Pacific Hospital Supply Co., Ltd.

Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pacific Hospital Supply Co., Ltd.

Introduction

We have reviewed the accompanying balance sheets of Pacific Hospital Supply Co., Ltd. (the "Company") as of March 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements"). Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying financial statements do not give a true and fair view of the financial position of the Company as of March 31, 2025 and 2024, and its financial performance and its cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yao, Sheng-Hsiung and Chun-Ming Hsueh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2025

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

PACIFIC HOSPITAL SUPPLY CO., LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 24)	$ 750,503	19	$ 740,071	19	$ 725,184	19
Financial assets at amortized cost - current (Notes 7 and 24)	428,845	11	362,280	9	320,000	8
Notes receivable (Notes 4, 8 and 24)	14,748	-	10,265	-	27,146	1
Accounts receivable (Notes 4, 8, 18 and 24)	301,298	7	262,053	7	236,930	6
Other receivables (Notes 4, 8 and 24)	11,651	-	9,360	-	7,787	-
Inventories (Notes 4 and 9)	352,139	9	338,154	9	313,973	8
Prepayments	35,219	1	28,785	1	26,297	1
Other current assets (Note 14)	2,265	-	3,025	-	2,578	-
Total current assets	1,896,668	47	1,753,993	45	1,659,895	43
NON-CURRENT ASSETS						
Property, plant and equipment (Notes 4, 10, 22 and 26)	1,537,684	39	1,564,159	40	1,617,299	42
Right-of-use assets (Notes 4, 11 and 25)	410,345	10	413,147	11	422,577	11
Investment properties (Notes 4, 12 and 26)	90,871	2	90,949	2	91,180	3
Other intangible assets (Notes 4 and 13)	4,916	-	6,442	-	4,394	-
Deferred tax assets (Notes 4 and 20)	8,337	-	8,793	-	8,987	-
Net defined benefit assets-non-current (Notes 4 and 16)	19,994	1	19,981	1	9,087	-
Other non-current assets (Notes 14 and 22)	30,015	1	24,330	1	35,099	1
Total non-current assets	2,102,162	53	2,127,801	55	2,188,623	57
TOTAL	$ 3,998,830	100	$ 3,881,794	100	$ 3,848,518	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 18)	$ 42,036	1	$ 38,644	1	$ 35,605	1
Notes payable (Note 24)	4,231	-	4,440	-	2,048	-
Accounts payable (Note 24)	186,519	5	187,431	5	171,998	5
Other payables (Notes 15, 22 and 24)	177,407	4	224,645	6	168,303	4
Current tax liabilities (Notes 4 and 20)	78,707	2	50,276	1	90,603	2
Lease liabilities - current (Notes 4, 11, 22, 24 and 25)	9,451	-	10,070	-	15,956	1
Other current liabilities (Note 15)	56	-	723	-	685	-
Total current liabilities	498,407	12	516,229	13	485,198	13
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 20)	8,701	-	4,907	-	1,739	-
Lease liabilities - non-current (Notes 4, 11, 22, 24 and 25)	416,123	11	417,788	11	419,727	11
Guarantee deposits (Note 15)	644	-	644	-	644	-
Total non-current liabilities	425,468	11	423,339	11	422,110	11
Total liabilities	923,875	23	939,568	24	907,308	24
EQUITY (Note 17)						
Share capital						
Ordinary shares	726,000	18	726,000	19	726,000	19
Capital surplus	344,801	9	344,791	9	344,665	9
Retained earnings						
Legal reserve	525,949	13	525,949	13	483,771	12
Unappropriated earnings	1,478,205	37	1,345,486	35	1,386,774	36
Total retained earnings	2,004,154	50	1,871,435	48	1,870,545	48
Total equity	3,074,955	77	2,942,226	76	2,941,210	76
TOTAL	$ 3,998,830	100	$ 3,881,794	100	$ 3,848,518	100

The accompanying notes are an integral part of the financial statements.

PACIFIC HOSPITAL SUPPLY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 18)	$ 604,537	100	$ 563,985	100
OPERATING COSTS (Notes 4, 9, 16 and 19)				
Cost of goods sold	400,430	66	389,732	69
GROSS PROFIT	204,107	34	174,253	31
OPERATING EXPENSES (Notes 16, 19 and 25)				
Selling and marketing expense	19,945	3	17,719	3
General and administrative expense	30,688	5	26,248	5
Research and development expense	20,715	4	17,694	3
Expected credit loss	2	-	-	-
Total operating expenses	71,350	12	61,661	11
OPERATING INCOME	132,757	22	112,592	20
NON-OPERATING INCOME AND EXPENSES (Note 19)				
Interest income	5,031	1	5,442	1
Other income	2,788	-	3,626	1
Other gains and losses	26,739	4	14,899	2
Finance costs	(1,416)	-	(1,458)	-
Total non-operating income and expenses	33,142	5	22,509	4
PROFIT BEFORE INCOME TAX	165,899	27	135,101	24
INCOME TAX EXPENSE (Notes 4 and 20)	33,180	5	27,450	5
NET PROFIT FOR THE PERIOD	132,719	22	107,651	19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 132,719	22	$ 107,651	19
EARNINGS PER SHARE (Note 21)				
Basic	$ 1.83		$ 1.48	
Diluted	$ 1.82		$ 1.48	

The accompanying notes are an integral part of the financial statements.

PACIFIC HOSPITAL SUPPLY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 17)			Retained Earnings (Notes 4, 17 and 21)			
	Ordinary Shares (In Thousands)	Amount	Capital Surplus (Note 17)	Legal Reserve	Unappropriated Earnings	Total	Total Equity
BALANCE ON JANUARY 1, 2024	72,600	$ 726,000	$ 344,665	$ 483,771	$ 1,279,123	$ 1,762,894	$ 2,833,559
Net profit for the three months ended March 31, 2024	-	-	-	-	107,651	107,651	107,651
BALANCE ON MARCH 31, 2024	72,600	$ 726,000	$ 344,665	$ 483,771	$ 1,386,774	$ 1,870,545	$ 2,941,210
BALANCE ON JANUARY 1, 2025	72,600	$ 726,000	$ 344,791	$ 525,949	$ 1,345,486	$ 1,871,435	$ 2,942,226
Other changes in capital surplus	-	-	10	-	-	-	10
Net profit for the three months ended March 31, 2025	-	-	-	-	132,719	132,719	132,719
BALANCE ON MARCH 31, 2025	72,600	$ 726,000	$ 344,801	$ 525,949	$ 1,478,205	$ 2,004,154	$ 3,074,955

The accompanying notes are an integral part of the financial statements.

PACIFIC HOSPITAL SUPPLY CO., LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 165,899	$ 135,101
Adjustments for:		
Depreciation expenses	32,980	34,190
Amortization expenses	1,608	1,309
Expected credit losses	2	-
Finance costs	1,416	1,458
Interest income	(5,031)	(5,442)
Gain on disposal of property, plant and equipment	(99)	(23)
Write-downs of inventories	1,108	1,095
Net gain on foreign currency exchange	(24,969)	(12,879)
Changes in operating assets and liabilities		
Notes receivable	(4,483)	(5,033)
Accounts receivable	(34,792)	(65,830)
Other receivables	(2,299)	2,814
Inventories	(15,093)	28,719
Prepayments	(6,434)	(6,762)
Other current assets	760	(66)
Net defined benefit assets-non-current	(13)	174
Contract liabilities	3,392	(9,089)
Notes payable	(209)	(922)
Accounts payable	(912)	983
Other payables	(46,940)	(41,464)
Other current liabilities	(667)	(78)
Cash generated from operations	65,224	58,255
Interest received	5,039	5,327
Interest paid	(1,416)	(1,458)
Income tax paid	(499)	(527)
Net cash generated from operating activities	68,348	61,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(62,889)	(62,425)
Increase in prepayments for equipment	(6,768)	(9,796)
Acquisition of property, plant and equipment	(3,524)	(4,838)
Proceeds from disposal of property, plant and equipment	877	484
Increase in refundable deposits	(290)	(240)
Decrease in refundable deposits	536	192
Acquisition of intangible assets	(82)	(622)
Net cash used in investing activities	(72,140)	(77,245)

(Continued)

PACIFIC HOSPITAL SUPPLY CO., LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (2,624)	$ (2,582)
Employee stock trust forfeited funds	10	-
Net cash used in financing activities	(2,614)	(2,582)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	16,838	(1,569)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	10,432	(19,799)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	740,071	744,983
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 750,503	$ 725,184

The accompanying notes are an integral part of the financial statements. (Concluded)

1. GENERAL INFORMATION

Pacific Hospital Supply Co., Ltd. (the “Company”) mainly manufactures, processes and sells medical disposable products and equipment and does medical engineering work on centralized medical gas piping systems.

The Company’s shares were listed and have been trading on the Taipei Exchange since February 2004.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issuance on May 6, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Company’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

    - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

    - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

(Concluded)

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

   IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

   - Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

   - The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

   - Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

   - Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

3) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities

   The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

   - The Company having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

   The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

4) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

   Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Company enters into contracts to buy nature-dependent electricity, which exposes the Company to the risk that it would be required to buy electricity during a delivery interval in which

   the Company cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Company’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Company entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Company has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

   The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Company is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

   For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Company shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Company shall apply prospectively.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These interim financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for an asset or liability.

Other Material Accounting Policies

Except for the following, please refer to the financial statements for the year ended December 31, 2024.

a. Retirement benefits

   Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

b. Income tax expense

   Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

c. Deferred tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of the economic environment implications of the military conflict and related international sanction on estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Please refer to the financial statements for the year ended December 31, 2024 for the description of critical accounting judgements and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 512	$ 558	$ 610
Checking accounts and demand deposits	589,991	579,513	660,574
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	160,000	160,000	32,000
Repurchase agreements collateralized by bonds	-	-	32,000
	$ 750,503	$ 740,071	$ 725,184

The interest rate intervals of cash in bank and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Demand deposits	0.01%-3.00%	0.002%-3.10%	0.001%-3.90%
Time deposits	1.46%-1.47%	1.46%-1.47%	5.28%
Repurchase agreements collateralized by bonds	-	-	5.40%

The bank deposits were not pledged as collateral.

7. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Domestic investments			
Time deposits with original maturities of more than 3 months	$ 428,845	$ 362,280	$ 320,000

The interest rate intervals of time deposits at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturities of more than 3 months	1.56%-5.32%	1.56%-5.32%	4.75%-5.35%

The aforementioned financial assets were not pledged as collateral.

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable			
From operations	$ 14,748	$ 10,265	$ 27,146
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 301,300	$ 262,053	$ 236,930
Less: Allowance for impairment loss	2	-	-
	$ 301,298	$ 262,053	$ 236,930
Other receivables			
Value-added tax refund receivable	$ 10,881	$ 8,582	$ 6,775
Others	770	778	1,012
	$ 11,651	$ 9,360	$ 7,787

Notes Receivable, Accounts Receivable and Other Receivables

Loss allowance against notes receivable and other receivables was not provided in view of the fact that historical experience indicates that recovery is highly probable.

The average credit period of sales of goods was 30-120 days. No interest was charged on accounts receivable.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer and the customer's current financial position. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the accounts receivable are over 365 days past due, whichever occurs earlier. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

March 31, 2025

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate	0%	0%	0%	10%	100%	
Gross carrying amount	$ 229,699	$ 71,569	$ 11	$ 21	$ -	$ 301,300
Loss allowance (Lifetime ECLs)	-	-	-	2	-	2
Amortized cost	$ 229,699	$ 71,569	$ 11	$ 19	$ -	$ 301,298

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate	0%	0%	0%	10%	100%	
Gross carrying amount	$ 195,934	$ 66,088	$ 31	$ -	$ -	$ 262,053
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 195,934	$ 66,088	$ 31	$ -	$ -	$ 262,053

March 31, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate	0%	0%	0%	10%	100%	
Gross carrying amount	$ 171,354	$ 63,448	$ 2,128	$ -	$ -	$ 236,930
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 171,354	$ 63,448	$ 2,128	$ -	$ -	$ 236,930

The movements of the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	$ -	$ -
Add: Net remeasurement of loss allowance	2	-
Balance on March 31	$ 2	$ -

9. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	$ 94,452	$ 101,178	$ 94,808
Work in progress	78,654	53,896	64,158
Raw materials	179,033	183,080	155,007
	$ 352,139	$ 338,154	$ 313,973

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2025 and 2024 was $400,430 thousand and $389,732 thousand, respectively.

The cost of goods sold for the three months ended March 31, 2025 and 2024 included inventory write-downs of $1,108 thousand and $1,095 thousand, respectively.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Total
Cost						
Balance at January 1, 2024	$ 118,319	$ 1,585,125	$ 693,712	$ 7,679	$ 418,137	$ 2,822,972
Additions	-	-	275	990	965	2,230
Disposals	-	-	(2,293)	-	(750)	(3,043)
Reclassification	-	-	495	-	578	1,073
Balance at March 31, 2024	$ 118,319	$ 1,585,125	$ 692,189	$ 8,669	$ 418,930	$ 2,823,232
Accumulated depreciation						
Balance at January 1, 2024	$ -	$ 420,049	$ 402,052	$ 5,508	$ 350,133	$ 1,177,742
Disposals	-	-	(2,065)	-	(517)	(2,582)
Depreciation expenses	-	13,308	11,511	132	5,822	30,773
Balance at March 31, 2024	$ -	$ 433,357	$ 411,498	$ 5,640	$ 355,438	$ 1,205,933
Carrying amounts at March 31, 2024	$ 118,319	$ 1,151,768	$ 280,691	$ 3,029	$ 63,492	$ 1,617,299
Cost						
Balance at January 1, 2025	$ 118,319	$ 1,596,559	$ 702,839	$ 8,669	$ 422,341	$ 2,848,727
Additions	-	-	1,846	-	1,380	3,226
Disposals	-	-	(1,112)	-	(1,468)	(2,580)
Reclassification	-	-	345	-	492	837
Balance at March 31, 2025	$ 118,319	$ 1,596,559	$ 703,918	$ 8,669	$ 422,745	$ 2,850,210
Accumulated depreciation						
Balance at January 1, 2025	$ -	$ 473,748	$ 443,684	$ 6,103	$ 361,033	$ 1,284,568
Disposals	-	-	(1,077)	-	(725)	(1,802)
Depreciation expenses	-	13,541	11,366	149	4,704	29,760
Balance at March 31, 2025	$ -	$ 487,289	$ 453,973	$ 6,252	$ 365,012	$ 1,312,526
Carrying amounts at December 31, 2024 and January 1, 2025	$ 118,319	$ 1,122,811	$ 259,155	$ 2,566	$ 61,308	$ 1,564,159
Carrying amounts at March 31, 2025	$ 118,319	$ 1,109,270	$ 249,945	$ 2,417	$ 57,733	$ 1,537,684

No impairment assessment was performed for the three months ended March 31, 2025 and 2024 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Plant	30-51 years
Electrical power equipment	15-30 years
Others	2-50 years
Machinery and equipment	2-26 years
Transportation equipment	5-11 years
Miscellaneous equipment	2-15 years

The Company's property, plant and equipment are uncollateralized for bank borrowings.

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts			
Land	$ 408,377	$ 410,822	$ 418,158
Buildings	1,968	2,325	4,419
	$ 410,345	$ 413,147	$ 422,577

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	$ 340	$ 3,801
Depreciation charge for right-of-use assets		
Land	$ 2,445	$ 2,445
Buildings	697	895
	$ 3,142	$ 3,340

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts			
Current	$ 9,451	$ 10,070	$ 15,956
Non-current	$ 416,123	$ 417,788	$ 419,727

Range of discount rate for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1.32%	1.32%	1.32%
Buildings	1.79%-2.20%	1.32%-1.79%	1.32%-1.79%

c. Material lease-in activities and terms

The Company leases land for use as a factory, with lease terms from November 2014 to December 2033. The Company has options to renew the lease at the end of the lease terms.

12. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2024 and March 31, 2024	$ 78,179	$ 15,724	$ 93,903
Accumulated depreciation			
Balance at January 1, 2024	$ -	$ 2,646	$ 2,646
Depreciation expenses	-	77	77
Balance at March 31, 2024	$ -	$ 2,723	$ 2,723
Carrying amounts at December 31, 2023 and January 1, 2024	$ 78,179	$ 13,078	$ 91,257
Carrying amounts at March 31, 2024	$ 78,179	$ 13,001	$ 91,180
Cost			
Balance at January 1, 2025 and March 31, 2025	$ 78,179	$ 15,724	$ 93,903
Accumulated depreciation			
Balance at January 1, 2025	$ -	$ 2,954	$ 2,954
Depreciation expenses	-	78	78
Balance at March 31, 2025	$ -	$ 3,032	$ 3,032
Carrying amounts at December 31, 2024 and January 1, 2025	$ 78,179	$ 12,770	$ 90,949
Carrying amounts at March 31, 2025	$ 78,179	$ 12,692	$ 90,871

The lease period of investment properties is from October 2020 to October 2025. The lessees do not have the bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than 1 year	$ 1,777	$ 2,642	$ 3,583
1-5 years	-	-	1,969
	$ 1,777	$ 2,642	$ 5,552

Buildings classified as investment properties are depreciated on a straight-line basis over their estimated useful lives of 51 years.

The investment properties were acquired on June 1, 2015. The fair value appraisal as of December 31, 2024 was performed by Euroasia Real Estate Appraisers Firm. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value of investment properties was determined to be $124,542 thousand.

All of the Company's investment properties were held under freehold interests.

13. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2024	$ 10,631
Additions	622
Others	(263)
Balance at March 31, 2024	$ 10,990
Accumulated amortization	
Balance at January 1, 2024	$ 5,550
Amortization expenses	1,309
Others	(263)
Balance at March 31, 2024	$ 6,596
Carrying amounts at December 31, 2023 and January 1, 2024	$ 5,081
Carrying amounts at March 31, 2024	$ 4,394

(Continued)

	Computer Software
Cost	
Balance at January 1, 2025	$ 12,974
Additions	82
Others	(34)
Balance at March 31, 2025	$ 13,022
Accumulated amortization	
Balance at January 1, 2025	$ 6,532
Amortization expenses	1,608
Others	(34)
Balance at March 31, 2025	$ 8,106
Carrying amounts at December 31, 2024 and January 1, 2025	$ 6,442
Carrying amounts at March 31, 2025	$ 4,916

(Concluded)

Computer software were amortized on a straight-line basis over their estimated useful lives of 1 to 5 years.

14. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Input tax	$ -	$ 335	$ -
Others	2,265	2,690	2,578
	$ 2,265	$ 3,025	$ 2,578
Non-current			
Prepayments for equipment	$ 12,416	$ 6,485	$ 18,671
Refundable deposits	17,599	17,845	16,428
	$ 30,015	$ 24,330	$ 35,099

15. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Other payables			
Payables for salaries and bonuses	$ 64,545	$ 106,961	$ 55,813
Payables for compensation of employees	49,000	37,000	47,000
Payables for vacation compensation	17,305	20,478	17,604
Payables for remuneration of directors	5,200	4,000	5,100
Payables for purchase of equipment	2,529	2,827	1,112
Others	38,828	53,379	41,674
	$ 177,407	$ 224,645	$ 168,303
Other liabilities			
Others	$ 56	$ 723	$ 685
Non-current			
Guarantee deposits	$ 644	$ 644	$ 644

16. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were $414 thousand and $737 thousand, respectively, which were calculated based on the pension cost rate determined by the actuarial calculation as of December 31, 2024 and 2023, respectively.

17. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	72,600	72,600	72,600
Shares issued	$ 726,000	$ 726,000	$ 726,000

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	$ 344,506	$ 344,506	$ 344,506
Employee stock trust forfeited funds	10	-	-
May only be used to offset a deficit			
Donations	285	285	159
	$ 344,801	$ 344,791	$ 344,665

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including share premium from issuance of ordinary shares and conversion of bonds) and donated assets, except for capital surplus from overdue dividends, may only be used to offset a deficit; in addition, when the Company has no deficit, other capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 19 (g).

The Company has adopted the equalization dividend policy for the payment of dividends, which may be paid either in the form of share dividends (including dividends from earnings and capital surplus) or cash dividends. Dividend payments are made from the earnings in the current year earnings of the Company after the appropriation. In determining distribution of dividends, the board of directors shall take into consideration the general business and financial conditions of the Company, and shall be approved in the shareholders' meetings. The distribution method shall take into consideration the Company's operational needs and both dividend equality and shareholder rights protection policies; therefore distributions of cash dividends shall not be less than 20% of total dividends distributed.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in-capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in-capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled “Questions and Answers on Special Reserves Appropriated Following Adoption of IFRS Accounting Standards, the Company should appropriate or reverse to a special reserve.

The appropriations of earnings for the years ended December 31, 2024 and 2023 approved in the board of directors’ meeting on February 26, 2025 and the regular shareholders’ meetings on June 14, 2024 respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	$ 45,702	$ 42,178
Cash dividends	$ 363,000	$ 348,480
Cash dividends per share (NT$)	$ 5.0	$ 4.8

The appropriation of earnings for the year ended December 31, 2024 are subject to resolution in the shareholders’ meeting to be held on June 12, 2025.

18. REVENUE

a. Contract balances

	For the Year Ended December 31	
	2025	2024
Revenue from contract with customers		
Medical consumables	$ 582,171	$ 530,949
Medical instruments and others	22,366	33,036
	$ 604,537	$ 563,985

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable (Note 8)			
Gross carrying amount	$ 301,300	$ 262,053	$ 236,930
Contract liabilities			
Sale of goods	$ 41,789	$ 38,430	$ 35,391
Others	247	214	214
	$ 42,036	$ 38,644	$ 35,605

b. Contracts not fully completed

The expected duration period of the Company’s obligations related to contracts with customers not fully completed is no longer than 1 year.

19. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	$ 5,031	$ 4,994
Repurchase agreements collateralized by bonds	-	448
	$ 5,031	$ 5,442

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Operating lease rental income		
Investment properties	$ 905	$ 907
Others	1,883	2,719
	$ 2,788	$ 3,626

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Gains on disposal of property, plant and equipment	$ 99	$ 23
Net foreign currency exchange gains	26,640	14,876
	$ 26,739	$ 14,899

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on lease liabilities	$ 1,413	$ 1,456
Other interest expenses	3	2
	$ 1,416	$ 1,458

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	$ 29,760	$ 30,773
Right-of-use assets	3,142	3,340
Investment properties	78	77
Intangible assets	1,608	1,309
	$ 34,588	$ 35,499
An analysis of depreciation by function		
Operating costs	$ 30,693	$ 31,878
Operating expenses	2,287	2,312
	$ 32,980	$ 34,190
An analysis of amortization by function		
Operating costs	$ 401	$ 22
Operating expenses	1,207	1,287
	$ 1,608	$ 1,309

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits		
Salary expense	$ 139,247	$ 119,313
Insurance expense	13,818	12,440
	153,065	131,753
Post-employment benefits		
Defined contribution plans	4,625	4,325
Defined benefit plans	414	737
	5,039	5,062
Other employee benefits	6,916	6,985
Total employee benefits expense	$ 165,020	$ 143,800
An analysis of employee benefits expense by function		
Operating costs	$ 118,477	$ 103,209
Operating expenses	46,543	40,591
	$ 165,020	$ 143,800

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at the rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the three months ended March 31, 2025 and 2024, compensation of employees and remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	**2024**
Compensation of employees	6.70%	6.84%
Remuneration of directors	0.67%	0.75%

Amount

	For the Three Months Ended March 31	
	2025	**2024**
	Cash	**Cash**
Compensation of employees	$ 12,000	$ 10,000
Remuneration of directors	1,200	1,100

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 having been resolved by the board of directors on January 17, 2025 and January 26, 2024, respectively, were as below:

	For the Year Ended December 31	
	2024	**2023**
Compensation of employees	$ 37,000	$ 37,000
Remuneration of directors	4,000	4,000

As of May 6, 2025, the compensation of employees and remuneration of directors for the year ended December 31, 2023 have not been paid.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2023.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	$ 28,758	$ 21,032
Foreign exchange losses	(2,118)	(6,156)
Net gains	$ 26,640	$ 14,876

20. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense recognized in profit or loss:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current period	$ 28,930	$ 23,290
Adjustments for prior periods	-	430
	28,930	23,720
Deferred tax		
In respect of the current period	4,250	3,730
Income tax expense recognized in profit or loss	$ 33,180	$ 27,450

In the Republic of China, the corporate income tax rate is 20% and the tax rate of unappropriated earnings is 5%.

b. Income tax assessments

The tax returns of the Company through 2023 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	$ 1.83	$ 1.48
Diluted earnings per share	$ 1.82	$ 1.48

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2025	**2024**
Earnings used in the computation of basic earnings per share and diluted earnings per share	$ 132,719	$ 107,651

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	72,600	72,600
Effect of potentially dilutive ordinary shares:		
Compensation of employees	211	244
Weighted average number of ordinary shares used in the computation of diluted earnings per share	72,811	72,844

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. NON-CASH TRANSACTIONS

During the three months ended March 31, 2025 and 2024, the Company entered into the following non-cash investing activities which were not reflected in the statement of cash flows:

a. The Company reclassified prepayments for equipment (included in other non-current assets) of $837 thousand and $1,073 thousand to property, plant and equipment during the three months ended March 31, 2025 and 2024, respectively.

b. The amount of cash paid for acquisition of property, plant and equipment included a decrease of $298 thousand and $2,608 thousand on payables for equipment purchased (included in other payables) during the three months ended March 31, 2025 and 2024, respectively.

c. Changes in liabilities arising from financing activities

For the three months ended March 31, 2025

	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
			New Leases	
Lease liabilities	$ 427,858	$ (2,624)	$ 340	$ 425,574

For the three months ended March 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes New Leases	Closing Balance
Lease liabilities	$ 434,464	$ (2,582)	$ 3,801	$ 435,683

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or cannot be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

The Company did not have financial assets and financial liabilities that are measured at fair value as of March 31, 2025, December 31, 2024 and March 31, 2024.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets measured at amortized cost (Note 1)	$ 1,507,045	$ 1,384,029	$ 1,317,047
Financial liabilities			
Financial liabilities measured at amortized cost (Note 2)	$ 368,157	$ 416,516	$ 342,349

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, notes receivable, accounts receivable and other receivables.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes payable, accounts payable and other payables.

d. Financial risk management objectives and policies

The Company's major financial instruments include accounts receivable, accounts payable and borrowings. The Company's finance department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

Refer to Note 26 for the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Sensitivity analysis

The Company was mainly exposed to the fluctuation of the U.S. dollar, Japanese yen, Euro, Chinese yuan, Australian dollar, Swiss franc and Great British pound.

The sensitivity analysis details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. A sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. For 1% appreciation of the New Taiwan dollar against the relevant currency, post-tax profit for the three months ended March 31, 2025 and 2024 would have decreased by $6,916 thousand and $8,750 thousand, respectively. For a 1% depreciation of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at floating interest rates.

Sensitivity analysis

The sensitivity analysis was determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point (0.1%) increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's post-tax profit for the years ended March 31, 2025 and 2024 would increase by $600 thousand and $554 thousand, respectively. This was mainly due to the Company's exposure to interest rate changes on its bank deposits.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company adopted a policy of only dealing with creditworthy counterparties, however, in order to minimize credit risk, management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods, and is based on the undiscounted cash flows of financial liabilities.

March 31, 2025

	1-3 Months	3 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 313,957	$ 54,200	$ -	$ -
Lease liabilities	4,038	10,974	26,545	511,639
	$ 317,995	$ 65,174	$ 26,545	$ 511,639

Additional information about the maturity analysis for lease liabilities is set out below:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 15,012	$ 53,071	$ 66,002	$ 66,002	$ 66,002	$ 287,107

December 31, 2024

	1-3 Months	3 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 375,516	$ 41,000	$ -	$ -
Lease liabilities	4,020	11,640	26,401	514,813
	$ 379,536	$ 52,640	$ 26,401	$ 514,813

Additional information about the maturity analysis for lease liabilities is set out below:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 15,660	$ 52,801	$ 66,002	$ 66,002	$ 66,002	$ 290,407

March 31, 2024

	1-3 Months	3 Months to 1 Year	1-3 Years	3+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 290,249	$ 52,100	$ -	$ -
Lease liabilities	4,038	12,097	28,141	524,713
	$ 294,287	$ 64,197	$ 28,141	$ 524,713

Additional information about the maturity analysis for lease liabilities is set out below:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 16,135	$ 54,541	$ 66,002	$ 66,002	$ 66,002	$ 300,307

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank overdraft facilities which may be extended by mutual agreement			
Amount used	$ -	$ -	$ -
Amount unused	930,000	930,000	930,000
	$ 930,000	$ 930,000	$ 930,000

The Company’s operating fund is deemed adequate to finance the Company’s operations. Therefore, there is no liquidity risk of being unable to raise sufficient money to fulfill contractual obligations.

25. TRANSACTIONS WITH RELATED PARTIES

The company’s parent is Catcher Technology Co., Ltd., which held 32.42% of the issued and outstanding ordinary shares of the Company as of March 31, 2025.

Details of transactions between the Company and other related parties are summarized below:

a. Related party name and category

Related Party Name	Related Party Category
Chang, Hsien Su	The first degree of relationship with chairman of the Company

b. Lease arrangements - Company is lessee

Line Item	Related Party Name	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	Chang, Hsien Su	$ 324	$ -	$ 55

Related Party Name	For the Three Months Ended March 31 2025	For the Three Months Ended March 31 2024
Depreciation expense		
Chang, Hsien Su	$ 17	$ 18
Interest expense		
Chang, Hsien Su	$ 2	$ -

The Company leased the office from Hsien-Su Chang in January 2025 with the lease term of five year. The rent is referenced to the rental rate of similar assets and is paid monthly as a fixed lease payment under the lease agreement.

c. Remuneration of key management personnel

	For the Three Months Ended March 31 2025	For the Three Months Ended March 31 2024
Short-term employee benefits	$ 9,891	$ 9,774
Post-employment benefits	151	143
	$ 10,042	$ 9,917

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency denominated assets			
Monetary items			
USD	$ 16,209	33.205 (USD:NTD)	$ 538,209
JPY	1,162,912	0.2227 (JPY:NTD)	258,981
EUR	1,110	35.97 (EUR:NTD)	39,914
RMB	4,364	4.573 (RMB:NTD)	19,956
AUD	310	20.81 (AUD:NTD)	6,461
CHF	41	37.685 (CHF:NTD)	1,540
GBP	1	43.05 (GBP:NTD)	13
			$ 865,074
Foreign currency denominated liabilities			
Monetary items			
USD	18	33.205 (USD:NTD)	$ 591

	December 31, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency denominated assets			
Monetary items			
USD	$ 14,052	32.785 (USD:NTD)	$ 460,710
JPY	1,207,325	0.2099 (JPY:NTD)	253,417
EUR	1,365	34.14 (EUR:NTD)	46,585
RMB	8,010	4.478 (RMB:NTD)	35,871
AUD	303	20.39 (AUD:NTD)	6,180
CHF	26	36.265 (CHF:NTD)	978
GBP	1	41.19 (GBP:NTD)	13
			$ 803,754
Foreign currency denominated liabilities			
Monetary items			
USD	35	32.785 (USD:NTD)	$ 1,156
RMB	12	34.14 (RMB:NTD)	399
			$ 1,555

	March 31, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency denominated assets			
Monetary items			
USD	$ 17,736	32 (USD:NTD)	$ 567,557
JPY	2,106,356	0.2115 (JPY:NTD)	445,494
EUR	1,046	34.46 (EUR:NTD)	36,034
RMB	8,368	4.408 (RMB:NTD)	36,884
AUD	196	20.82 (AUD:NTD)	4,084
CHF	120	35.475 (CHF:NTD)	4,239
GBP	-	40.39 (GBP:NTD)	18
			$ 1,094,310
Foreign currency denominated liabilities			
Monetary items			
USD	1	32 (USD:NTD)	$ 47
RMB	111	4.408 (RMB:NTD)	491
			$ 538

Due to the wide variety of foreign currency transactions of the Company, it is impossible to disclose the exchange gains and losses according to the significant foreign currencies.

	For the Three Months Ended March 31	
	2025	2024
Realized foreign currency exchange gain	$ 7,670	$ 6,180
Unrealized foreign currency exchange gain	18,970	8,696
Net gains	$ 26,640	$ 14,876

27. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and investees:

a. Financing provided to others: None.

b. Endorsements or guarantees provided: None.

c. Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): None.

d. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

e. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

f. Intercompany relationships and significant intercompany transactions: None.

Information on investments in mainland China: None.

Information on investee: None.

28. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

In accordance with the provisions under IFRS 8, “Operating Segments,” the Company’s operating decision was mainly based on the Company’s overall operating performance and economic resource; therefore, it was determined that the Company had only one reportable segment.