Rate	Book value (NT$)	Degree of change	Impact on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD: NTD	$ 132	31.43	$ 4,149	5%	$ 207
RMB: NTD	5,424	4.496	24,386	5%	1,219
Financial liabilities					
Monetary items					
USD: NTD	183	31.43	5,752	5%	288

	December 31, 2024				
				Sensitivity analysis	
	Foreign currency ($ thousand)	Exchange Rate	Book value (NT$)	Degree of change	Impact on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD: NTD	$ 197	32.79	$ 6,460	5%	$ 323
RMB: NTD	9,983	4.478	44,704	5%	2,235
Financial liabilities					
Monetary items					
USD: NTD	95	32.79	3,115	5%	156

D. The total amount of all exchange gains (realized and unrealized) recognized in 2025 and 2024 due to the significant impact of exchange rate fluctuations on the monetary items of the Group was $1,604 and $1,680 respectively.

Cash flow and fair value interest rate risk

A. The interest rate risk of the Group comes from long-term borrowings. The Group is exposed to cash flow interest rate risk due to borrowings issued at floating interest rates. Some of the risk is offset by financial assets at amortized cost held at floating interest rates. The fixed interest rate borrowings exposed the Group to fair value interest rate risk. In 2025 and 2024, the Group’s borrowings calculated using floating interest rates were denominated in NTD.

B. As of December 31, 2025 and 2024, if the interest rate on the NTD loan increased or decreased by 0.25%, with all other factors remaining constant, the profit before tax for 2025 and 2024 would decrease or increase by $218 and $230, respectively, mainly due to the increase/decrease in interest expenses caused by floating-rate borrowings.

(2) Credit risk

A. The Group's credit risk arises when customers or financial instrument trading counterparts fail to perform contractual obligations, which results in financial losses for the Group. The main source of the Group’s credit risk is the inability of counterparties to pay accounts receivable and contractual cash flows classified as measured at amortized cost in accordance with the terms of payment.

B. The Group establishes credit risk management. For banks and financial institutions with an independent credit rating of "A" or higher, they are qualified as counterparties. According to the internally defined credit policy, the Group shall conduct management and credit risk analysis on each new customer before setting payment terms and proposing delivery conditions. The internal risk control evaluates the credit quality of customers by taking into account their financial position, past experience and other factors. The limit of individual risks is determined by the Board of Directors based on internal or external ratings, and the use of credit facilities is monitored regularly.

C. The basis for the Group to determine whether the credit risk of financial instruments has increased significantly since initial recognition:

When the contract amount is past due for more than 30 days under the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since initial recognition.

D. When the investment target with an independent credit rating is adjusted downward by two levels, the Group judges that the credit risk of the investment target has increased significantly.

E. When the Group's contract payment is overdue by more than 180 days according to the agreed payment terms, it constitutes a breach of contract.

F. The Group estimates the expected credit losses of accounts receivable from customers based on the characteristics of trade credit risk using a simplified approach and an allowance matrix.

G. The Group has taken into consideration the future-looking considerations of Taiwan Institute of Economic Research’s economic monitoring report to adjust the loss rate established based on historical and current information of a specific period to estimate the allowance for losses on notes and accounts receivable. The loss rate method as of December 31, 2025 and 2024 is as follows:

	Individual A	Individual B	Group A	Total
December 31, 2025				
Expected loss rate	100%	0%	0.02%~0.05%	
Total book value	$ -	$ -	$ 178,328	$ 178,328
Allowance for losses	$ -	$ -	$ -	$ -

	Individual A	Individual B	Group A	Total
December 31, 2024				
Expected loss rate	100%	0%	0.02%~0.03%	
Total book value	$ -	$ -	$ 184,534	$ 184,534
Allowance for losses	$ -	$ -	$ -	$ -

Individual A: Customers with receivables past due for more than one year.

Individual B: Customers with receivables past due for more than six months to one year.

H. The simplified statement of changes in the allowance for losses on accounts receivable is as follows:

	2025	2024
	Accounts receivable	Accounts receivable
January 1	$ -	$ 444
Gain on reversal	-	(178)
Amounts irrecoverable and written off in the current year	-	(266)
December 31	$ -	$ -

I. The financial assets measured at amortized cost in the Group's books are time deposits and restricted bank deposits with terms of more than three months. Given the good credit quality of the financial institutions involved, the possibility of default is expected to be very low.

(3) Liquidity risk

A. The cash flow forecast is executed by the operating units within the Group, and the Group's Finance and Accounting Department compiles the data. The Group's Finance and Accounting Department monitors the forecast of the Group’s working capital needs to ensure sufficient funds are available to meet operational requirements.

B. When the remaining cash held by each operating entity exceeds the requirements for managing working capital, it will be transferred back to the Group’s Finance and Accounting Department. The Group's Finance Department invests the remaining funds in interest-bearing demand deposits and time deposits. The instruments selected have appropriate maturities or sufficient liquidity to meet the above Forecast and provide sufficient liquidity. As of December 31, 2025 and 2024, the Group's monetary market positions were $607,886 and $390,541, respectively, and it is expected that cash flow will be generated immediately to manage liquidity risk.

C. The Group's unused credit facilities are as follows:

	December 31, 2025	December 31, 2024
Due within One year	$ 60,000	$ 40,000

D. The following table shows the Group's non-derivative financial liabilities, grouped by their maturity dates. The non-derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the contract maturity date. The contractual cash flows disclosed in the following table are not discounted.

Non-derivative financial liabilities:				
December 31, 2025	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years
Notes payable	$ 63	$ -	$ -	$ -
Accounts payable (including related parties)	40,995	-	-	-
Other payables	86,676	-	-	-
Long-term borrowings (including current portion) (Note)	6,584	13,167	13,167	69,128
Deposits received	20,645	-	-	-
Lease liabilities (Note)	8,382	530	105	-

Non-derivative financial liabilities:				
December 31, 2024	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years
Notes payable	$ 5	$ -	$ -	$ -
Accounts payable	39,397	-	-	-
Other payables	83,995	-	-	-
Long-term borrowings (including current portion) (Note)	6,584	13,167	13,167	75,712
Deposits received	22,529	-	-	-
Lease liabilities (Note)	8,350	6,897	-	-

Note: This amount includes the interest expected to be paid in the future.

(III) Information on fair value

1. The definitions of each level of valuation techniques used to measure the fair value of financial and non-financial instruments are as follows:

Class I The quoted price (unadjusted) of the same assets or liabilities in the active market on the measurement date. An active market is a market where frequent and large-volume transactions of assets or liabilities occur, providing continuous pricing information.

Class II The observable inputs of assets or liabilities, directly or indirectly, except for offer prices included in Level 1.

Class III The unobservable input value of assets or liabilities.

2. The carrying amount of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable (including related parties), other payables, guarantee deposits received, and long-term borrowings) is a reasonable approximation of their fair value.

XIII. Supplementary disclosures

(I) Information on Significant Transactions

1. Loaning funds to others: None.
2. Endorsements/guarantees for others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): None.
4. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.
5. Receivables from related parties reaching $100 million or more than 20% of the paid-in capital: None.
6. Business relationship and major transactions between the parent company and its subsidiaries: Please refer to Exhibit 1.

(II) Information on Investees

The name and location of the investee company, along with other relevant information (excluding investee companies in mainland China): Please refer to Exhibit 2.

(III) Information on investments in Mainland China

1. Please refer to Exhibit 3 for basic information.
2. Major transactions with investees in China directly or indirectly through a third regional enterprise: Please refer to Exhibit 1.

XIV. Segment information

(I) General information

The Group's management has identified the reportable segments based on the reporting information used by the Board of Directors in making decisions. The Group's operating decision-makers manage business by region and evaluate Segment performance. The Group currently has Operating Segments in Taiwan and China.

(II) Segment information

The information on the reportable segments to be reported to the chief operating decision maker is as follows:

2025	Taiwan	China	Adjustment and write-off	Total
External revenue	$ 660,592	$ 175,299	$ -	$ 835,891
Revenue from internal segments	66,581	-	(66,581)	-
Segment revenues	$ 727,173	$ 175,299	($ 66,581)	$ 835,891
Depreciation and amortization	$ 22,981	$ 4,266	$ -	$ 27,247
Segment (loss) profit	$ 155,383	$ 14,158	$ -	$ 169,541

2024	Taiwan	China	Adjustment and write-off	Total
External revenue	$ 608,045	$ 161,546	$ -	$ 769,591
Revenue from internal segments	60,450	-	(60,450)	-
Segment revenues	$ 668,495	$ 161,546	($ 60,450)	$ 769,591
Depreciation and amortization	$ 21,298	$ 5,399	$ -	$ 26,697
Segment (loss) profit	$ 145,317	$ 5,739	$ -	$ 151,056

(III) Information on segment profit or loss, Assets and Liabilities of the Segment.

The Group reports to the chief operating decision maker the consolidated total assets, total liabilities, and consolidated profit or loss, which are consistent with the revenue and overheads in the statement of comprehensive income, for operating decisions.

(IV) Information on adjustment to segment profit or loss

The Group's consolidated profit or loss reported to the chief operating decision maker is consistent with the revenue and overheads in the statement of comprehensive income. As there is no difference between the statements provided to the operating decision-maker for departmental management decisions and the departmental income statement, no adjustment is required.

(V) Regional Information

The information of the Group for 2025 and 2024, by region, is as follows:

	2025		2024	
	Revenues	Non-current assets	Revenues	Non-current assets
Taiwan	$ 653,271	$ 251,174	$ 590,876	$ 256,649
China	175,299	4,908	161,546	8,471
Other	7,321	-	17,169	-
Total	$ 835,891	$ 256,082	$ 769,591	$ 265,120

The Group's revenue by region is calculated based on the collection area. Non-current assets refer to property, plant and equipment, right-of-use assets, intangible assets and other assets, but exclude financial instruments, deferred tax assets and refundable deposits.

(VI) Product and service information by type

Please refer to Note VI(XVIII) for details.

(VII) Information on key customers

The Group did not have any major customers that contributed more than 10% of its revenue in 2025 and 2024.

A Plus Biotechnology Co., Ltd.
Business relationships, significant transactions and amounts between parent company and subsidiaries and among subsidiaries.
January 1 to December 31, 2025

Exhibit 1

Unit: NT$ thousand
(unless otherwise specified)

No. (Note 1)	Trader	Counterparty	Relationship with trader (Note 2)	Transaction				
				Title		Amount	Trading conditions	Percentage in total consolidated operating revenue or assets (Note 3)
0	A Plus Biotechnology Co., Ltd.	A Plus (Shanghai) Trading Co., Ltd.	1	Accounts receivable	$	24,372	Note 5	1.57%
0	A Plus Biotechnology Co., Ltd.	A Plus (Shanghai) Trading Co., Ltd.	1	Sales income		66,574	Note 5	7.96%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:
(1) Fill in “0” for parent company.
(2) Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: There are three types of relationships with the transaction parties. Please indicate the type (no repeated disclosure is required for the same transaction between a parent company and its subsidiary, or between subsidiaries).
E.g. If the parent company has disclosed a transaction with a subsidiary, the subsidiary does not have to disclose the transaction again.
If a subsidiary has disclosed its transaction with another subsidiary, the other subsidiary is not required to disclose the transaction again.
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: The percentage of transaction amounts to consolidated total revenues or total assets is calculated based on ending balances as a percentage of consolidated total assets for balance sheet items, and based on cumulative amounts as a percentage of consolidated total revenues for income statement items.

Note 4: Transactions totaling $5,000 or more must be disclosed; disclosure will also be made based on asset and revenue perspectives.

Note 5: The selling price to A Plus is determined with reference to the price of the same product in transactions with unrelated parties, taking into account the competitiveness of A Plus in the sales region and marketing expenses. The payment terms are slightly longer than those for general customers, with settlement 135 days after the end of the month.

A Plus Biotechnology Co., Ltd.
Names, locations and other information of investee companies (not including investees in China)
January 1 to December 31, 2025

Exhibit 2

Unit: NT$ thousand
(unless otherwise specified)

Name of the investing company	Name of the investee (Note 1(2))	Territory	Principal Activities	Original investment amount: End of period	Original investment amount: End of last year	Ending balance: Number of Shares	Ending balance: Ratio	Ending balance: Book Value	Investee's profit or loss for the current period (Note 2(2))	Investment incomes (losses) recognized in the period (Note 2(3))	Remarks
A Plus Biotechnology Co., Ltd.	A Plus(Cayman)Holding Inc.	Cayman Islands	Holding company	$ 372,039	$ 372,039	25,029,267	100.00	$ 188,556	$ 14,157	$ $14,157	Subsidiary
A Plus Biotechnology Co., Ltd.	Alehan biotechnology Co., Ltd.	Taiwan	Sales of medical devices	2,713	-	255,000	51.00	2,878	685	165	Subsidiary
A Plus Biotechnology Co., Ltd.	Joinsmart Biomedical Co., Ltd. (Joinsmart)	Taiwan	Sales of medical devices	84,000	-	500,000	20.00	87,661	70,378	3,661	Investment under Equity Method

Note 1: If a public entity has a foreign holding company and prepares its main financial statements using consolidated financial statements in accordance with local laws and regulations, it may disclose only the relevant information of the holding company with respect to its foreign investee companies.

Note 2: If the situation is not described in Note 1, please fill in as follows:

(1) The fields of "Name of Investee Company", "Location", "Principal Activities", "Initial Investment Amount" and "Shareholding at the End of the Period" shall be filled in according to the Investment re-investment of the Company (public company) and the investees directly or indirectly controlled by the Company, and the relationships between each investee and the Company (public company) (such as a Subsidiary or a second-tier Subsidiary) shall be indicated in the remark column.

(2) In the field of "Investee's profit or loss for the current period," the amount of each investee's current profit or loss should be filled in.

(3) In the field of "Investment gain or loss recognized in the current period," only the amount of gain or loss of each Subsidiary directly invested by the Company (publicly traded) and each investee under the Equity method is required to be filled in, and the rest can be left blank. When filling in the "Amount of current profit or loss of each Subsidiary recognized as a direct investment", it should be confirmed that the amount of current profit or loss of each Subsidiary already includes the Investment profit or loss that should be recognized for its re-investment in accordance with the regulations.

A Plus Biotechnology Co., Ltd.
Information on investment in China – Basic Information
January 1 to December 31, 2025

Exhibit 3

Unit: NT$ thousand
(unless otherwise specified)

Names of investees in mainland China	Principal Activities	Paid-in capital (Note 5)	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated investment amount remitted from Taiwan at the end of the period	Current profit or loss of the investee	The Company's shareholding of direct or indirect investment	Investment gains and losses recognized during the period (Note 2(2)B)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period	Remarks
					O/R	Recover							
A Plus (Shanghai) Trading Co., Ltd.	Sales of medical devices	$ 209,026	(2)	$ 372,039	$ -	$ -	$ 372,039	$ 14,527	100.00	$ 14,527	$ 204,174	$ -	

Name	Accumulated amount of investment from Taiwan to mainland China at the end of the period	Investment amount approved by the Investment Commission, MOEA	Investment quota for mainland China as stipulated by the Investment Commission, MOEA
A Plus (Shanghai) Trading Co., Ltd.	$ 372,039	$ 372,039	$ 759,332

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:
(1) Engaged in direct investment in Mainland China.
(2) Invest in China through a third regional company (A Plus (Cayman) Holding Inc. invests in A Plus (Shanghai) Trading Co., Ltd.).
(3) Other methods.

Note 2: In the investment profit or loss recognized in the current period:
(1) If it is in preparation and has no investment profit or loss, it should be specified.
(2) The basis for recognizing investment gains and losses is classified into the following three categories, which should be specified.
A. Financial reports audited by international accounting firms in cooperation with Republic of China CPA firms.
B. Financial reports audited by the parent company's CPA in Taiwan
C. Other

Note 3: Figures in this table are presented in NTD.

Note 4: The original investment amount of Taiwan investment A Plus (Cayman) Holding Inc. was US$7,926 thousand, and the paid-in capital of A Plus (Shanghai) Trading Co., Ltd. was US$6,733 thousand.