Welgene Biotech Co., Ltd. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Welgene Biotech Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Welgene Biotech Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Hsiang Chen and Yu-Shiou Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2025

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

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

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

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalent (Notes 6 and 28)	$ 207,098	39	$ 173,495	33	$ 174,516	34
Financial assets at amortized cost - current (Notes 8 and 28)	33,000	6	53,000	10	9,000	2
Notes receivable (Notes 9 and 28)	1,054	-	4,575	1	1,866	-
Trade receivable (Notes 9, 21 and 28)	40,455	8	41,008	8	41,796	8
Other receivables (Note 28)	1,014	-	307	-	-	-
Current tax assets (Note 4)	3,304	1	3,304	1	3,244	1
Inventories (Note 10)	38,294	7	36,875	7	45,841	9
Prepayments	5,280	1	5,956	1	5,441	1
Other financial assets - current (Notes 15, 28 and 30)	1,700	-	1,700	-	700	-
Other current assets	459	-	1	-	339	-
Total current assets	331,658	62	320,221	61	282,743	55
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 28)	25,721	5	26,121	5	33,567	6
Property, plant and equipment (Notes 12 and 30)	158,265	30	161,558	31	169,791	33
Right-of-use assets (Notes 13 and 29)	9,992	2	13,323	2	23,316	5
Intangible assets (Note 14)	125	-	162	-	307	-
Deferred tax assets (Note 4)	590	-	442	-	496	-
Refundable deposits (Note 29)	7,222	1	6,421	1	7,221	1
Total non-current assets	201,915	38	208,027	39	234,698	45
TOTAL	$ 533,573	100	$ 528,248	100	$ 517,441	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16, 28 and 30)	$ 14,000	3	$ 9,000	2	$ 10,000	2
Contract liabilities (Note 21)	54,547	10	56,129	11	41,343	8
Trade payable (Notes 17 and 28)	16,165	3	16,906	3	15,086	3
Other payables (Notes 18 and 28)	17,674	3	27,078	5	16,571	3
Current tax liabilities (Note 4)	358	-	358	-	15	-
Provisions - current (Note 19)	1,485	-	1,273	-	1,651	-
Lease liabilities - current (Notes 13, 28 and 29)	10,050	2	13,576	3	13,388	3
Current portion of long-term borrowings (Notes 16, 28 and 30)	16,532	3	11,681	2	11,235	2
Other current liabilities	1,811	1	587	-	1,121	-
Total current liabilities	132,622	25	136,588	26	110,410	21
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16, 28 and 30)	112,509	21	95,575	18	102,453	20
Deferred tax liabilities (Note 4)	337	-	322	-	322	-
Lease liabilities - non-current (Notes 13, 28 and 29)	-	-	-	-	10,050	2
Guarantee deposits received	17	-	17	-	17	-
Total non-current liabilities	112,863	21	95,914	18	112,842	22
Total liabilities	245,485	46	232,502	44	223,252	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital						
Ordinary shares	233,043	44	233,043	44	233,043	45
Capital surplus	50,932	9	50,860	10	50,860	10
Retained earnings						
Legal reserve	15,627	3	15,627	3	15,627	3
Special reserve	7,320	1	7,320	1	7,320	1
Accumulated deficit	(7,548)	(1)	(2,328)	-	(9,119)	(2)
Total retained earnings	15,399	3	20,619	4	13,828	2
Other equity	(15,860)	(3)	(16,611)	(3)	(11,794)	(2)
Total equity attributable to owners of the Company	283,514	53	287,911	55	285,937	55
NON-CONTROLLING INTERESTS	4,574	1	7,835	1	8,252	2
Total equity	288,088	54	295,746	56	294,189	57
TOTAL	$ 533,573	100	$ 528,248	100	$ 517,441	100

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

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	$ 77,891	100	$ 68,420	100
OPERATING COSTS (Notes 10, 22 and 23)	(46,786)	(60)	(41,862)	(61)
GROSS PROFIT	31,105	40	26,558	39
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(12,297)	(16)	(9,459)	(14)
General and administrative expenses	(17,450)	(22)	(15,909)	(23)
Research and development expenses	(6,654)	(9)	(6,158)	(9)
Expected credit loss	(95)	-	(41)	-
Total operating expenses	(36,496)	(47)	(31,567)	(46)
LOSS FROM OPERATIONS	(5,391)	(7)	(5,009)	(7)
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 29)				
Finance costs	(753)	(1)	(764)	(1)
Interest income	160	-	28	-
Other income	784	1	15	-
Gains on disposal of property, plant and equipment	184	1	-	-
Foreign exchange gain, net	105	-	164	-
Total non-operating income and expenses	480	1	(557)	(1)
LOSS BEFORE INCOME TAX	(4,911)	(6)	(5,566)	(8)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 24)	109	-	(102)	-
NET LOSS FOR THE PERIOD	(4,802)	(6)	(5,668)	(8)

(Continued)

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	$ 96	-	$ (413)	(1)
Other comprehensive loss for the period, net of income tax	96	-	(413)	(1)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ (4,706)	(6)	$ (6,081)	(9)
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	$ (4,565)	(6)	$ (5,684)	(8)
Non-controlling interests	(237)	-	16	-
	$ (4,802)	(6)	$ (5,668)	(8)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ (4,469)	(6)	$ (6,097)	(9)
Non-controlling interests	(237)	-	16	-
	$ (4,706)	(6)	$ (6,081)	(9)
LOSS PER SHARE (Note 25)				
Basic	$ (0.20)		$ (0.24)	

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

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)

	Equity Attributable to Owners of the Company									
	Share Capital			Retained Earnings			Other Equity			
	Ordinary Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Accumulated Deficit	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Loss	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	23,304	$ 233,043	$ 50,860	$ 15,627	$ 7,320	$ (3,435)	$ (11,381)	$ 292,034	$ 8,236	$ 300,270
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	-	(5,684)	-	(5,684)	16	(5,668)
Other comprehensive loss for the three months ended March 31, 2024	-	-	-	-	-	-	(413)	(413)	-	(413)
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	(5,684)	(413)	(6,097)	16	(6,081)
BALANCE AT MARCH 31, 2024	23,304	$ 233,043	$ 50,860	$ 15,627	$ 7,320	$ (9,119)	$ (11,794)	$ 285,937	$ 8,252	$ 294,189
BALANCE AT JANUARY 1, 2025	23,304	$ 233,043	$ 50,860	$ 15,627	$ 7,320	$ (2,328)	$ (16,611)	$ 287,911	$ 7,835	$ 295,746
Difference between consideration and carrying amount of subsidiaries acquired (Note 26)	-	-	72	-	-	-	-	72	(3,024)	(2,952)
Net loss for the three months ended March 31, 2025	-	-	-	-	-	(4,565)	-	(4,565)	(237)	(4,802)
Other comprehensive loss for the three months ended March 31, 2025	-	-	-	-	-	-	96	96	-	96
Total comprehensive loss for the three months ended March 31, 2025	-	-	-	-	-	(4,565)	96	(4,469)	(237)	(4,706)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(655)	655	-	-	-
BALANCE AT MARCH 31, 2025	23,304	$ 233,043	$ 50,932	$ 15,627	$ 7,320	$ (7,548)	$ (15,860)	$ 283,514	$ 4,574	$ 288,088

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

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (4,911)	$ (5,566)
Adjustments for:		
Depreciation expense	6,710	7,177
Amortization expense	37	85
Expected credit loss recognized on trade receivables	95	41
Finance costs	753	764
Interest income	(160)	(28)
Gain on disposal of property, plant and equipment	(184)	-
Write-down of inventories	650	1,894
Changes in operating assets and liabilities		
Notes receivable	3,521	(84)
Trade receivable	458	3,363
Other receivables	(707)	-
Inventories	(2,069)	6,035
Prepayments	676	(994)
Other current assets	(458)	(334)
Net defined benefit assets	-	274
Contract liabilities	(1,582)	(4,832)
Trade payable	(741)	(2,288)
Other payables	(9,434)	(10,104)
Provisions - current	212	(201)
Other current liabilities	1,224	660
Cash used in operations	(5,910)	(4,138)
Interest received	160	28
Interest paid	(676)	(684)
Income tax paid	(24)	-
Net cash used in operating activities	(6,450)	(4,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	496	-
Proceeds from sale of financial assets at amortized cost	20,000	-
Payments for property, plant and equipment	(378)	(1,460)
Proceeds from disposal of property, plant and equipment	476	-
Increase in refundable deposits	(801)	-
Decrease in refundable deposits	-	631
Net cash generated from (used in) investing activities	19,793	(829)

(Continued)

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings increase (decrease)	$ 5,000	$ (1,000)
Proceeds from long-term borrowings	25,000	-
Repayments of long-term borrowings	(3,215)	(2,757)
Refund of guarantee deposits received	-	(661)
Repayment of the principal portion of lease liabilities	(3,573)	(3,573)
Acquisition of additional interests in subsidiary	(2,952)	-
Net cash generated from (used in) financing activities	20,260	(7,991)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,603	(13,614)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	173,495	188,130
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 207,098	$ 174,516

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Welgene Biotech Co., Ltd. (the "Company") was established with the approval of the Ministry of Economic Affairs in January 2003. The Company engages in the trade of biotechnology-related instruments and reagents, as well as biotechnology testing services. The Company's shares have been listed on the Taipei Exchange (TPEx) since January 27, 2021.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 9, 2025.

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

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

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

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

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11, Table 3 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations, inflation and market interest rate fluctuations, energy market volatility, US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 474	$ 284	$ 481
Checking accounts and demand deposits	206,624	173,211	174,035
	$ 207,098	$ 173,495	$ 174,516

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	March 31, 2025	December 31, 2024	March 31, 2024
Investments in equity instruments at FVTOCI			
Unlisted ordinary shares			
Compass Bioinformatics Inc.	$ 273	$ 281	$ 716
Taiwan Genome Industry Alliance Inc.	25,448	25,448	29,537
Expercy Medical Ltd.	-	392	3,314
	$ 25,721	$ 26,121	$ 33,567

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

No investments in equity instruments at FVTOCI were pledged as collateral.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Time deposits with original maturities of more than 3 months	$ 33,000	$ 53,000	$ 9,000

The ranges of interest rates for time deposits with original maturities of more than 3 months were 1.42%-1.46%, 1.36%-1.42% and 1.16%-1.31% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

9. NOTES RECEIVABLE AND TRADE RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable			
At amortized cost			
Gross carrying amount	$ 1,054	$ 4,575	$ 1,866
Trade receivable			
At amortized cost			
Gross carrying amount	$ 40,235	$ 41,588	$ 42,267
Instalment accounts receivable	895	-	-
Less: Allowance for impairment loss	(675)	(580)	(471)
	$ 40,455	$ 41,008	$ 41,796

The average credit period of sales of goods was 30 to 160 days, and no interest is charged on trade receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer and the customer's current financial position, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base; the Group only sets the expected credit loss rate based on the number of days of the outstanding trade receivable.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

March 31, 2025

	Not Past Due	**1 to 90 Days Past Due**	**91 to 365 Days Past Due**	**Over 365 Days Past Due**	**Total**
Expected credit loss rate	0.01%-12.04%	1.69%-1.70%	100%	100%	
Gross carrying amount	$ 36,722	$ 4,057	$ 105	$ 246	$ 41,130
Loss allowance (Lifetime ECLs)	(259)	(65)	(105)	(246)	(675)
Amortized cost	$ 36,463	$ 3,992	$ -	$ -	$ 40,455

December 31, 2024

	Not Past Due	**1 to 90 Days Past Due**	**91 to 365 Days Past Due**	**Over 365 Days Past Due**	**Total**
Expected credit loss rate	0.01%-10.57%	1.54%-2.35%	100%	100%	
Gross carrying amount	$ 39,424	$ 1,807	$ 117	$ 240	$ 41,588
Loss allowance (Lifetime ECLs)	(194)	(29)	(117)	(240)	(580)
Amortized cost	$ 39,230	$ 1,778	$ -	$ -	$ 41,008

March 31, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate	0.02%-2.36%	1.04%-6.63%	100%	100%	
Gross carrying amount	$ 37,472	$ 4,526	$ 36	$ 233	$ 42,267
Loss allowance (Lifetime ECLs)	(100)	(102)	(36)	(233)	(471)
Amortized cost	$ 37,372	$ 4,424	$ -	$ -	$ 41,796

The loss allowance of notes receivable is not affected.

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

	For the Three Months Ended March 31	
	2025	2024
Beginning balance	$ 580	$ 430
Add: Net remeasurement of loss allowance	95	41
Ending balance	$ 675	$ 471

No notes receivable and trade receivables were pledged as security.

The Group’s accounts receivable from sales with payment by installments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Gross amounts of accounts receivable	$ 910	$ -	$ -
Unrealized interest income	(15)	-	-
	$ 895	$ -	$ -

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	$ 38,294	$ 36,875	$ 45,841

As of March 31, 2025, December 31, 2024 and March 31, 2024, the allowance for inventory write-downs was $8,445 thousand, $7,795 thousand and $5,549 thousand, respectively.

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	$ 46,136	$ 39,968
Inventory write-downs	650	1,894
	$ 46,786	$ 41,862

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	March 31, 2025	December 31, 2024	March 31, 2024	Remark
Welgene Biotech Co., Ltd.	Welmore Co., Ltd. (“Welmore”)	Trading of medical equipment	100.00%	100.00%	100.00%	
	Wellgenetics Co., Ltd. (“Wellgenetics”)	Biogenic technology services	88.47%	83.00%	83.00%	*

Remarks:

* On January 2025, the Group acquired additional shares of Wellgenetics for a cash consideration of $2,952 thousand, increasing its ownership percentage from 83.00% to 88.47%. Please refer to Note 26.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Transportation Equipment	Office Equipment	Production Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2025	$ 22,761	$ 97,700	$ 7,855	$ 2,924	$ 64,368	$ 18,345	$ 213,953
Additions	-	-	-	-	-	378	378
Disposals	-	-	-	-	(5,076)	(526)	(5,602)
Balance at March 31, 2025	22,761	97,700	7,855	2,924	59,292	18,197	208,729
Accumulated depreciation							
Balance at January 1, 2025	-	13,615	5,419	1,506	25,262	6,593	52,395
Depreciation expenses	-	985	168	94	1,676	456	3,379
Disposals	-	-	-	-	(5,076)	(234)	(5,310)
Balance at March 31, 2025	-	14,600	5,587	1,600	21,862	6,815	50,464
Carrying amount at March 31, 2025	$ 22,761	$ 83,100	$ 2,268	$ 1,324	$ 37,430	$ 11,382	$ 158,265
Carrying amount at December 31, 2024 and January 1, 2025	$ 22,761	$ 84,085	$ 2,436	$ 1,418	$ 39,106	$ 11,752	$ 161,558
Cost							
Balance at January 1, 2024	$ 22,761	$ 97,700	$ 7,855	$ 2,924	$ 78,427	$ 18,255	$ 227,922
Additions	-	-	-	-	857	603	1,460
Disposals	-	-	-	-	-	(1,133)	(1,133)
Balance at March 31, 2024	22,761	97,700	7,855	2,924	79,284	17,725	228,249
Accumulated depreciation							
Balance at January 1, 2024	-	9,673	4,395	1,129	34,510	6,037	55,744
Depreciation expenses	-	986	256	94	2,020	491	3,847
Disposals	-	-	-	-	-	(1,133)	(1,133)
Balance at March 31, 2024	-	10,659	4,651	1,223	36,530	5,395	58,458
Carrying amount at March 31, 2024	$ 22,761	$ 87,041	$ 3,204	$ 1,701	$ 42,754	$ 12,330	$ 169,791

According to the Group’s assessment, there was no indication of impairment for property, plant and equipment as of March 31, 2025, December 31, 2024 and March 31, 2024.

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

Buildings	5-50 years
Transportation equipment	5 years
Office equipment	5 years
Production equipment	5-10 years
Other equipment	3-10 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Buildings	$ 9,992	$ 13,323	$ 23,316

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets		
Depreciation charge for right-of-use assets		
Buildings	$ 3,331	$ 3,330

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Current	$ 10,050	$ 13,576	$ 13,388
Non-current	$ -	$ -	$ 10,050

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.90%	1.90%	1.90%

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	$ 31	$ 28
Expenses relating to low-value asset leases	$ 106	$ 199
Total cash outflow for leases	$ (3,710)	$ (3,800)

The Group's leases of certain office equipment qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Patent	Computer Software	Total
Cost			
Balance at January 1, 2025	$ 1,500	$ -	$ 1,500
Balance at March 31, 2025	$ 1,500	$ -	$ 1,500
Accumulated amortization			
Balance at January 1, 2025	$ (1,338)	$ -	$ (1,338)
Amortization expenses	(37)	-	(37)
Balance at March 31, 2025	$ (1,375)	$ -	$ (1,375)
Carrying amount at December 31, 2024 and January 1, 2025	$ 162	$ -	$ 162
Carrying amount at March 31, 2025	$ 125	$ -	$ 125
Cost			
Balance at January 1, 2024	$ 1,500	$ 950	$ 2,450
Balance at March 31, 2024	$ 1,500	$ 950	$ 2,450
Accumulated amortization			
Balance at January 1, 2024	$ (1,187)	$ (871)	$ (2,058)
Amortization expenses	(38)	(47)	(85)
Balance at March 31, 2024	$ (1,225)	$ (918)	$ (2,143)
Carrying amount at March 31, 2024	$ 275	$ 32	$ 307

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	10 years
Computer software	5 years

An analysis of amortization by function category:

	For the Three Months Ended March 31	
	2025	2024
General and administrative expenses	$ 37	$ 85

15. OTHER FINANCIAL ASSETS - CURRENT

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged time deposits	$ 1,700	$ 1,700	$ 700

Refer to Note 30 for bank point-of-sale (POS) terminal services and pledged time deposits for financing loan.

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowings (Note 30)			
Bank loans	$ 4,000	$ 4,000	$ 1,000
Unsecured borrowings			
Credit loans	10,000	5,000	9,000
	$ 14,000	$ 9,000	$ 10,000

The interest rates for revolving bank loans were 2.32% to 3.47% as of March 31, 2025, 2.32% to 3.47% as of December 31, 2024 and 1.98% to 3.34% as of March 31, 2024.

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured borrowings			
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand, had interest rates of 2.878%, 2.878% and 2.753% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The loan period is from February 15, 2023 to February 15, 2030, with monthly principal and interest repayments.	$ 14,452	$ 15,133	$ 17,150
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand, had interest rates of 2.220% as of March 31, 2025. The loan period is from February 13, 2025 to February 13, 2030, with monthly principal and interest repayments.	9,842	-	-
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand, had interest rates of 2.220% as of March 31, 2025. The loan period is from February 25, 2025 to February 25, 2030, with monthly principal and interest repayments.	9,842	-	-
Chang Hua Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand, had interest rate of 2.220%, 2.220% and 2.095% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The loan period is from November 20, 2023 to December 20, 2028, with monthly principal and interest repayments.	7,439	7,925	9,365
Chang Hua Bank The medium-term operating loan, with a borrowing amount of $15,000 thousand, had an interest rate of 2.220%, 2.220% and 2.095% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The loan period is from November 20, 2023 to November 20, 2028, with monthly principal and interest repayments.	3,720	3,963	4,683

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Chang Hua Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand an interest rate of 2.220%, 2.220% and 2.095% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The loan period is from December 20, 2023 to December 20, 2028, with monthly principal and interest repayments.	$ 7,602	$ 8,087	$ 9,524
Chang Hua Bank The medium-term operational loan, with a borrowing amount of $12,000 thousand, had an interest rate of 2.220% as of March 31, 2025 and December 31, 2024, respectively. The loan period is from August 22, 2024 to August 22, 2029, with monthly principal and interest repayments.	1,778	1,873	-
Chang Hua Bank The medium-term operational loan, with a borrowing amount of $20,000 thousand, had interest rates of 2.220% as of March 31, 2025. The loan period is from March 12, 2025 to March 12, 2030, with monthly principal and interest repayments.	5,000	-	-
Secured borrowings			
Fubon Bank The capital financing loan, with a borrowing amount of $89,300 thousand, an interest rates of 2.174%, 2.172% and 1.981% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The loan period is from March 4, 2021 to March 4, 2041, with monthly principal and interest repayments.	69,366	70,275	72,966
Less: Current portion	(16,532)	(11,681)	(11,235)
Long-term borrowings	$ 112,509	$ 95,575	$ 102,453

(Concluded)

Welmore, a subsidiary of the Group, had total bank financing credit lines of $74,888 thousand, $74,888 thousand and $44,888 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. Additionally, promissory notes amounting to $24,888 thousand, $24,888 thousand and $36,888 thousand were issued as guarantees for the financing facilities.

Wellgenetics, another subsidiary of the Group, had total bank financing credit lines of $131,300 thousand, $131,300 thousand and $119,300 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The financing was secured by Wellgenetics's own land and buildings.

The Company had total bank financing credit lines of $128,086 thousand, $110,000 thousand and $90,000 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. Additionally, promissory notes amounting to $50,000 thousand, $50,000 thousand and $52,000 thousand were issued as guarantees for the financing facilities.

17. TRADE PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Trade payables - operating	$ 16,165	$ 16,906	$ 15,086

Trade payables are paid on due dates in accordance with agreements. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Payables for salaries or bonuses	$ 13,490	$ 21,178	$ 12,186
Payables for compensation of employees and remuneration of directors	-	-	12
Payables for business taxes	1	1,864	29
Others	4,183	4,036	4,344
	$ 17,674	$ 27,078	$ 16,571

19. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Employee benefits (a)	$ 1,455	$ 1,241	$ 1,617
Warranties (b)	30	32	34
	$ 1,485	$ 1,273	$ 1,651

a. Employee benefits are provisions estimated for employees' vested service leave entitlements.

b. Warranties are provisions based on the sales contract, representing the present value of the management's best estimate of future outflows of economic benefits due to warranty obligations for Welmore, a subsidiary of the Group. This estimate is based on historical warranty experience.

20. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	60,000	60,000	60,000
Share authorized	$ 600,000	$ 600,000	$ 600,000
Shares issued and fully paid (in thousands of shares)	23,304	23,304	23,304
Ordinary shares issued	$ 233,043	$ 233,043	$ 233,043

A holder of issued ordinary shares with a par value of $10 is entitled to vote and to receive dividends.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 50,081	$ 50,081	$ 50,081
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	73	1	1
May only be used to offset a deficit			
Changes in percentage of ownership interests in subsidiaries accounted for using the equity method	778	778	778
	$ 50,932	$ 50,860	$ 50,860

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The Company's dividend policy takes into account operational conditions, capital requirements, capital budgets, balancing shareholder interests and dividend distribution. The total amount of shareholder dividends shall not be less than 2% of the distributable earnings. Dividends may be distributed in cash or shares, with cash dividends no less than 10% of the total dividends. For the distribution of cash dividends, it is authorized by the board of directors with the attendance of at least two-thirds of the directors and the approval of more than half of the attending directors, and then reported to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23-b.

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

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The statements of deficit compensation for 2023 were approved in the shareholders' meetings on May 30, 2024.

The plan of deficit compensation for 2024 was proposed in the board of directors on March 11, 2025. However, the plan is still pending approval at the annual general shareholders' meeting scheduled for May 27, 2025.

d. Other equity items

Unrealized (loss) gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	$ (16,611)	$ (11,381)
Recognized for the period		
Unrealized gain on equity instruments	96	(413)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	655	-
Balance at March 31	$ (15,860)	$ (11,794)

21. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales revenue	$ 50,525	$ 36,663
Test revenue	27,306	31,757
Revenue from the rendering of services	60	-
	$ 77,891	$ 68,420

- Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (Note 9)	$ 40,455	$ 41,008	$ 41,796	$ 45,200
Contract liabilities	$ 54,547	$ 56,129	$ 41,343	$ 46,175

For the three months ended March 31, 2025 and 2024, the Group's customer contract revenue included amounts reclassified from contract liabilities to contract revenue, totaling $15,088 thousand and $13,188 thousand, respectively.

22. OPERATING COST

	For the Three Months Ended March 31	
	2025	2024
Cost of goods sold	$ 32,810	$ 25,774
Testing costs	13,974	16,088
Service costs	2	-
	$ 46,786	$ 41,862

23. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Employee benefits expense

	For the Three Months Ended March 31					
	2025			2024		
	Attributed to Operating Cost	Attributed to Operating Expenses	Total	Attributed to Operating Cost	Attributed to Operating Expenses	Total
Short-term benefits						
Salaries and wages	$ 4,110	$ 17,538	$ 21,648	$ 3,012	$ 14,096	$ 17,108
Employee insurance expenses	509	1,758	2,267	468	1,469	1,937
Post-employment benefits						
Defined contribution plan	225	767	992	207	686	893
Other employee benefits	246	1,024	1,270	230	859	1,089
	$ 5,090	$ 21,087	$ 26,177	$ 3,917	$ 17,110	$ 21,027
Depreciation expense						
Property, plant and equipment	$ 150	$ 3,229	$ 3,379	$ 958	$ 2,889	$ 3,847
Right-of-use assets	-	3,331	3,331	-	3,330	3,330
	$ 150	$ 6,560	$ 6,710	$ 958	$ 6,219	$ 7,177
Amortization expense						
Intangible assets	$ -	$ 37	$ 37	$ -	$ 85	$ 85

b. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 4%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 1% of net profit before income tax, compensation of employees, and remuneration of directors and supervisors as compensation distributions for non-executive employees. For the three months ended March 31, 2025 and 2024, there was no estimation for compensation of employees (including non-executive employees) and remuneration of directors due to net loss before tax.

As there were accumulated losses for the years ended December 31, 2024 and 2023, no provisions were made for employee and director compensation. This decision was approved by the board of directors on March 11, 2025 and March 13, 2024.

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

c. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	**2024**
Foreign exchange gains	$ 258	$ 256
Foreign exchange losses	(153)	(92)
Net gains	$ 105	$ 164

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Current tax		
In respect of the current period	$ -	$ -
Adjustments for prior periods	24	15
Deferred tax		
In respect of the current period	(133)	87
Income tax (benefit) expense recognized in profit or loss	$ (109)	$ 102

b. Income tax assessments

The income tax of the Company, Welmore and Wellgenetics have been assessed by the tax authorities through 2022, 2023 and 2023, respectively.

25. LOSS PER SHARE

	For the Three Months Ended March 31	
	2025	2024
Basic loss per share	$ (0.20)	$ (0.24)

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

	For the Three Months Ended March 31	
	2025	2024
Loss for the period attributable to owners of the Company	$ (4,565)	$ (5,684)
Weighted average number of ordinary shares used in the computation of basic loss per share (in thousands)	23,304	23,304
Basic loss per share (NT$)	$ (0.20)	$ (0.24)

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On January 2025, the Group acquired 164 thousand shares of Wellgenetics in cash, increasing its ownership percentage from 83% to 88.47%.

	Wellgenetics Co., Ltd.
Consideration paid	$ (2,952)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	3,024
Differences recognized from equity transactions	$ 72
Line items adjusted for equity transactions	
Capital reserve - the difference between the actual equity price of the subsidiary and its book value	$ 72

The above transactions were accounted for as equity transactions since they did not have an effect on the Group’s control over these subsidiaries.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, reserves, retained earnings and other equity). The key management of the Group regularly reviews its capital structure, considering the cost and associated risks of each type of capital. Based on the recommendations of key management, the Group balances its overall capital structure through measures such as paying dividends and issuing new shares.

28. FINANCIAL INSTRUMENTS

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

The Group considered the carrying amounts of financial instruments not measured at fair value to be close to their fair values.

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

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 25,721	$ 25,721

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 26,121	$ 26,121

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 33,567	$ 33,567

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Unlisted ordinary shares	Market approach: According to the transaction price of a comparable target, the difference between the target evaluated and the comparable target is considered, and the value of the target evaluated is estimated with an appropriate multiple.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2025	$ 26,121
Disposals	(1,151)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	655
Recognized in other comprehensive income	
Unrealized valuation loss on financial assets at FVTOCI	96
Balance at March 31, 2025	$ 25,721

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	$ 33,980
Recognized in other comprehensive income	
Unrealized valuation loss on financial assets at FVTOCI	(413)
Balance at March 31, 2024	$ 33,567

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	$ 207,098	$ 173,495	$ 174,516
Financial assets at amortized cost - current	33,000	53,000	9,000
Notes receivable	1,054	4,575	1,866
Trade receivables	40,455	41,008	41,796
Other receivables	1,014	307	-
Other financial assets	1,700	1,700	700
Financial assets at FVTOCI			
Equity instruments - non-current	25,721	26,121	33,567
Financial liabilities			
Amortized cost			
Short-term borrowings	14,000	9,000	10,000
Trade payables	16,165	16,906	15,086
Other payables	17,674	27,078	16,571
Current portion of long-term borrowings	16,532	11,681	11,235
Long-term borrowings	112,509	95,575	102,453

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at fair value through other comprehensive income, trade receivables, trade payables and borrowings. The Group ensures that operating capital is sufficient and efficient. The Group cautiously manages market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk to reduce potential negative impact on finance due to market uncertainty.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group operates primarily as a domestic sales-oriented industry, with purchases and sales mainly conducted in New Taiwan dollars. For the carrying amounts of monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 34. The Group's foreign currency assets primarily consist of USD-denominated bank deposits that are outstanding as of the balance sheet date and not subject to cash flow hedging.

The sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items as of the balance sheet date. If the NTD experiences an adverse 1% change against foreign currencies, the Group's pre-tax net profit for the three months ended March 31, 2025 and 2024, would have decreased by $118 thousand and $21 thousand, respectively.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the year were as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Cash flow interest rate risk	$ 143,041	$ 116,256	$ 123,688

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The financial assets were minimally impacted by changes in interest rates due to the low levels of market deposit rates. Interest rate sensitivity analysis was conducted using financial liabilities to assess the impact on profit and loss. The changes in fair value and estimated cash flows resulting from interest rate fluctuations were analyzed by increasing the rates by 100 basis points at the end of the reporting period, assuming all other variables remained constant. The pre-tax net profit for the Group for the three months ended March 31, 2025 and 2024, would decrease by $358 thousand and $309 thousand, respectively.

The sensitivity of the Group to interest rates in the current period did not show significant changes.

c) Other price risk

The price risk of other equity of the Group primarily arises from investments in financial assets at FVTOCI, mainly investments in unlisted shares.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 0.5% lower, the other comprehensive income for the three months ended March 31, 2025 and 2024 would have decreased by $129 thousand and $168 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The credit risk of the Group primarily arises from receivables generated from operating activities. As of the balance sheet date, the maximum credit risk exposure for the Group, resulting from counterparties failing to fulfill obligations, is represented by the carrying amount of financial assets recognized on the balance sheet.

To mitigate credit risk, the management of the Group has established management control procedures for determining and approving credit limits to ensure the collection of overdue receivables. Additionally, as of the balance sheet date, the recoverable amounts of receivables are reviewed individually to ensure that appropriate impairment losses are recognized for uncollectible receivables. Accordingly, the management believes that the credit risk of the Group has been significantly reduced. Furthermore, since the counterparties for transactions involving liquid funds are all reputable financial institutions and corporate organizations, the associated credit risk is limited, and no significant credit risk is anticipated.

3) Liquidity risk

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

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized short-term bank loan facilities of $160,888 thousand, $170,888 thousand and $111,888 thousand, respectively.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2025

	Less than 1 Year	1-2 Years	2-3 Years	3+ Years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 14,000	$ -	$ -	$ -	$ 14,000
Trade payables	16,165	-	-	-	16,165
Other payables	17,674	-	-	-	17,674
Lease liabilities - current	10,050	-	-	-	10,050
Current portion of long-term borrowings	16,532	-	-	-	16,532
Long-term borrowings	-	16,940	17,341	78,228	112,509

December 31, 2024

	Less than 1 Year	1-2 Years	2-3 Years	3+ Years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 9,000	$ -	$ -	$ -	$ 9,000
Trade payables	16,906	-	-	-	16,906
Other payables	27,078	-	-	-	27,078
Lease liabilities - current	13,576	-	-	-	13,576
Current portion of long-term borrowings	11,681	-	-	-	11,681
Long-term borrowings	-	11,969	12,264	71,342	95,575

March 31, 2024

	Less than 1 Year	1-2 Years	2-3 Years	3+ Years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 10,000	$ -	$ -	$ -	$ 10,000
Trade payables	15,086	-	-	-	15,086
Other payables	16,571	-	-	-	16,571
Lease liabilities - current	13,388	-	-	-	13,388
Current portion of long-term borrowings	11,235	-	-	-	11,235
Lease liabilities - non-current	-	10,050	-	-	10,050
Long-term borrowings	-	11,422	11,701	79,330	102,453

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Han Gene Co., Ltd.	Associate - the chairman of this company and the representative of the corporate chairman of the Company are the same person.

b. Refundable deposits

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Associate			
Han Gene Co., Ltd.	$ 2,402	$ 2,402	$ 2,402

c. Lease arrangements - the Group is lessee

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities - current	Associate Han Gene Co., Ltd.	$ 10,050	$ 13,576	$ 13,388
Lease liabilities - non-current	Associate Han Gene Co., Ltd.	$ -	$ -	$ 10,050

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
Interest expense		
Associate		
Han Gene Co., Ltd.	$ 47	$ 109

The Group leased offices in Nangang, Taichung and Kaohsiung from its affiliate Han Gene Co., Ltd. in November 2022 and August 2022, respectively. The lease terms are three years and three years and four months, respectively. The rental payments are based on similar properties in the vicinity of the office, and the fixed lease payments are paid quarterly. For the three months ended March 31, 2025 and 2024, the amount of the Group's rental payment was $3,573 thousand. The leases are accounted for under IFRS 16 "Leases" and are recognized under right-of-use assets and lease liabilities, with depreciation and interest expenses accrued monthly.

d. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 8,565	$ 6,979

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been designated as collateral for the provision of bank POS terminal services and related financing arrangements:

	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets - current	$ 1,700	$ 1,700	$ 700
Property, plant and equipment - land	22,761	22,761	22,761
Property, plant and equipment - buildings	83,100	84,085	87,041
	$ 107,561	$ 108,546	$ 110,502

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS: NONE

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 503	33.246	$ 16,735
EUR	1	36.126	28
			$ 16,763
Financial liabilities			
Monetary items			
USD	148	33.246	$ 4,917

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 394	32.843	$ 12,944
Financial liabilities			
Monetary items			
USD	143	32.843	$ 4,696

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 71	32.05	$ 2,287
Financial liabilities			
Monetary items			
USD	7	32.05	$ 233

For the three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange (losses) gains were $105 thousand and $164 thousand, respectively, which were primarily from the exchange of US dollars to New Taiwan dollars.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: Table 1.

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2.

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

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

6) Intercompany relationships and significant intercompany transactions: None.

b. Information on investees: Table 3.

c. Information on investments in mainland China: None.

34. SEGMENT INFORMATION

Segment Revenues and Results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Three Months Ended March 31, 2025			
	Biotechnology Testing Department	Instrument Sales Department	Adjustments and Write-offs	Total
Revenue from external customers	$ 67,727	$ 10,164	$ -	$ 77,891
Inter-segment revenue	-	-	-	-
	$ 67,727	$ 10,164	$ -	$ 77,891
Segment profit	$ 25,565	$ 5,540	$ -	$ 31,105
Interest income				$ 160
General other income				784
Other gains and losses				289
Finance costs				(753)
General operating expenses				(36,496)
Net loss before tax for the period				$ (4,911)
Identifiable assets	$ 162,483	$ 5,774		$ 168,257
General assets				365,316
Total assets				$ 533,573
Depreciation expense	$ 5,592	$ 1,118		
Capital expenditure amount	$ 295	$ 83		

	For the Three Months Ended March 31, 2024			
	Biotechnology Testing Department	**Instrument Sales Department**	**Adjustments and Write-offs**	**Total**
Revenue from external customers	$ 59,012	$ 9,408	$ -	$ 68,420
Inter-segment revenue	-	-	-	-
	$ 59,012	$ 9,408	$ -	$ 68,420
Segment profit	$ 24,648	$ 1,910	$ -	$ 26,558
Interest income				$ 28
General other income				179
Finance costs				(764)
General operating expenses				(31,567)
Net loss before tax for the period				$ (5,566)
Identifiable assets	$ 182,532	$ 10,575		$ 193,107
General assets				324,334
Total assets				$ 517,441
Depreciation expense	$ 5,966	$ 1,211		
Capital expenditure amount	$ 1,460	$ -		

The Group's main business operations are divided into two categories: Genetic testing (biotechnology testing division) and the trading of biotechnology medical instruments (instrument sales division). There are no interdepartmental advances or loans.

The segment profit represents the profit earned by each division and does not include general administrative expenses, interest income, dividend income, gains or losses on disposal of real estate, plant, and equipment, gains or losses on disposal of financial assets, miscellaneous income and expenses, and income tax expenses that are unrelated to the divisions.

Identifiable assets of a division refer to assets that can be directly attributed to that division. If assets are used by more than one division, they are allocated based on the proportion of personnel in each division or another reasonable basis. However, identifiable assets of a division do not include assets held for general use and not for the operations of any specific division.

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Welgene Biotech Co., Ltd.	Welmore Co., Ltd.	Subsidiary	$ 28,351	$ 7,445	$ 7,445	$ -	$ -	2.63	$ 141,757	Y	N	N	Note

Note: The total amount of endorsements and guarantees by the Company is limited to 50% of the net value in the most recent financial statements. For companies in which the Company directly or indirectly holds 90% or more of the voting shares, the amount of endorsements and guarantees is limited to 10% of the net value in the most recent financial statements.

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Line Item	March 31, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Welgene Biotech Co., Ltd.	Shares							
	Compass Bioinformatics Inc.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	200,000	$ 273	0.97	$ 273	
	Taiwan Genome Industry Alliance Inc.	-	〃	3,970,000	25,448	14.75	25,448	
					$ 25,721		$ 25,721	

TABLE 3

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares (In Thousands)	%	Carrying Amount			
Welgene Biotech Co., Ltd.	Welmore Co., Ltd.	10F., No. 3, Yuancyu St., Nangang District, Taipei City 115603, Taiwan	Medical equipment sales	$ 182,055	$ 182,055	12,500,000	100.00	$ 122,524	$ (412)	$ (412)	Note
	Wellgenetics Co., Ltd.	13F.-12, No. 93, Sec. 1, Xintai 5th Rd., Xizhi District, New Taipei City 221416, Taiwan	Biogenetic technology services	55,681	52,729	2,654,000	88.47	48,635	(1,938)	(1,821)	Note

Note: Consolidated financial statements included the investment income and losses recognized by subsidiaries accounted for using the equity method, whereby long-term equity investments of the investing company and the equity of the investee are fully eliminated.