

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: 5F.-6, No.23, Sec.1. Chang-An E. Rd., Taipei City 104, Taiwan (R.O.C.)
Telephone: +886-2-2571-0269

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Bioteque Corporation as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Bioteque Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Bioteque Corporation

Chairman: LI, Ming-Zhon

Date: March 5, 2026



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Bioteque Corporation:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The accuracy of the timing of revenue recognition

Please refer to Note 4(l) and Note 6(n) to the consolidated financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matter:

The sales of products from the Group are subject to the terms and conditions agreed upon in sales contracts with customers, wherein it will affect the timing of revenue recognition and transfer of control to the buyer to be in compliance with the accounting standards. If the revenue is recognized prior to the customer having obtained the goods, it will result in an inappropriate timing of revenue recognition the period surrounding the reporting date. Hence, the accuracy of the timing of revenue recognition during these periods is our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implementation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales during the period before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Other Matter

Bioteque Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion.

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

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

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

Those charged with governance (including Audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



The engagement partners on the audit resulting in this independent auditors' report are Cheng, Po-Jen and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2026

Notes to Readers

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

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets	December 31, 2025		December 31, 2024			Liabilities and Equity	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets :						Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 1,160,650	25	1,236,955	27	2130	Current contract liabilities (note 6(n))	\$ 47,746	1	57,542	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	122,077	3	120,280	3	2150	Notes payable	131	-	289	-
1136 Current financial assets at amortized cost (note 6(c))	384,200	8	239,213	5	2170	Accounts payable	106,583	2	114,547	3
1150 Notes receivable, net (notes 6(d) and (n))	78,816	2	75,470	2	2209	Other payables (notes 6(j) and (o))	153,670	4	140,334	3
1170 Accounts receivable, net (notes 6(d) and (n))	243,683	5	192,657	4	2213	Payable on machinery and equipment	7,334	-	7,995	-
130X Inventories (note 6(e))	294,358	6	320,701	7	2230	Current tax liabilities	66,891	2	78,648	2
1476 Other current financial assets (note 8)	601	-	601	-	2280	Current lease liabilities (note 6(i))	14,852	-	8,952	-
1479 Other current assets	48,315	1	29,891	-	2322	Long-term borrowings, current portion (note 6(h))	143,137	3	149,800	3
Total current assets	2,332,700	50	2,215,768	48	2399	Other current liabilities	6,321	-	7,241	-
Non-current assets:						Total current liabilities	546,665	12	565,348	12
1600 Property, plant and equipment (notes 6(f) and 9)	1,936,901	42	2,030,526	44		Non-Current liabilities:				
1755 Right-of-use assets (note 6(g))	343,329	7	340,467	7	2541	Long-term borrowings (note 6(h))	153,292	4	296,429	7
1840 Deferred tax asset (note 6(k))	3,668	-	3,691	-	2570	Deferred tax liabilities (note 6(k))	56,705	1	49,035	1
1915 Prepayments for business facilities (note 9)	29,656	1	45,325	1	2580	Non-current lease liabilities (note 6(i))	286,102	6	285,452	6
1980 Other non-current financial assets	4,137	-	3,655	-	2640	Net defined benefit liability, non-current (note 6(j))	10,063	-	8,177	-
1995 Other non-current assets	9,608	-	5,979	-		Total non-current liabilities	506,162	11	639,093	14
Total non-current assets	2,327,299	50	2,429,643	52		Total liabilities	1,052,827	23	1,204,441	26
						Equity attributable to owners of parent (notes 6(j) and (l)):				
					3100	Ordinary shares	692,983	15	692,983	15
					3200	Capital surplus	317,117	7	317,032	7
						Retained earnings:				
					3310	Legal reserve	609,767	13	556,910	12
					3350	Unappropriated retained earnings	1,968,051	42	1,829,327	39
							2,577,818	55	2,386,237	51
						Other equity:				
					3410	Exchange differences on translation of foreign financial statements	19,254	-	44,718	1
						Total equity	3,607,172	77	3,440,970	74
Total assets	\$ 4,659,999	100	4,645,411	100		Total liabilities and equity	\$ 4,659,999	100	4,645,411	100

See accompanying notes to consolidated financial statements.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (note 6(n))	\$ 2,135,451	100	2,072,575	100
5000	Operating costs (notes 6(e), (f), (g), (j) and 12)	<u>1,198,516</u>	<u>56</u>	<u>1,167,497</u>	<u>56</u>
	Gross profit from operations	<u>936,935</u>	<u>44</u>	<u>905,078</u>	<u>44</u>
6000	Operating expenses (notes 6(f), (g), (i), (j), (o), 7 and 12):				
6100	Selling expenses	80,897	4	82,589	4
6200	Administrative expenses	112,462	5	103,061	5
6300	Research and development expenses	<u>73,297</u>	<u>4</u>	<u>76,258</u>	<u>4</u>
	Total operating expenses	<u>266,656</u>	<u>13</u>	<u>261,908</u>	<u>13</u>
6900	Net operating income	<u>670,279</u>	<u>31</u>	<u>643,170</u>	<u>31</u>
7000	Non-operating income and expenses (notes 6(i) and (p)):				
7100	Interest income	15,352	-	13,529	-
7010	Other income	5,310	-	10,513	-
7020	Other gains and losses	(8,779)	-	20,527	1
7050	Finance costs	<u>(7,541)</u>	<u>-</u>	<u>(9,371)</u>	<u>-</u>
	Total non-operating income and expenses	<u>4,342</u>	<u>-</u>	<u>35,198</u>	<u>1</u>
7900	Profit before tax	674,621	31	678,368	32
7951	Less: Tax expenses (note 6(k))	<u>135,436</u>	<u>6</u>	<u>150,108</u>	<u>7</u>
	Profit	<u>539,185</u>	<u>25</u>	<u>528,260</u>	<u>25</u>
8300	Other comprehensive income (loss) (notes 6(j) and (l)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,112)	-	309	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(1,112)</u>	<u>-</u>	<u>309</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation	(25,464)	(1)	34,035	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(25,464)</u>	<u>(1)</u>	<u>34,035</u>	<u>2</u>
8300	Other comprehensive income (loss), net	<u>(26,576)</u>	<u>(1)</u>	<u>34,344</u>	<u>2</u>
	Comprehensive income	<u>\$ 512,609</u>	<u>24</u>	<u>562,604</u>	<u>27</u>
9750	Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	<u>\$ 7.78</u>		<u>7.62</u>	
9850	Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	<u>\$ 7.74</u>		<u>7.59</u>	

See accompanying notes to consolidated financial statements.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Attributable to owners of parent					Other equity Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
Balance at January 1, 2024	\$ 692,983	316,950	511,268	1,102	1,657,141	10,683	3,190,127
Net income for the year ended December 31, 2024	-	-	-	-	528,260	-	528,260
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	309	34,035	34,344
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	528,569	34,035	562,604
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	45,642	-	(45,642)	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
Reversal of special reserve	-	-	-	(1,102)	1,102	-	-
Change in capital surplus	-	82	-	-	-	-	82
Balance at December 31, 2024	692,983	317,032	556,910	-	1,829,327	44,718	3,440,970
Net income for the year ended December 31, 2025	-	-	-	-	539,185	-	539,185
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	(1,112)	(25,464)	(26,576)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	538,073	(25,464)	512,609
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	52,857	-	(52,857)	-	-
Cash dividends	-	-	-	-	(346,492)	-	(346,492)
Change in capital surplus	-	85	-	-	-	-	85
Balance at December 31, 2025	\$ 692,983	317,117	609,767	-	1,968,051	19,254	3,607,172

See accompanying notes to consolidated financial statements.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 674,621	678,368
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	167,334	159,341
Amortization expenses	4,219	3,517
Net gains on financial assets at fair value through profit or loss	(1,797)	(1,689)
Interest expenses	7,541	9,371
Net gain (loss) on financial assets at amortized cost	3,585	(3,749)
Interest income	(15,352)	(13,529)
Losses on disposal of property, plant and equipment	-	5,938
Total adjustments to reconcile profit	<u>165,530</u>	<u>159,200</u>
Changes in operating assets:		
Notes receivable	(3,346)	(7,991)
Accounts receivable	(51,026)	(979)
Inventories	26,343	(26,060)
Other current assets	(18,633)	8,815
Total changes in operating assets	<u>(46,662)</u>	<u>(26,215)</u>
Changes in operating liabilities:		
Current contract liabilities	(9,796)	19,460
Notes payable	(158)	78
Accounts payable	(7,964)	(22,254)
Other payables	13,402	5,015
Other current liabilities	(920)	2,117
Net defined benefit liability	774	202
Total changes in operating liabilities	<u>(4,662)</u>	<u>4,618</u>
Total changes in operating assets and liabilities	<u>(51,324)</u>	<u>(21,597)</u>
Total adjustments	<u>114,206</u>	<u>137,603</u>
Cash inflow generated from operations	788,827	815,971
Interest received	14,872	13,502
Income taxes paid	(139,500)	(126,856)
Net cash flows generated from operating activities	<u>664,199</u>	<u>702,617</u>
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(1,017,584)	(494,343)
Proceeds from disposal of financial assets at amortized cost	869,012	351,009
Acquisition of property, plant and equipment	(26,659)	(41,690)
Acquisition of right-of-use assets	(296)	(299)
Decrease (increase) in other financial assets	(482)	84
Increase in other non-current assets	(7,848)	(4,505)
Increase in prepayments for business facilities	(30,542)	(56,438)
Decrease in payables on machinery and equipment	(661)	(95,935)
Net cash used in investing activities	<u>(215,060)</u>	<u>(342,117)</u>
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	90,000	30,000
Decrease in short-term loans	(90,000)	(30,000)
Repayments of long-term borrowings	(149,800)	(148,404)
Payment of lease liabilities	(14,275)	(12,772)
Cash dividend paid	(346,492)	(311,843)
Interest paid	(7,607)	(10,071)
Other financing activities	85	82
Net cash used in financing activities	<u>(518,089)</u>	<u>(483,008)</u>
Effect on exchange rate changes on cash and cash equivalents	<u>(7,355)</u>	<u>5,648</u>
Net decrease in cash and cash equivalents	<u>(76,305)</u>	<u>(116,860)</u>
Cash and cash equivalents at beginning of period	<u>1,236,955</u>	<u>1,353,815</u>
Cash and cash equivalents at end of period	<u>\$ 1,160,650</u>	<u>1,236,955</u>

See accompanying notes to consolidated financial statements.

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BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Information and Unless Otherwise Specified)

(1) Company history

Bioteque Corporation (“the Company”) was incorporated in November, 1991 in accordance with The Company Act and the other related laws and regulations.

The Company's stock was listed on Taipei Exchange on March 4, 2002.

The business operation of the Company and its subsidiaries (together referred to as “the Group”) are manufacturing, trading and selling of the medical consumables.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 5, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation and the effect of the asset ceiling mentioned in Note 4(n) .

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group's controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2025	December 31, 2024	
The Company	BIOTEQUE MEDICAL PHIL. INC.	Manufacturing and Trading of Medical equipment	100.00 %	100.00 %	
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Trading of Medical equipment	100.00 %	100.00 %	

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits, which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

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

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- | | |
|----------------------------|------------|
| 1) Building and structures | 5~50 years |
| 2) Machinery and equipment | 1~15 years |

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Transportation equipment	3~10 years
4) Office equipment	3~5 years
5) Other equipment	2~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

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

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(k) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Revenue

(i) Revenue from contracts with customers

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

a) Sale of goods

The Group manufactures and sells medical equipment. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

b) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(m) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

- (i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

- (ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the consolidated financial statements.

The consolidated financial report does not contain any assumptions or estimates that present a significant risk that could lead to material adjustments to the carrying amounts of assets and liabilities in the next financial year.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 1,078	670
Cash in bank	<u>1,159,572</u>	<u>1,236,285</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,160,650</u>	<u>1,236,955</u>

Please refer to note 6(q) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Current financial assets at fair value through profit or loss

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Money market funds and bond funds	<u>\$ 122,077</u>	<u>120,280</u>

(i) For credit risk and market risk, please refer to note 6(q).

(ii) The financial assets of the Group were not collateralized.

(c) Current financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Time deposits	<u>\$ 384,200</u>	<u>239,213</u>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) For the years ended 2025 and 2024, the Group held time deposits, with weighted-average interest rates of 1.63%~1.80% and 1.53%~4.75%, respectively, which mature in January to May of 2026 and February to April of 2025, respectively.
- (ii) For credit risk, please refer to note 6(q).
- (iii) The financial assets of the Group were not collateralized.
- (d) Notes and accounts receivables

	December 31, 2025	December 31, 2024
Notes receivable	\$ 78,816	75,470
Accounts receivables	243,683	192,657
	<u>\$ 322,499</u>	<u>268,127</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowances were determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 319,352	-	-
1 to 30 days past due	3,147	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	-	-
More than 181 days past due	-	100%	-
	<u>\$ 322,499</u>		<u>-</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
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	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 265,484	-	-
1 to 30 days past due	8	-	-
31 to 60 days past due	2,635	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	-	-
More than 181 days past due	-	100%	-
	\$ 268,127		-

The allowance for impairment remained unchanged for the years ended December 31, 2025 and December 31, 2024, and the balance of the allowance for impairment as of December 31, 2025 and December 31, 2024 were both \$0.

The notes and accounts receivables of the Group were not collateralized.

For further credit risk information, please refer to note 6(q).

(e) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 169,819	166,523
Work in progress	50,116	66,133
Finished goods	46,780	56,369
Merchandise	14,039	11,621
Inventories in transit	13,604	20,055
	\$ 294,358	320,701

Except for cost of goods sold and inventories recognized as operating cost, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2025	2024
Gains on physical inventory	\$ (1,240)	(1,703)
Unallocated production overheads	87,154	87,901
Losses on valuation of inventories	6,363	954
	\$ 92,277	87,152

The inventories of the Group were not collateralized.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the years ended 2025 and 2024 were as follows:

	<u>Land</u>	<u>Building and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:								
Balance at January 1, 2025	\$ 91,834	2,041,818	1,025,860	13,997	39,721	263,867	-	3,477,097
Additions	-	-	5,281	153	2,463	16,061	2,701	26,659
Disposals	-	-	(7,991)	-	-	(945)	-	(8,936)
Reclassification (Note 1)	-	-	29,513	-	5,015	13,808	(1,436)	46,900
Effect on changes in foreign exchange rates	-	(16,342)	(6,757)	(117)	(107)	(3,531)	12	(26,842)
Balance at December 31, 2025	<u>\$ 91,834</u>	<u>2,025,476</u>	<u>1,045,906</u>	<u>14,033</u>	<u>47,092</u>	<u>289,260</u>	<u>1,277</u>	<u>3,514,878</u>
Balance at January 1, 2024	\$ 91,834	1,819,008	994,554	11,385	22,295	241,428	57,981	3,238,485
Additions	-	7,736	10,353	2,479	7,708	7,121	6,293	41,690
Disposals	-	(5,956)	(478)	-	(2,482)	(1,354)	-	(10,270)
Reclassification (Note 1)	-	196,238	11,111	-	12,121	11,360	(64,274)	166,556
Effect on changes in foreign exchange rates	-	24,792	10,320	133	79	5,312	-	40,636
Balance at December 31, 2024	<u>\$ 91,834</u>	<u>2,041,818</u>	<u>1,025,860</u>	<u>13,997</u>	<u>39,721</u>	<u>263,867</u>	<u>-</u>	<u>3,477,097</u>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2025	\$ -	376,048	799,947	10,177	21,947	238,452	-	1,446,571
Depreciation	-	55,048	68,145	1,086	5,725	21,128	-	151,132
Disposals	-	-	(7,991)	-	-	(945)	-	(8,936)
Effect on changes in foreign exchange rates	-	(2,892)	(4,510)	(78)	(85)	(3,225)	-	(10,790)
Balance at December 31, 2025	<u>\$ -</u>	<u>428,204</u>	<u>855,591</u>	<u>11,185</u>	<u>27,587</u>	<u>255,410</u>	<u>-</u>	<u>1,577,977</u>
Balance at January 1, 2024	\$ -	321,739	726,148	8,925	20,934	213,859	-	1,291,605
Depreciation	-	51,117	67,882	1,137	3,421	21,277	-	144,834
Disposals	-	(18)	(478)	-	(2,482)	(1,354)	-	(4,332)
Effect on changes in foreign exchange rates	-	3,210	6,395	115	74	4,670	-	14,464
Balance at December 31, 2024	<u>\$ -</u>	<u>376,048</u>	<u>799,947</u>	<u>10,177</u>	<u>21,947</u>	<u>238,452</u>	<u>-</u>	<u>1,446,571</u>
Carrying amounts:								
Balance at December 31, 2025	<u>\$ 91,834</u>	<u>1,597,272</u>	<u>190,315</u>	<u>2,848</u>	<u>19,505</u>	<u>33,850</u>	<u>1,277</u>	<u>1,936,901</u>
Balance at January 1, 2024	<u>\$ 91,834</u>	<u>1,497,269</u>	<u>268,406</u>	<u>2,460</u>	<u>1,361</u>	<u>27,569</u>	<u>57,981</u>	<u>1,946,880</u>
Balance at December 31, 2024	<u>\$ 91,834</u>	<u>1,665,770</u>	<u>225,913</u>	<u>3,820</u>	<u>17,774</u>	<u>25,415</u>	<u>-</u>	<u>2,030,526</u>

(Note 1) Prepayments for business facilities or construction in progress were reclassified as property, plant and equipment.

As of December 31, 2025 and 2024, the property, plant and equipment of the Group had not been pledged as collateral.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Right-of-use assets

The Group leases land and buildings. Information about leases for which the Group has been a lessee is presented below:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 380,494	31,837	412,331
Additions	296	20,939	21,235
Disposals	(589)	(31,764)	(32,353)
Effect on changes in foreign exchange rates	<u>(2,826)</u>	<u>(205)</u>	<u>(3,031)</u>
Balance at December 31, 2025	<u>\$ 377,375</u>	<u>20,807</u>	<u>398,182</u>
Balance at January 1, 2024	\$ 370,150	31,794	401,944
Additions	6,636	-	6,636
Disposals	290	-	290
Effect on changes in foreign exchange rates	<u>3,418</u>	<u>43</u>	<u>3,461</u>
Balance at December 31, 2024	<u>\$ 380,494</u>	<u>31,837</u>	<u>412,331</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 41,402	30,462	71,864
Depreciation	9,305	6,897	16,202
Disposals	(589)	(31,764)	(32,353)
Effect on changes in foreign exchange rates	<u>(767)</u>	<u>(93)</u>	<u>(860)</u>
Balance at December 31, 2025	<u>\$ 49,351</u>	<u>5,502</u>	<u>54,853</u>
Balance at January 1, 2024	\$ 31,521	25,242	56,763
Depreciation	9,329	5,178	14,507
Disposals	290	-	290
Effect on changes in foreign exchange rates	<u>262</u>	<u>42</u>	<u>304</u>
Balance at December 31, 2024	<u>\$ 41,402</u>	<u>30,462</u>	<u>71,864</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 328,024</u>	<u>15,305</u>	<u>343,329</u>
Balance at January 1, 2024	<u>\$ 338,629</u>	<u>6,552</u>	<u>345,181</u>
Balance at December 31, 2024	<u>\$ 339,092</u>	<u>1,375</u>	<u>340,467</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Short-term and long-term borrowings

(i) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ -	-
Unused credit lines	\$ 668,973	769,057
Range of interest rate	-	-

(ii) Long-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 296,429	446,229
Less: Current portion	143,137	149,800
Unsecured long-term borrowings	\$ 153,292	296,429
Unused credit lines	\$ 150,000	150,000
Range of interest rate	1.38%~1.98%	1.38%~1.48%

As of December 31, 2025, the details of the future repayment periods and amounts of the Group's long-term borrowings were as follows:

Period	Amount
2026.01.01~2026.12.31	\$ 143,137
2027.01.01~2027.12.31	134,250
2028.01.01~2028.12.31	19,042
	\$ 296,429

(iii) The Group has not pledged any assets as collateral for borrowing and credited lines.

(i) Lease liabilities

	December 31, 2025	December 31, 2024
Current	\$ 14,852	8,952
Non-current	\$ 286,102	285,452

For the maturity analysis, please refer to note 6(q).

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	\$ <u>2,285</u>	<u>1,822</u>
Expenses relating to leases of low-value assets	\$ <u>67</u>	<u>53</u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>16,627</u>	<u>14,647</u>

For the years ended December 31, 2025 and 2024, the Group leases land, buildings and structures for its office space, warehouse and parking lot. The leases run for a period of 2 to 20 years. Some leases include an option to renew the lease for an additional period of 2 to 20 years after the end of the contract term.

Some leases of equipment contain extension options exercisable. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(j) Employee benefits

(i) Defined benefit plans

Only the Company use the defined benefit plans.

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligations	\$ 31,755	29,328
Fair value of plan assets	<u>(21,692)</u>	<u>(21,151)</u>
Net defined benefit liabilities	<u>\$ 10,063</u>	<u>8,177</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$21,692 thousand as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the Group were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligations as of January 1	\$ 29,328	28,507
Benefits paid	(2,194)	(2,159)
Current service costs and interest cost	2,081	1,602
Remeasurements losses (gains)	<u>2,540</u>	<u>1,378</u>
Defined benefit obligations as of December 31	<u>\$ 31,755</u>	<u>29,328</u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets as of January 1	\$ 21,151	20,223
Amounts contributed to plan	796	1,076
Benefits paid	(2,054)	(2,159)
Interest revenue	371	324
Remeasurements gains (losses)	<u>1,428</u>	<u>1,687</u>
Fair value of plan assets as of December 31	<u>\$ 21,692</u>	<u>21,151</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 1,557	1,151
Net interest of net liability for defined benefit obligations	<u>153</u>	<u>127</u>
	<u>\$ 1,710</u>	<u>1,278</u>
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 685	467
Administration expenses	<u>1,025</u>	<u>811</u>
	<u>\$ 1,710</u>	<u>1,278</u>

5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	<u>2025</u>	<u>2024</u>
Balance as of January 1	\$ 857	548
Recognized in the current period	<u>(1,112)</u>	<u>309</u>
Balance as of December 31	<u>\$ (255)</u>	<u>857</u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

The defined benefit obligations:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.75 %	2.00 %
Future salary increase rate	3.00 %	2.00 %

Cost of the defined benefit plan assets:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	2.00 %	1.63 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$380 thousand. The weighted-average lifetime of the defined benefit plans is 10.67 years.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7) Sensitivity analysis

When calculating the present of the defined benefit plan assets, the related actuarial assumptions at the reporting date, including the discount rate, the demission rate and the change of the future salary rate, are required to be judged and estimated.

As of 2025 and 2024, the changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

	Influences on defined benefit obligations	
	Increase	Decrease
Balance as of December 31, 2025		
Discount rate decrease(increase) by 0.25%	\$ 633	(655)
Future salary increases rate increase(decrease) by 0.25%	628	(610)
Balance as of December 31, 2024		
Discount rate decrease(increase) by 0.25%	586	(608)
Future salary increases rate increase(decrease) by 0.25%	589	(571)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company allocates 6% each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$9,027 thousand and \$9,014 thousand for the years ended December 31, 2025 and 2024, respectively.

(iii) The Group's subsidiaries incorporated in the Philippine have a defined contribution plan, Wherein a monthly contributions to an independent fund, administered by the government in accordance with the pension regulations in the Republic of the Philippine, were based on certain percentage of employees' monthly salaries and wages. The Group recognized the pension cost were as follow:

	2025	2024
Operating costs	\$ 244	235
Operating expenses	130	90
	\$ 374	325

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Short-term benefit obligations

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Paid leave	<u>\$ 145</u>	<u>132</u>

(k) Income taxes

(i) Income tax expense

The components of income tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 140,587	144,489
Adjustment for prior periods	<u>(12,844)</u>	<u>(800)</u>
	<u>127,743</u>	<u>143,689</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>7,693</u>	<u>6,419</u>
	<u>7,693</u>	<u>6,419</u>
Income tax expenses	<u>\$ 135,436</u>	<u>150,108</u>

There was no income tax expense of the Group directly recognized in equity or other comprehensive income for the years ended 2025 and 2024.

Reconciliations of income tax and profit before tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Profit excluding income tax	<u>\$ 674,621</u>	<u>678,368</u>
Income tax using the Company's domestic tax rate	\$ 134,924	135,674
Effect of tax rates in foreign jurisdiction	(3,903)	1,744
The income tax effects on permanent differences	(359)	(349)
Adjustment for prior periods	(12,844)	(800)
Undistributed earnings additional tax	5,097	4,072
Other	<u>12,521</u>	<u>9,767</u>
Total	<u>\$ 135,436</u>	<u>150,108</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 were as follows:

Deferred tax assets:

	Allowance for obsolete inventories	Unrealized exchange losses	Others	Total
Balance as of January 1, 2025	\$ 1,052	779	1,860	3,691
Recognized in profit or loss	302	(423)	98	(23)
Balance as of December 31, 2025	<u>\$ 1,354</u>	<u>356</u>	<u>1,958</u>	<u>3,668</u>
Balance as of January 1, 2024	\$ 1,299	3,239	1,982	6,520
Recognized in profit or loss	(247)	(2,460)	(122)	(2,829)
Balance as of December 31, 2024	<u>\$ 1,052</u>	<u>779</u>	<u>1,860</u>	<u>3,691</u>

Deferred tax liabilities:

	Unrealized investment income recognized under equity method	Others	Total
Balance as of January 1, 2025	\$ 48,731	304	49,035
Recognized in profit or loss	7,670	-	7,670
Balance as of December 31, 2025	<u>\$ 56,401</u>	<u>304</u>	<u>56,705</u>
Balance as of January 1, 2024	\$ 45,445	-	45,445
Recognized in profit or loss	3,286	304	3,590
Balance as of December 31, 2024	<u>\$ 48,731</u>	<u>304</u>	<u>49,035</u>

(iii) The Company's income tax returns for all years through 2023 were assessed by the tax authorities.

(l) Capital and other equity

As of December 31, 2025 and 2024, the total number of authorized ordinary shares were both 120,000 thousand shares, with a par value of NT\$10 per share of which 69,298 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(i) Capital surplus

Balances of capital surplus at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Share capital	\$ 315,168	315,168
Donation from shareholders	1,949	1,864
	<u>\$ 317,117</u>	<u>317,032</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the annual income or earnings, after deducting any accumulated deficit, shall be set aside as a legal reserve. When the balance of such legal reserve reaches an amount equal to the paid-in capital, the appropriation to legal reserves is discontinued. If there are surplus profits remaining, at least 20% shall be allocated for distribution of shareholder dividends. The Board of Directors drafts a dividend distribution proposal and submits it to the shareholders meeting for resolution, in which cash dividends should make up at least 20% or more.

The Company should distribute dividends, bonuses, and capital reserves with cash. Distribution of dividends shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

Because the industry the Company is involved in is undergoing a steady period of growth, the conditions, amount, and type of dividends mentioned in the preceding articles can be adjusted in response to the shifting market conditions and industry changes. In the mean time, the Company should consider the sustainable development and capital needs.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Earnings distribution

The Board of Directors resolved on March 6, 2025 and March 6, 2024 respectively, to distribute the profits for the years 2024 and 2023.

These earnings were appropriated as follows:

	2024		2023	
	Amount per share (NTD)	Amount	Amount per share (NTD)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 5.00	\$ <u>346,492</u>	4.50	<u>311,843</u>

On March 5, 2026, the board of directors' meeting resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share (NTD)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 5.50	<u>\$ 381,141</u>

(iii) Other equity

	Exchange differences on translation of foreign financial statements	
Balance at January 1, 2025	\$	44,718
Exchange differences on foreign operations		(25,464)
Balance at December 31, 2025	\$	<u>19,254</u>
	Exchange differences on translation of foreign financial statements	
Balance at January 1, 2024	\$	10,683
Exchange differences on foreign operations		34,035
Balance at December 31, 2024	\$	<u>44,718</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Earnings per share

The Company's earnings per share were calculated as follows:

(i) Basic earnings per share

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>539,185</u>	<u>528,260</u>
Weighted-average number of ordinary shares (in thousand shares)	\$ <u>69,298</u>	<u>69,298</u>
Basic earnings per share (express in New Taiwan Dollars)	\$ <u>7.78</u>	<u>7.62</u>

(ii) Diluted earnings per share

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>539,185</u>	<u>528,260</u>
Weighted-average number of ordinary shares (basic) (in thousand shares)	69,298	69,298
Effect on employee remuneration (in thousand shares)	<u>399</u>	<u>335</u>
Weighted-average number of ordinary shares (diluted) (in thousand shares)	<u>69,697</u>	<u>69,633</u>
Diluted earnings per share (express in New Taiwan Dollars)	\$ <u>7.74</u>	<u>7.59</u>

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Primary geographical markets:		
Asia	\$ 1,010,750	974,600
South Americas	158,515	163,355
North Americas	346,359	315,583
Others	<u>619,827</u>	<u>619,037</u>
Total	\$ <u>2,135,451</u>	<u>2,072,575</u>
Major products service lines:		
Manufacturing, trading and selling of medical consumables	\$ <u>2,135,451</u>	<u>2,072,575</u>

(ii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes and accounts receivable	\$ 322,499	268,127	259,157
Less: allowance for impairment	-	-	-
Total	\$ <u>322,499</u>	<u>268,127</u>	<u>259,157</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1,</u> <u>2024</u>
Current contract liabilities	\$ <u>47,746</u>	<u>57,542</u>	<u>38,082</u>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$56,401 thousand and \$33,786 thousand, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(o) Remuneration to employees and directors

On June 19, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, more than 5% of the profits shall be allocated as employees' remuneration and salaries adjustment to those base-level employees and no more than 1.6% of the profits shall be allocated as directors' remuneration. Prior to the amendments, the Article of Incorporation stipulated that, if the Company has profit in a given fiscal year, no less than 5% shall be allocated as employee's remuneration and no more than 1.6% shall be allocated as directors' remuneration. However, if there are any accumulated losses of the Company, the Company shall pre-reserve the amount to offset the loss.

The Company's estimated remuneration is as follows:

	<u>2025</u>	<u>2024</u>
Employees' remuneration	\$ 42,254	35,687
Directors' remuneration	<u>11,489</u>	<u>11,420</u>
	<u>\$ 53,743</u>	<u>47,107</u>

The amount of employees' remuneration, and directors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, and multiplied by the rule of Company's Article of Association. The above remuneration were included in the operating expenses of the years ended December 31, 2025 and 2024. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statement for the years of 2025 and 2024.

The related information mentioned above can be found on websites such as the Market Observation Post System.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Non-operating income and expenses

(i) Interest income

	<u>2025</u>	<u>2024</u>
Interest income:		
Interest income from deposit	\$ 20	19
Interest income from bank deposit	15,332	13,259
Others	-	251
	<u>\$ 15,352</u>	<u>13,529</u>

(ii) Other income

	<u>2025</u>	<u>2024</u>
Subsidy revenue	\$ 1,045	144
Compensation income	11	5,615
Rent revenue	540	809
Others	3,714	3,945
	<u>\$ 5,310</u>	<u>10,513</u>

(iii) Other gains and losses

	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses)	\$ (6,511)	20,469
Gains on financial assets at fair value through profit or loss	1,797	1,689
Gains (losses) on financial assets at amortized cost	(3,585)	3,749
Losses on disposals property, plant and equipment	-	(5,938)
Others	(480)	558
	<u>\$ (8,779)</u>	<u>20,527</u>

(iv) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expense on bank borrowings	\$ 5,256	7,549
Interest expense on lease liabilities	2,285	1,822
	<u>\$ 7,541</u>	<u>9,371</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

If the transactions of the financial instruments are significantly concentrated within certain counterparties, or if the counterparties with similar business activities and economic characteristics are not significantly concentrated within certain counterparties, the concentration of credit risk is highly probable. As of 2025 and 2024, the notes and accounts receivable were from major customers as follows:

	Amount	Percentage of the group's receivables
<u>December 31, 2025</u>		
A Company	\$ 64,418	20
<u>December 31, 2024</u>		
A Company	\$ 62,074	23

2) Receivables securities

For credit risk exposure of note and trade receivables, please refer to note 6(d).

Other financial assets at amortized costs includes other receivables. The above financial assets are considered to have low risk, and the impairment provision recognized during the period was limited to 12 months expected losses. The movement in the allowance for note and accounts receivable, please refer to note 6(d).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	1 year	1-2 years	2-5 years	Over 5 years
December 31, 2025						
Non-derivative financial liabilities						
Notes payable	\$ 131	131	131	-	-	-
Accounts payable	106,583	106,583	106,583	-	-	-
Other payables	153,670	153,670	153,670	-	-	-
Payables on machinery and equipment	7,334	7,334	7,334	-	-	-
Lease liabilities (current and non-current)	300,954	332,562	17,167	15,389	30,793	269,213
Long-term borrowings (including current portion)	296,429	298,625	144,691	134,876	19,058	-
	\$ 865,101	898,905	429,576	150,265	49,851	269,213

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Notes payable	\$ 289	289	289	-	-	-
Accounts payable	114,547	114,547	114,547	-	-	-
Other payables	140,334	140,334	140,334	-	-	-
Payables on machinery and equipment	7,995	7,995	7,995	-	-	-
Lease liabilities (current and non-current)	294,404	326,320	10,692	9,283	27,849	278,496
Long-term borrowings (including current portion)	<u>446,229</u>	<u>450,729</u>	<u>152,103</u>	<u>144,692</u>	<u>153,934</u>	-
	<u>\$ 1,003,798</u>	<u>1,040,214</u>	<u>425,960</u>	<u>153,975</u>	<u>181,783</u>	<u>278,496</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 8,899	31.42	279,608	11,288	32.78	370,032
EUR	676	36.90	24,962	781	34.15	26,670
JPY	33,532	0.20	6,735	31,051	0.21	6,528
PHP	197,158	0.53	105,381	193,523	0.57	109,714
CNY	17,102	4.50	76,891	16,501	4.48	73,858
<u>Investments accounted for using equity method</u>						
USD	16,585	31.42	521,115	15,561	32.78	510,102
PHP	129,998	0.53	69,484	131,558	0.57	74,584
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	2,387	31.42	75,006	2,662	32.78	87,245
EUR	303	36.90	11,170	262	34.15	8,933
JPY	19,829	0.20	3,983	42,356	0.21	8,905
PHP	13,363	0.53	7,143	13,200	0.57	7,484

The Group's exposure to foreign currency risk arise from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, other receivables, accounts payable, other payables and payables on machinery and equipment that are denominated in foreign currency.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

A depreciation (appreciation) of 1% of the NTD against the foreign currency for the years ended December 31, 2025 and 2024, would have increased (decreased), the net profit before tax by \$3,963 thousand and \$4,742 thousand, respectively. The analysis is performed on the same basis for 2024.

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gains or losses (including realized and unrealized portions) amounted to \$(6,511) thousand and \$20,469 thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basic points, the Group's net profit before tax would have decreased / increased by \$2,964 thousand and \$4,462 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at floating rates.

3) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyzes for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<u>Prices of securities at the reporting date</u>	<u>2025</u>		<u>2024</u>	
	<u>Other comprehensive income before tax</u>	<u>Net profit before tax</u>	<u>Other comprehensive income before tax</u>	<u>Net profit before tax</u>
Increasing 1%	\$ -	<u>1,221</u>	-	<u>1,203</u>
Decreasing 1%	\$ -	<u>(1,221)</u>	-	<u>(1,203)</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

When the financial instruments of the Group are traded in an active market, its fair value is illustrated by the category and nature as follows:

The fair value of listed stocks and funds traded in an active market is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

3) Categories and fair values of financial instruments

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For the years ended December 31, 2025 and 2024, there were no changes on the fair value hierarchy of financial asset.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The chairman and general manager are responsible for developing and monitoring the Group's risk management policies. Also they report regularly to the Board of Directors on the activities performed by Group.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set and monitor appropriate risk limits and controls, to ensure they are adhered to accordingly. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors ensures that the supervision of the management is in compliance with the Group's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by an Internal Audit, wherein the Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, in which the results are to be reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Trade and other receivable

The Group's exposure to credit risk is mainly influenced by its individual customer's condition. The management also assess the statistical information based on the Group's customers, including the default risk of the customer's industry and nation, which have the factors to influence the Group's credit risk. For the years ended December 31, 2025 and 2024, the Group's accounts receivable were not concentrated in any geographical location, therefore, there were no concentration of credit risks.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed periodically.

The Group sets the allowance for its doubtful accounts to reflect the estimated loss of its trade and other receivables, as well as its investments. The major component of the allowance account contains individually significant exposure related to specific losses. Also, the component includes the losses on similar asset groups that have occurred but not yet identified.

The allowance for doubtful account is based on statistical information of historical payment of the similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2025, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2025 and 2024, the Group's unused credit line amounted to \$818,973 thousand and \$919,057 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. In order to manage and control the foreign exchange rates, the Group will maintain a certain limit of the net portion of the foreign currency.

The Group designates the stocks listed on domestic markets and bond funds which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income respectively; and therefore, the valuation of equity prices will fluctuate according to the changes in market prices. To manage the market risk, the Group transacts with securities trusts institutions with good credit ratings and estimates the equity price risk of its equity instruments through a professional manager.

The Group is exposed to interest risk on the fair value of its financial asset and financial liabilities due to deposit in bank and bank loans. The changes in interest risk on these financial instruments have no significant impact on the fair value.

(s) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors and market, and to sustain future development of the business. The Group use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity. The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2025 and 2024, is as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 1,052,827	1,204,441
Less: cash and cash equivalents	<u>1,160,650</u>	<u>1,236,955</u>
Net liabilities (assets)	<u>\$ (107,823)</u>	<u>(32,514)</u>
Total equity	<u>\$ 3,607,172</u>	<u>3,440,970</u>
Debt-to-equity ratio	<u>(3)%</u>	<u>(1)%</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group's financial activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024 were as follows:

(i) For right-of-use assets under leases, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financial activities was as follows:

	January 1, 2025	Cash flows	Non-cash changes		December 31, 2025
			Foreign exchange movement	Other	
Long-term borrowings (including current portion)	\$ 446,229	(149,800)	-	-	296,429
Lease liabilities (current and non-current)	294,404	(14,275)	(114)	20,939	300,954
Total liabilities from financial activities	<u>\$ 740,633</u>	<u>(164,075)</u>	<u>(114)</u>	<u>20,939</u>	<u>597,383</u>

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Foreign exchange movement	Other	
Long-term borrowings (including current portion)	\$ 593,693	(148,404)	940	-	446,229
Lease liabilities (current and non-current)	300,837	(12,772)	2	6,337	294,404
Total liabilities from financial activities	<u>\$ 894,530</u>	<u>(161,176)</u>	<u>942</u>	<u>6,337</u>	<u>740,633</u>

(7) Related-party transactions:

(a) Names and relationship with the Group

Name	Relationship with the Group
Keyao Co., Ltd.	The entity has significant influence over the Group
Yide Co., Ltd.	Other related party
Yisheng Co., Ltd.	Other related party

(b) Significant transactions with related parties:

For the years ended December 31, 2025 and 2024, dividends paid to major corporate shareholders were \$59,195 thousand and \$52,340 thousand, respectively.

(c) Key management personnel compensation

Key management personnel compensation was comprised as below:

	2025	2024
Short-term employee benefits	\$ 31,259	29,817
Post-employment benefits	854	699
	<u>\$ 32,113</u>	<u>30,516</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets Pledged as security:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other current financial assets:			
Restricted bank deposit	Purchase guarantee	\$ <u>601</u>	<u>601</u>

(9) Commitments and contingencies:**(a) Contingencies**

In prior years, the Group entered into the license agreement which has expired with a supplier. On July 5, 2018, the supplier filed a complaint which has not completed accusing the Group. The Group assess there is no significant impact on its financial statements.

(b) Notes issued as guarantee

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank borrowings and lease guarantee	\$ <u>1,918,593</u>	<u>1,913,340</u>

(c) The agreements for expansion of the factory and purchases of machinery and equipment

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total contract price	\$ <u>96,193</u>	<u>33,707</u>
Paid amount	\$ <u>20,102</u>	<u>24,855</u>

(10) Losses Due to Major Disasters: None**(11) Subsequent Events: None****(12) Other:**

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	2025			2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	239,510	123,304	362,814	217,767	111,004	328,771
Labor and health insurance	19,282	8,135	27,417	17,929	7,691	25,620
Pension	6,747	4,364	11,111	6,629	3,988	10,617
Remuneration of directors	-	11,489	11,489	-	11,420	11,420
Others	12,671	4,748	17,419	11,934	5,363	17,297
Depreciation	152,779	14,555	167,334	147,936	11,405	159,341
Amortization	2,355	1,864	4,219	1,449	2,068	3,517

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BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on the Group's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the years ended December 31, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties:

(In thousands of NTD and USD)

Number	Name of guarantor	Counterparty of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	2	207,894	99,540 (USD 3,000)	94,260 (USD 3,000)	-	-	2.61 %	339,561	Y	N	N

Note 1: The total amount for the guarantees and endorsements provided by the Company to external entities shall not exceed 49% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to external entities shall not exceed 49% of the Company's net worth.

Note 2: The total amount for the guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth.

Note 3: Relationship with the Company

1. Ordinary business relationship.
2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.
3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.
4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(In thousands of NTD and shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,941	- %	10,941	-	
"	Yuanta Wan Tai Money Market Fund	"	"	2,497	39,953	- %	39,953	-	
"	Franklin Templeton Sinoam Money Market Fund	"	"	2,992	32,764	- %	32,764	-	
"	Mega Diamond Money Market Fund	"	"	2,894	38,419	- %	38,419	-	
	Total				122,077		122,077	-	

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BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remark
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Subsidiary	Sale	111,009	29 %	OA 30	-	-	9,462	17%	

- (v) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	152,063	1.14 %	-	-	12,112	-

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

- (vi) Significant transactions and business relationship between the parent company and its subsidiaries for the year ended December 31, 2025:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of the consolidated net revenue or total assets	
				Account name	Amount	Trading terms		
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts receivable	145,778	OA 270	3.13%	
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	75,091	There is no significant difference from translation terms with non-related parties.	3.52%	
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	6,285		OA 270	0.13%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other payables	30		OA 60	-%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts payable	46,303	OA 60	0.99%	
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Sales revenue	52,389	There is no significant difference from translation terms with non-related parties.	2.45%	
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Accounts receivable	8,832		OA 120	0.19%
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Other receivables	176	OA 30	-%	
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Sales revenue	111,009	There is no significant difference from translation terms with non-related parties.	5.20%	
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Accounts receivable	9,286		OA 30	0.20%

Note 1: Company numbering as follows:

Parent company – 0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary – 1

Subsidiary to parent company – 2

Subsidiary to subsidiary – 3

Note 3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investees:

The following are the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits (losses) of investee	Remark
				December 31, 2025	December 31, 2024	Shares (in thousands)	Percentage of ownership	Carrying value				
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,481	100 %	521,115	100.00 %	34,498	34,498	Subsidiary
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	670	100 %	69,484	100.00 %	26,273	26,273	Sub-Subsidiary

Note 1: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

(c) Information on investment in mainland China: None.

(14) Segment information:

(a) General information

(i) The Group's reportable segments were as follows:

- 1) Segment A: manufacturing medical disposables for hemodialysis use, and selling them to global dealers and retailers.
- 2) Segment B: manufacturing and selling catheters for healthcare and medical PVC IV bag to medical organizations.
- 3) Segment C: manufacturing and selling medical key components and inner catheters to medical organization.
- 4) Other Segment: BIOTEQUE MEDICAL PHIL. INC., and BONTEQ MEDICAL DISTRIBUTION PHIL. INC sell their products and related parts to non-continuous customers.

The reportable segments are the Group's divisions which provide different products and services, and are managed separately because they require different technology and marketing strategies.

(b) Information about reportable segments and their measurement and reconciliations

Taxation, as well as profit and loss, incurred from extraordinary activities can not be allocated to each reportable segments. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that of the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The profits or losses of the Group's operating segments are measured by the pre-tax operating profits or losses, which is regarded as the base on the performance. The Group treated intersegment sales and transfers as third-party transactions. They are measured by cost markups.

The Group's operating segment information and reconciliation were as follows:

	2025					
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 609,525	440,365	1,013,036	72,525	-	2,135,451
Intersegment revenue	-	26,574	-	-	(26,574)	-
Interest received	-	-	-	15,352	-	15,352
Total revenue	<u>\$ 609,525</u>	<u>466,939</u>	<u>1,013,036</u>	<u>87,877</u>	<u>(26,574)</u>	<u>2,150,803</u>
Interest expense	\$ -	-	-	7,541	-	7,541
Depreciation and amortization	\$ 16,867	49,626	11,300	97,613	(3,853)	171,553
Reportable segment profit or loss	<u>\$ 81,291</u>	<u>63,840</u>	<u>597,703</u>	<u>(68,213)</u>	<u>-</u>	<u>674,621</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024					
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 669,748	365,108	1,005,786	31,933	-	2,072,575
Intersegment revenue	-	26,059	-	-	(26,059)	-
Interest received	-	-	-	13,529	-	13,529
Total revenue	<u>\$ 669,748</u>	<u>391,167</u>	<u>1,005,786</u>	<u>45,462</u>	<u>(26,059)</u>	<u>2,086,104</u>
Interest expense	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>9,371</u>	<u>-</u>	<u>9,371</u>
Depreciation and amortization	<u>\$ 17,828</u>	<u>45,956</u>	<u>10,644</u>	<u>92,693</u>	<u>(4,263)</u>	<u>162,858</u>
Reportable segment profit or loss	<u>\$ 149,248</u>	<u>79,274</u>	<u>492,268</u>	<u>(42,422)</u>	<u>-</u>	<u>678,368</u>

The material reconciling items of the above reportable segment are as below:

Total reportable segment revenue should eliminate intersegment revenue by \$26,574 thousand and \$26,059 thousand for the years ended 2025 and 2024, respectively.

(c) Enterprise Overall Information

(i) Product and service information

Revenue from the external customers of the Group was as follows:

Products and service	2025	2024
Bloodline Tube	\$ 423,944	397,759
Catheters of TPU	706,061	621,557
IV Bag	407,311	345,330
AVF Needle	101,362	128,522
Surgical Tubing	168,911	204,184
Components	65,345	46,031
Catheters of Cardiovascular	88,785	147,364
Others	173,732	181,828
	<u>\$ 2,135,451</u>	<u>2,072,575</u>

(ii) Geographic information

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

Region	2025	2024
Asia	\$ 1,010,750	974,600
South Americas	158,515	163,355
North Americas	346,359	315,583
Other courtiers	619,827	619,037
	<u>\$ 2,135,451</u>	<u>2,072,575</u>

Non-current assets:

Region	2025	2024
Taiwan	\$ 1,915,313	1,987,576
Philippines	404,181	434,721
	<u>\$ 2,319,494</u>	<u>2,422,297</u>

Non-current assets included property, plant and equipment, right-of-use assets and other non-current assets, not including financial instruments, deferred tax assets, and rights arising from an insurance contract (non-current).

(iii) For the years ended December 31, 2025 and 2024, there were no individual customer whose sales amounted more than 10% of the consolidated revenue.