

**Welgene Biotech Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 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 September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine 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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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

November 11, 2025

Notice to Readers

*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)

	September 30, 2025		December 31, 2024		September 30, 2024	
ASSETS	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalent (Notes 6 and 29)	\$ 190,713	35	\$ 173,495	33	\$ 192,293	37
Financial assets at amortized cost - current (Notes 8 and 29)	63,000	11	53,000	10	9,000	2
Notes receivable (Notes 9 and 29)	1,145	-	4,575	1	2,635	1
Trade receivable (Notes 9, 22 and 29)	46,437	9	41,008	8	39,414	8
Other receivables (Note 29)	553	-	307	-	600	-
Current tax assets (Note 4)	350	-	3,304	1	3,287	1
Inventories (Note 10)	38,196	7	36,875	7	43,291	8
Prepayments (Note 15)	6,601	1	5,956	1	5,050	1
Other financial assets - current (Notes 16, 29 and 31)	1,700	-	1,700	-	700	-
Other current assets	<u>305</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>46</u>	<u>-</u>
Total current assets	<u>349,000</u>	<u>63</u>	<u>320,221</u>	<u>61</u>	<u>296,316</u>	<u>58</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 29)	24,484	4	26,121	5	28,459	6
Property, plant and equipment (Notes 12 and 31)	169,582	31	161,558	31	164,397	32
Right-of-use assets (Notes 13 and 30)	3,331	1	13,323	2	16,654	3
Other intangible assets (Note 14)	723	-	162	-	200	-
Deferred tax assets (Note 4)	496	-	442	-	507	-
Refundable deposits (Note 30)	<u>6,959</u>	<u>1</u>	<u>6,421</u>	<u>1</u>	<u>6,348</u>	<u>1</u>
Total non-current assets	<u>205,575</u>	<u>37</u>	<u>208,027</u>	<u>39</u>	<u>216,565</u>	<u>42</u>
<b>TOTAL</b>	<u>\$ 554,575</u>	<u>100</u>	<u>\$ 528,248</u>	<u>100</u>	<u>\$ 512,881</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 17, 29 and 31)	\$ 13,000	2	\$ 9,000	2	\$ 11,000	2
Contract liabilities (Note 22)	50,826	9	56,129	11	45,603	9
Trade payable (Notes 18 and 29)	21,599	4	16,906	3	10,103	2
Other payables (Notes 19 and 29)	20,388	4	27,078	5	18,826	4
Current tax liabilities	-	-	358	-	-	-
Provisions - current (Note 20)	1,476	-	1,273	-	1,315	-
Lease liabilities - current (Notes 13, 29 and 30)	2,949	1	13,576	3	13,514	3
Current portion of long-term borrowings (Notes 17, 29 and 31)	22,719	4	11,681	2	11,622	2
Other current liabilities	<u>500</u>	<u>-</u>	<u>587</u>	<u>-</u>	<u>704</u>	<u>-</u>
Total current liabilities	<u>133,457</u>	<u>24</u>	<u>136,588</u>	<u>26</u>	<u>112,687</u>	<u>22</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 17, 29 and 31)	127,299	23	95,575	18	98,514	19
Deferred tax liabilities (Note 4)	337	-	322	-	267	-
Lease liabilities - non-current (Notes 13, 29 and 30)	-	-	-	-	2,949	1
Guarantee deposits received	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>
Total non-current liabilities	<u>127,653</u>	<u>23</u>	<u>95,914</u>	<u>18</u>	<u>101,747</u>	<u>20</u>
Total liabilities	<u>261,110</u>	<u>47</u>	<u>232,502</u>	<u>44</u>	<u>214,434</u>	<u>42</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)</b>						
Share capital						
Ordinary shares	<u>233,043</u>	<u>42</u>	<u>233,043</u>	<u>44</u>	<u>233,043</u>	<u>46</u>
Capital surplus	<u>50,932</u>	<u>9</u>	<u>50,860</u>	<u>10</u>	<u>50,860</u>	<u>10</u>
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	<u>(1,003)</u>	<u>-</u>	<u>(2,328)</u>	<u>-</u>	<u>(1,986)</u>	<u>-</u>
Total retained earnings	<u>21,944</u>	<u>4</u>	<u>20,619</u>	<u>4</u>	<u>20,961</u>	<u>4</u>
Other equity	<u>(17,097)</u>	<u>(3)</u>	<u>(16,611)</u>	<u>(3)</u>	<u>(14,273)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	288,822	52	287,911	55	290,591	57
<b>NON-CONTROLLING INTERESTS</b>	<u>4,643</u>	<u>1</u>	<u>7,835</u>	<u>1</u>	<u>7,856</u>	<u>1</u>
Total equity	<u>293,465</u>	<u>53</u>	<u>295,746</u>	<u>56</u>	<u>298,447</u>	<u>58</u>
<b>TOTAL</b>	<u>\$ 554,575</u>	<u>100</u>	<u>\$ 528,248</u>	<u>100</u>	<u>\$ 512,881</u>	<u>100</u>

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 Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 22)	\$ 110,099	100	\$ 90,468	100	\$ 278,100	100	\$ 234,894	100
OPERATING COSTS (Notes 10, 23 and 24)	<u>(63,310)</u>	<u>(58)</u>	<u>(49,707)</u>	<u>(55)</u>	<u>(162,272)</u>	<u>(58)</u>	<u>(136,074)</u>	<u>(58)</u>
GROSS PROFIT	<u>46,789</u>	<u>42</u>	<u>40,761</u>	<u>45</u>	<u>115,828</u>	<u>42</u>	<u>98,820</u>	<u>42</u>
OPERATING EXPENSES (Notes 24 and 30)								
Selling and marketing expenses	(15,041)	(13)	(11,268)	(13)	(41,198)	(15)	(30,098)	(13)
General and administrative expenses	(18,354)	(17)	(16,432)	(18)	(53,723)	(19)	(49,072)	(21)
Research and development expenses	(7,527)	(7)	(6,392)	(7)	(19,581)	(7)	(19,062)	(8)
Expected credit loss	<u>(158)</u>	<u>-</u>	<u>(365)</u>	<u>-</u>	<u>(330)</u>	<u>-</u>	<u>(303)</u>	<u>-</u>
Total operating expenses	<u>(41,080)</u>	<u>(37)</u>	<u>(34,457)</u>	<u>(38)</u>	<u>(114,832)</u>	<u>(41)</u>	<u>(98,535)</u>	<u>(42)</u>
PROFIT FROM OPERATIONS	<u>5,709</u>	<u>5</u>	<u>6,304</u>	<u>7</u>	<u>996</u>	<u>1</u>	<u>285</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES (Note 30)								
Finance costs	(871)	(1)	(746)	(1)	(2,465)	(1)	(2,245)	(1)
Interest income	221	-	31	-	1,284	-	652	-
Other income	1,463	2	1,830	2	2,682	1	2,132	1
Gains on disposal of property, plant and equipment	-	-	370	-	184	-	370	-
Foreign exchange (loss) gain, net	<u>676</u>	<u>1</u>	<u>(262)</u>	<u>-</u>	<u>(739)</u>	<u>-</u>	<u>(89)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,489</u>	<u>2</u>	<u>1,223</u>	<u>1</u>	<u>946</u>	<u>-</u>	<u>820</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	7,198	7	7,527	8	1,942	1	1,105	-
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 25)	<u>38</u>	<u>-</u>	<u>(106)</u>	<u>-</u>	<u>(130)</u>	<u>-</u>	<u>(36)</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>7,236</u>	<u>7</u>	<u>7,421</u>	<u>8</u>	<u>1,812</u>	<u>1</u>	<u>1,069</u>	<u>-</u>

(Continued)

# WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	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	\$ (964)	(1)	\$ (2,096)	(2)	\$ (1,141)	(1)	\$ (2,892)	(1)
Other comprehensive loss for the period, net of income tax	(964)	(1)	(2,096)	(2)	(1,141)	(1)	(2,892)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 6,272</u>	<u>6</u>	<u>\$ 5,325</u>	<u>6</u>	<u>\$ 671</u>	<u>-</u>	<u>\$ (1,823)</u>	<u>(1)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 7,001	7	\$ 7,662	8	\$ 1,980	1	\$ 1,449	-
Non-controlling interests	<u>235</u>	<u>-</u>	<u>(241)</u>	<u>-</u>	<u>(168)</u>	<u>-</u>	<u>(380)</u>	<u>-</u>
	<u>\$ 7,236</u>	<u>7</u>	<u>\$ 7,421</u>	<u>8</u>	<u>\$ 1,812</u>	<u>1</u>	<u>\$ 1,069</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 6,037	6	\$ 5,566	6	\$ 839	-	\$ (1,443)	(1)
Non-controlling interests	<u>235</u>	<u>-</u>	<u>(241)</u>	<u>-</u>	<u>(168)</u>	<u>-</u>	<u>(380)</u>	<u>-</u>
	<u>\$ 6,272</u>	<u>6</u>	<u>\$ 5,325</u>	<u>6</u>	<u>\$ 671</u>	<u>-</u>	<u>\$ (1,823)</u>	<u>(1)</u>
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ 0.30</u>		<u>\$ 0.33</u>		<u>\$ 0.08</u>		<u>\$ 0.06</u>	
Diluted	<u>\$ 0.30</u>		<u>\$ 0.33</u>		<u>\$ 0.08</u>		<u>\$ 0.06</u>	

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						Other Equity	Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Loss			
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Accumulated Deficit				
BALANCE ON 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 nine months ended September 30, 2024	-	-	-	-	-	1,449	-	1,449	(380)	1,069
Other comprehensive loss for the nine months ended September 30, 2024	-	-	-	-	-	-	(2,892)	(2,892)	-	(2,892)
Total comprehensive loss for the nine months ended September 30, 2024	-	-	-	-	-	1,449	(2,892)	(1,443)	(380)	(1,823)
BALANCE ON SEPTEMBER 30, 2024	23,304	\$ 233,043	\$ 50,860	\$ 15,627	\$ 7,320	\$ (1,986)	\$ (14,273)	\$ 290,591	\$ 7,856	\$ 298,447
BALANCE ON JANUARY 1, 2025	23,304	\$ 233,043	\$ 50,860	\$ 15,627	\$ 7,320	\$ (2,328)	\$ (16,611)	\$ 287,911	\$ 7,835	\$ 295,746
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition (Note 27)	-	-	72	-	-	-	-	72	(3,024)	(2,952)
Net profit (loss) for the nine months ended September 30, 2025	-	-	-	-	-	1,980	-	1,980	(168)	1,812
Other comprehensive loss for the nine months ended September 30, 2025	-	-	-	-	-	-	(1,141)	(1,141)	-	(1,141)
Total comprehensive loss for the nine months ended September 30, 2025	-	-	-	-	-	1,980	(1,141)	839	(168)	671
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(655)	655	-	-	-
BALANCE ON SEPTEMBER 30, 2025	23,304	\$ 233,043	\$ 50,932	\$ 15,627	\$ 7,320	\$ (1,003)	\$ (17,097)	\$ 288,822	\$ 4,643	\$ 293,465

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 Nine Months Ended September 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,942	\$ 1,105
Adjustments for:		
Depreciation expense	20,318	21,525
Amortization expense	135	192
Expected credit loss on trade receivables	330	303
Finance costs	2,465	2,245
Interest income	(1,284)	(652)
Gain on disposal of property, plant and equipment	(184)	(370)
Write-down (reversal) of inventories	(653)	2,530
Changes in operating assets and liabilities		
Notes receivable	3,430	(853)
Trade receivable	(5,759)	5,483
Other receivables	(246)	(600)
Inventories	(1,973)	7,949
Prepayments	(645)	(603)
Other current assets	(304)	(41)
Net defined benefit assets	-	274
Contract liabilities	(5,303)	(572)
Trade payable	4,693	(7,271)
Other payables	(6,711)	(7,845)
Provisions - current	203	(537)
Other current liabilities	(87)	243
Cash generated from operations	10,367	22,505
Interest received	1,284	652
Interest paid	(2,352)	(1,998)
Income tax refunded (paid)	2,427	(58)
Net cash generated from operating activities	11,726	21,101
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of financial assets at fair value through other comprehensive income	496	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	2,629
Purchase of financial assets at amortized cost	(10,000)	-
Payments for property, plant and equipment	(17,337)	(3,935)
Proceeds from disposal of property, plant and equipment	476	553
Increase in refundable deposits	(538)	-
Decrease in refundable deposits	-	1,504
Payments for intangible assets	(696)	-
Net cash (used in) generated from investing activities	(27,599)	751

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# WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings increase	\$ 4,000	\$ -
Proceeds from long-term borrowings	55,000	2,000
Repayments of long-term borrowings	(12,238)	(8,309)
Refund of guarantee deposits received	-	(661)
Repayment of the principal portion of lease liabilities	(10,719)	(10,719)
Acquisition of additional interests in subsidiary	<u>(2,952)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>33,091</u>	<u>(17,689)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,218	4,163
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>173,495</u>	<u>188,130</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 190,713</u>	<u>\$ 192,293</u>

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

(Concluded)

# WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 November 11, 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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments 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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

**IFRS 18 “Presentation and Disclosure in Financial Statements”**

- 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 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.

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.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 481	\$ 284	\$ 369
Checking accounts and demand deposits	<u>190,232</u>	<u>173,211</u>	<u>191,924</u>
	<u>\$ 190,713</u>	<u>\$ 173,495</u>	<u>\$ 192,293</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Investments in equity instruments at FVTOCI</u>			
Unlisted ordinary shares			
Compass Bioinformatics Inc.	\$ 709	\$ 281	\$ 506
Taiwan Genome Industry Alliance Inc.	23,775	25,448	27,519
Expercy Medical Ltd.	<u>-</u>	<u>392</u>	<u>434</u>
	<u>\$ 24,484</u>	<u>\$ 26,121</u>	<u>\$ 28,459</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ <u>63,000</u>	\$ <u>53,000</u>	\$ <u>9,000</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 1.44% - 1.60%, 1.36%-1.42% and 1.30%-1.46% per annum as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLE

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ <u>1,145</u>	\$ <u>4,575</u>	\$ <u>2,635</u>
<u>Trade receivable</u>			
At amortized cost			
Gross carrying amount	\$ 46,656	\$ 41,588	\$ 40,147
Instalment accounts receivable	691	-	-
Less: Allowance for impairment loss	<u>(910)</u>	<u>(580)</u>	<u>(733)</u>
	\$ <u>46,437</u>	\$ <u>41,008</u>	\$ <u>39,414</u>

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:

September 30, 2025

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 365 Days Past Due</b>	<b>Over 365 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0.00%-14.32%	0.00%-3.79%	100%	100%	
Gross carrying amount	\$ 44,140	\$ 2,831	\$ 153	\$ 223	\$ 47,347
Loss allowance (Lifetime ECLs)	<u>(445)</u>	<u>(89)</u>	<u>(153)</u>	<u>(223)</u>	<u>(910)</u>
Amortized cost	<u>\$ 43,695</u>	<u>\$ 2,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,437</u>

December 31, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 365 Days Past Due</b>	<b>Over 365 Days Past Due</b>	<b>Total</b>
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)	<u>(194)</u>	<u>(29)</u>	<u>(117)</u>	<u>(240)</u>	<u>(580)</u>
Amortized cost	<u>\$ 39,230</u>	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,008</u>

September 30, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 365 Days Past Due</b>	<b>Over 365 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0.12%-8.94%	1.38%-2.47%	100%	100%	
Gross carrying amount	\$ 35,459	\$ 4,182	\$ 275	\$ 231	\$ 40,147
Loss allowance (Lifetime ECLs)	<u>(168)</u>	<u>(59)</u>	<u>(275)</u>	<u>(231)</u>	<u>(733)</u>
Amortized cost	<u>\$ 35,291</u>	<u>\$ 4,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,414</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 580	\$ 430
Add: Net remeasurement of loss allowance	<u>330</u>	<u>303</u>
Ending balance	<u>\$ 910</u>	<u>\$ 733</u>

No notes receivable and trade receivables were pledged as security.

## 10. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Merchandise	\$ 38,196	\$ 36,875	\$ 43,291

As of September 30, 2025, December 31, 2024 and September 30, 2024, the allowance for inventory write-downs was \$7,142 thousand, \$7,795 thousand and \$6,185 thousand, respectively.

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 64,831	\$ 50,259	\$ 162,522	\$ 133,536
Labor and other operating costs	204	4	403	8
Inventory write-downs (reversed)	(1,725)	(556)	(653)	2,530
	<u>\$ 63,310</u>	<u>\$ 49,707</u>	<u>\$ 162,272</u>	<u>\$ 136,074</u>

For the three months ended September 30, 2025 and 2024 inventory write-downs were reversed as a result of decreased slow-moving inventories.

## 11. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
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 27.

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

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Transportation Equipment	Office Equipment	Production Equipment	Other Equipment	Equipment under Installation	Total
Cost								
Balance on January 1, 2025	\$ 22,761	\$ 97,700	\$ 7,855	\$ 2,924	\$ 64,368	\$ 18,345	\$ -	\$ 213,953
Additions	-	-	-	-	1,926	471	14,940	17,337
Reclassification	-	-	-	-	-	1,305	-	1,305
Disposals	-	-	-	(667)	(5,076)	(2,997)	-	(8,740)
Balance on September 30, 2025	<u>22,761</u>	<u>97,700</u>	<u>7,855</u>	<u>2,257</u>	<u>61,218</u>	<u>17,124</u>	<u>14,940</u>	<u>223,855</u>

(Continued)



	Land	Buildings	Transportation Equipment	Office Equipment	Production Equipment	Other Equipment	Equipment under Installation	Total
<u>Accumulated depreciation</u>								
Balance on January 1, 2025	\$ -	\$ 13,615	\$ 5,419	\$ 1,506	\$ 25,262	\$ 6,593	\$ -	\$ 52,395
Depreciation expenses	-	2,956	504	278	5,041	1,547	-	10,326
Disposals	-	-	-	(667)	(5,076)	(2,705)	-	(8,448)
Balance on September 30, 2025	-	16,571	5,923	1,117	25,227	5,435	-	54,273
Carrying amount on September 30, 2025	<u>\$ 22,761</u>	<u>\$ 81,129</u>	<u>\$ 1,932</u>	<u>\$ 1,140</u>	<u>\$ 35,991</u>	<u>\$ 11,689</u>	<u>\$ 14,940</u>	<u>\$ 169,582</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 22,761</u>	<u>\$ 84,085</u>	<u>\$ 2,436</u>	<u>\$ 1,418</u>	<u>\$ 39,106</u>	<u>\$ 11,752</u>	<u>\$ -</u>	<u>\$ 161,558</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 22,761	\$ 97,700	\$ 7,855	\$ 2,924	\$ 78,427	\$ 18,255	\$ -	\$ 227,922
Additions	-	-	-	-	3,238	697	-	3,935
Disposals	-	-	-	-	(2,755)	(1,478)	-	(4,233)
Balance on September 30, 2024	22,761	97,700	7,855	2,924	78,910	17,474	-	227,624
<u>Accumulated depreciation</u>								
Balance on January 1, 2024	-	9,673	4,395	1,129	34,510	6,037	-	55,744
Depreciation expenses	-	2,956	768	283	6,107	1,419	-	11,533
Disposals	-	-	-	-	(2,755)	(1,295)	-	(4,050)
Balance on September 30, 2024	-	12,629	5,163	1,412	37,862	6,161	-	63,227
Carrying amount on September 30, 2024	<u>\$ 22,761</u>	<u>\$ 85,071</u>	<u>\$ 2,692</u>	<u>\$ 1,512</u>	<u>\$ 41,048</u>	<u>\$ 11,313</u>	<u>\$ -</u>	<u>\$ 164,397</u>

(Concluded)

Note: The reclassification represents a transfer from inventories to other equipment.

According to the Group's assessment, there was no indication of impairment for property, plant and equipment for the nine months ended September 30, 2025 and 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 owned by the Group and pledged as collateral for bank borrowings are set out in Note 31.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
Buildings	<u>\$ 3,331</u>	<u>\$ 13,323</u>	<u>\$ 16,654</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Buildings	\$ <u>3,331</u>	\$ <u>3,331</u>	\$ <u>9,992</u>	\$ <u>9,992</u>

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
Current	\$ <u>2,949</u>	\$ <u>13,576</u>	\$ <u>13,514</u>
Non-current	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,949</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	1.90%	1.90%	1.90%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ <u>19</u>	\$ <u>79</u>	\$ <u>70</u>	\$ <u>141</u>
Expenses relating to low-value asset leases	\$ <u>102</u>	\$ <u>126</u>	\$ <u>322</u>	\$ <u>454</u>
Total cash outflow for leases	\$ <u>(3,694)</u>	\$ <u>(3,778)</u>	\$ <u>(11,111)</u>	\$ <u>(11,314)</u>

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
<u>Cost</u>			
Balance on January 1, 2025	\$ 1,500	\$ -	\$ 1,500
Disposals	<u>-</u>	<u>696</u>	<u>696</u>
Balance on September 30, 2025	\$ <u>1,500</u>	\$ <u>696</u>	\$ <u>2,196</u>

(Continued)

	<b>Patent</b>	<b>Computer Software</b>	<b>Total</b>
<u>Accumulated amortization</u>			
Balance on January 1, 2025	\$ (1,338)	\$ -	\$ (1,338)
Amortization expenses	<u>(112)</u>	<u>(23)</u>	<u>(135)</u>
Balance on September 30, 2025	<u>\$ (1,450)</u>	<u>\$ (23)</u>	<u>\$ (1,473)</u>
Carrying amount on December 31, 2023 and January 1, 2025	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 162</u>
Carrying amount on September 30, 2025	<u>\$ 50</u>	<u>\$ 673</u>	<u>\$ 723</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 1,500	\$ 950	\$ 2,450
Disposals	<u>-</u>	<u>(950)</u>	<u>(950)</u>
Balance on September 30, 2024	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,500</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2024	\$ (1,187)	\$ (871)	\$ (2,058)
Amortization expenses	(113)	(79)	(192)
Disposals	<u>-</u>	<u>950</u>	<u>950</u>
Balance on September 30, 2024	<u>\$ (1,300)</u>	<u>\$ -</u>	<u>\$ (1,300)</u>
Carrying amount on September 30, 2024	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 200</u>
			(Concluded)

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:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
General and administrative expenses	<u>\$ 60</u>	<u>\$ 38</u>	<u>\$ 135</u>	<u>\$ 192</u>

## 15. PREPAYMENTS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Prepayments for goods	\$ 1,600	\$ 985	\$ 342
Other prepaid expenses	<u>5,001</u>	<u>4,971</u>	<u>4,708</u>
	<u>\$ 6,601</u>	<u>\$ 5,956</u>	<u>\$ 5,050</u>

## 16. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ 700</u>

Refer to Note 31 for bank point-of-sale (POS) terminal services and pledged time deposits for financing loan.

## 17. BORROWINGS

### a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Secured borrowings (Note 31)			
Bank loans	\$ 4,000	\$ 4,000	\$ 4,000
Unsecured borrowings			
Credit loans	<u>9,000</u>	<u>5,000</u>	<u>7,000</u>
	<u>\$ 13,000</u>	<u>\$ 9,000</u>	<u>\$ 11,000</u>

The interest rates for revolving bank loans were 2.32% to 2.90% as of September 30, 2025, 2.32% to 3.47% as of December 31, 2024 and 2.16% to 3.47% as of September 30, 2024.

b. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured borrowings</u>			
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand, had interest rates of 2.878% as of September 30, 2025, December 31, 2024 and September 30, 2024. The loan period is from February 15, 2023 to February 15, 2030, with monthly principal and interest repayments.	\$ 13,073	\$ 15,133	\$ 15,810
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand, had interest rates of 2.220% as of September 30, 2025. The loan period is from February 13, 2025 to February 13, 2030, with monthly principal and interest repayments.	8,890	-	-
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand, had interest rates of 2.220% as of September 30, 2025. The loan period is from February 25, 2025 to February 25, 2030, with monthly principal and interest repayments.	8,890	-	-
Taiwan Cooperative Bank The medium-term operational loan, with a borrowing amount of \$10,000 thousand, had interest rates of 2.220% as of September 30, 2025. The loan period is from August 28, 2025 to August 28, 2030, with monthly principal and interest repayments.	9,824	-	-
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand, had an interest rate of 2.220% as of September 30, 2025, December 31, 2024 and September 30, 2024. The loan period is from November 20, 2023 to December 20, 2028, with monthly principal and interest repayments.	6,460	7,925	8,408

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
Chang Hua Bank The medium-term operating loan, with a borrowing amount of \$15,000 thousand, had an interest rate of 2.220% as of September 30, 2025 and December 31, 2024 and September 30, 2024. The loan period is from November 20, 2023 to November 20, 2028, with monthly principal and interest repayments.	\$ 3,230	\$ 3,963	\$ 4,204
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand and an interest rate of 2.220% as of September 30, 2025 and December 31, 2024 and September 30, 2024. The loan period is from December 20, 2023 to December 20, 2028, with monthly principal and interest repayments.	6,625	8,087	8,569
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$12,000 thousand and an interest rate of 2.220% as of September 30, 2025 and December 31, 2024 and September 30, 2024. The loan period is from August 22, 2024 to August 22, 2029, with monthly principal and interest repayments.	1,585	1,873	1,969
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand and an interest rate of 2.220% as of September 30, 2025. The loan period is from March 12, 2025 to March 12, 2030, with monthly principal and interest repayments.	4,524	-	-
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$20,000 thousand and an interest rate of 2.220% as of September 30, 2025. The loan period is from May 8, 2025 to May 8, 2030, with monthly principal and interest repayments.	4,684	-	-
Chang Hua Bank The medium-term operational loan, with a borrowing amount of \$12,000 thousand and an interest rate of 2.220% as of September 30, 2025. The loan period is from July 30, 2025 to July 30, 2030, with monthly principal and interest repayments.	9,684	-	-

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
Chang Hua Bank	\$ 5,000	\$ -	\$ -
The medium-term operational loan, with a borrowing amount of \$20,000 thousand and an interest rate of 2.220% as of September 30, 2025. The loan period is from September 16, 2025 to September 16, 2030, with monthly principal and interest repayments.			
<u>Secured borrowings</u>			
Fubon Bank	67,549	70,275	71,176
The capital financing loan, with a borrowing amount of \$89,300 thousand, had interest rates of 2.176%, 2.172% and 2.139% as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. The loan period is from March 4, 2021 to March 4, 2041, with monthly principal and interest repayments.			
Less: Current portion	<u>(22,719)</u>	<u>(11,681)</u>	<u>(11,622)</u>
Long-term borrowings	<u>\$ 127,299</u>	<u>\$ 95,575</u>	<u>\$ 98,514</u>
			(Concluded)

Welmore, a subsidiary of the Group, had total bank financing credit lines of \$74,888 thousand, \$74,888 thousand and \$54,888 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Additionally, promissory notes amounting to \$24,888 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 as of September 30, 2025, December 31, 2024 and September 30, 2024. 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 \$110,000 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Additionally, promissory notes amounting to \$50,000 thousand were issued as guarantees for the financing facilities.

## 18. TRADE PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Trade payables - operating	<u>\$ 21,599</u>	<u>\$ 16,906</u>	<u>\$ 10,103</u>

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.

## 19. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Payables for salaries or bonuses	\$ 15,884	\$ 21,178	\$ 14,825
Payables for compensation of employees and remuneration of directors	-	-	173
Payables for business taxes	382	1,864	119
Others	<u>4,122</u>	<u>4,036</u>	<u>3,709</u>
	<u>\$ 20,388</u>	<u>\$ 27,078</u>	<u>\$ 18,826</u>

## 20. PROVISIONS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Employee benefits (a)	\$ 1,450	\$ 1,241	\$ 1,279
Warranties (b)	<u>26</u>	<u>32</u>	<u>36</u>
	<u>\$ 1,476</u>	<u>\$ 1,273</u>	<u>\$ 1,315</u>

- 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.

## 21. EQUITY

- a. Share capital

### Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Shares authorized (in thousands of shares)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Share authorized	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Shares issued and fully paid (in thousands of shares)	<u>23,304</u>	<u>23,304</u>	<u>23,304</u>
Ordinary shares issued	<u>\$ 233,043</u>	<u>\$ 233,043</u>	<u>\$ 233,043</u>

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



b. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 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
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries accounted for using the equity method	<u>778</u>	<u>778</u>	<u>778</u>
	<u>\$ 50,932</u>	<u>\$ 50,860</u>	<u>\$ 50,860</u>

\* 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 after the amendment, refer to compensation of employees and remuneration of directors in Note 24-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 2024 and 2023 were approved in the shareholders' meetings on May 27, 2025 and May 30, 2024, respectively.

d. Other equity items

Unrealized (loss) gain on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ (16,611)	\$ (11,381)
Recognized for the period		
Unrealized loss on equity instruments	(1,141)	(2,892)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	<u>655</u>	<u>-</u>
Balance on September 30	<u>\$ (17,097)</u>	<u>\$ (14,273)</u>

**22. REVENUE**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers				
Sales revenue	\$ 78,347	\$ 60,250	\$ 187,905	\$ 140,480
Test revenue	31,322	30,146	89,363	94,224
Revenue from the rendering of services	430	72	581	190
Other operating revenues	<u>-</u>	<u>-</u>	<u>251</u>	<u>-</u>
	<u>\$ 110,099</u>	<u>\$ 90,468</u>	<u>\$ 278,100</u>	<u>\$ 234,894</u>

**Contract Balances**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>	<b>January 1, 2024</b>
Accounts receivable (Note 9)	<u>\$ 46,437</u>	<u>\$ 41,008</u>	<u>\$ 39,414</u>	<u>\$ 45,200</u>
Contract liabilities	<u>\$ 50,826</u>	<u>\$ 56,129</u>	<u>\$ 45,603</u>	<u>\$ 46,175</u>

For the nine months ended September 30, 2025 and 2024, the Group's customer contract revenue included amounts reclassified from contract liabilities to contract revenue, totaling \$36,189 thousand and \$25,832 thousand, respectively.

## 23. OPERATING COST

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of goods sold	\$ 49,722	\$ 35,643	\$ 121,688	\$ 90,731
Testing costs	13,384	14,060	40,181	45,335
Service costs	204	4	210	8
Other operating cost	<u>-</u>	<u>-</u>	<u>193</u>	<u>-</u>
	<u>\$ 63,310</u>	<u>\$ 49,707</u>	<u>\$ 162,272</u>	<u>\$ 136,074</u>

## 24. NET PROFIT FROM CONTINUING OPERATIONS

### a. Employee benefits expense

	For the Three Months Ended September 30					
	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	\$ 4,102	\$ 19,669	\$ 23,771	\$ 3,755	\$ 17,435	\$ 21,190
Employee insurance expenses	525	1,719	2,244	465	1,524	1,989
Post-employment benefits						
Defined contribution plan	232	801	1,033	207	711	918
Other employee benefits	<u>253</u>	<u>817</u>	<u>1,070</u>	<u>233</u>	<u>1,022</u>	<u>1,255</u>
	<u>\$ 5,112</u>	<u>\$ 23,006</u>	<u>\$ 28,118</u>	<u>\$ 4,660</u>	<u>\$ 20,692</u>	<u>\$ 25,352</u>
Depreciation expense						
Property, plant and equipment	\$ 288	\$ 3,274	\$ 3,562	\$ 914	\$ 2,900	\$ 3,814
Right-of-use assets	<u>-</u>	<u>3,331</u>	<u>3,331</u>	<u>-</u>	<u>3,331</u>	<u>3,331</u>
	<u>\$ 288</u>	<u>\$ 6,605</u>	<u>\$ 6,893</u>	<u>\$ 914</u>	<u>\$ 6,231</u>	<u>\$ 7,145</u>
Amortization expense						
Intangible assets	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>
	For the Nine Months Ended September 30					
	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	\$ 12,188	\$ 54,641	\$ 66,829	\$ 11,020	\$ 47,094	\$ 58,114
Employee insurance expenses	1,524	5,098	6,622	1,392	4,415	5,807
Post-employment benefits						
Defined contribution plan	679	2,365	3,044	622	2,092	2,714
Other employee benefits	<u>759</u>	<u>2,689</u>	<u>3,448</u>	<u>705</u>	<u>2,621</u>	<u>3,326</u>
	<u>\$ 15,150</u>	<u>\$ 64,793</u>	<u>\$ 79,943</u>	<u>\$ 13,739</u>	<u>\$ 56,222</u>	<u>\$ 69,961</u>

(Continued)

For the Nine Months Ended September 30						
	2025			2024		
	Attributed to Operating Cost	Attributed to Operating Expenses	Total	Attributed to Operating Cost	Attributed to Operating Expenses	Total
Depreciation expense						
Property, plant and equipment	\$ 599	\$ 9,727	\$ 10,326	\$ 2,819	\$ 8,714	\$ 11,533
Right-of-use assets	<u>-</u>	<u>9,992</u>	<u>9,992</u>	<u>-</u>	<u>9,992</u>	<u>9,992</u>
	<u>\$ 599</u>	<u>\$ 19,719</u>	<u>\$ 20,318</u>	<u>\$ 2,819</u>	<u>\$ 18,706</u>	<u>\$ 21,525</u>
Amortization expense						
Intangible assets	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 192</u>	<u>\$ 192</u>

(Concluded)

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 resolved 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 as compensation distributions for non-executive employees. As of September 30, 2025 and 2024, there was no estimation for compensation of employees (including non-executive employees) and remuneration of directors due to the Company's losses of previous years.

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 September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ 1,032	\$ -	\$ 2,172	\$ 384
Foreign exchange losses	<u>(356)</u>	<u>(262)</u>	<u>(2,911)</u>	<u>(473)</u>
Net (loss) gains	<u>\$ 676</u>	<u>\$ (262)</u>	<u>\$ (739)</u>	<u>\$ (89)</u>

## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ (334)	\$ -	\$ -	\$ -
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>169</u>	<u>15</u>
	<u>(334)</u>	<u>-</u>	<u>169</u>	<u>15</u>
Deferred tax				
In respect of the current period	<u>296</u>	<u>106</u>	<u>(39)</u>	<u>21</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ (38)</u>	<u>\$ 106</u>	<u>\$ 130</u>	<u>\$ 36</u>

### b. Income tax assessments

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

## 26. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Basic earnings per share	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>

### a. Basic earnings per share

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Earnings for the period attributable to owners of the Company	<u>\$ 7,001</u>	<u>\$ 7,662</u>	<u>\$ 1,980</u>	<u>\$ 1,449</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share (in thousands)	<u>23,304</u>	<u>23,304</u>	<u>23,304</u>	<u>23,304</u>
Basic earnings per share (NT\$)	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>

b. Diluted earnings per share

The earnings and weighted average number of common shares used to calculate diluted earnings per share are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Earnings for the period attributable to owners of the Company	<u>\$ 7,001</u>	<u>\$ 7,662</u>	<u>\$ 1,980</u>	<u>\$ 1,449</u>
Weighted average number of ordinary shares used in the computation of basic loss per share (in thousands)	23,304	23,304	23,304	23,304
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>23,304</u>	<u>23,306</u>	<u>23,304</u>	<u>23,306</u>
Diluted earnings per share (NT\$)	<u>\$ 0.30</u>	<u>\$ 0.33</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. 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%.

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

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

## 28. 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.

## 29. 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

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 24,484	\$ 24,484

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

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 28,459	\$ 28,459

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

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

<b>Financial Instrument</b>	<b>Valuation Technique and Inputs</b>
Domestic unlisted 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.

For the nine months ended September 30, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance on 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	<u>(1,141)</u>
Balance on September 30, 2025	<u>\$ 24,484</u>

For the nine months ended September 30, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance on January 1, 2024	\$ 33,980
Reduction of capital cash return	(2,629)
Recognized in other comprehensive income	
Unrealized valuation loss on financial assets at FVTOCI	<u>(2,892)</u>
Balance on September 30, 2024	<u>\$ 28,459</u>

c. Categories of financial instruments

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 190,713	\$ 173,495	\$ 192,293
Financial assets at amortized cost - current	63,000	53,000	9,000
Notes receivable	1,145	4,575	2,635
Trade receivables	46,437	41,008	39,414
Other receivables	553	307	600
Other financial assets	1,700	1,700	700
Financial assets at FVTOCI			
Equity instruments - non-current	24,484	26,121	28,459

(Continued)



	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities</u>			
Amortized cost			
Short-term borrowings	\$ 13,000	\$ 9,000	\$ 11,000
Trade payables	21,599	16,906	10,103
Other payables	20,388	27,078	18,826
Current portion of long-term borrowings	22,719	11,681	11,622
Long-term borrowings	127,299	95,575	98,514
			(Concluded)

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 33. The Group's foreign currency assets primarily consist of USD-denominated bank deposits and trade payable 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 nine months ended September 30, 2025 and 2024, would have increased/decreased by \$124 thousand and \$57 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:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Cash flow interest rate risk	\$ 163,018	\$ 116,256	\$ 121,136

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 nine months ended September 30, 2025 and 2024, would decrease by \$1,223 thousand and \$909 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 nine months ended September 30, 2025 and 2024 would have decreased by \$122 thousand and \$142 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group had available unutilized short-term bank loan facilities of \$131,888 thousand, \$170,888 thousand and \$148,888 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.

#### September 30, 2025

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3+ Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000
Trade payables	21,599	-	-	-	21,599
Other payables	20,388	-	-	-	20,388
Lease liabilities - current	2,949	-	-	-	2,949
Current portion of long-term borrowings	22,719	-	-	-	22,719
Long-term borrowings	-	23,254	23,793	80,252	127,299

#### December 31, 2024

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3+ Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>					
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

September 30, 2024

	Less than 1 Year	1-2 Years	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000
Trade payables	10,103	-	-	-	10,103
Other payables	18,826	-	-	-	18,826
Lease liabilities - current	13,514	-	-	-	13,514
Current portion of long-term borrowings	11,622	-	-	-	11,622
Lease liabilities - non-current	-	2,949	-	-	2,949
Long-term borrowings	-	11,908	12,195	74,411	98,514

### 30. 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

<u>Related Party Name</u>	<u>Related Party Category</u>
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

<u>Related Party Category/Name</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Associate			
Han Gene Co., Ltd.	<u>\$ 2,402</u>	<u>\$ 2,402</u>	<u>\$ 2,402</u>

#### c. Lease arrangements - the Group is lessee

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Lease liabilities - current	Associate Han Gene Co., Ltd.	<u>\$ 2,949</u>	<u>\$ 13,576</u>	<u>\$ 13,514</u>
Lease liabilities - non-current	Associate Han Gene Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,949</u>

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Interest expense</u>				
Associate				
Han Gene Co., Ltd.	<u>\$ 14</u>	<u>\$ 78</u>	<u>\$ 92</u>	<u>\$ 280</u>

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 nine months ended September 30, 2025 and 2024, the amount of the Group's rental payment were both \$10,719 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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Short-term employee benefits	<u>\$ 5,293</u>	<u>\$ 6,819</u>	<u>\$ 20,679</u>	<u>\$ 19,219</u>

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

### 31. 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:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
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	<u>81,129</u>	<u>84,085</u>	<u>85,071</u>
	<u>\$ 105,590</u>	<u>\$ 108,546</u>	<u>\$ 108,532</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS: NONE

### 33. 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:

September 30, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 216	30.507	<u>\$ 6,595</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 621	30.507	<u>\$ 18,946</u> (Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 394	32.843	<u>\$ 12,944</u>

Financial liabilities

Monetary items			
USD	143	32.843	<u>\$ 4,696</u>

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 189	31.71	<u>\$ 6,000</u>

Financial liabilities

Monetary items			
USD	9	31.71	\$ 281
GBP	2	42.62	<u>66</u>
			<u>\$ 347</u>

For the three months ended September 30, 2025 and 2024, realized and unrealized net foreign exchange gains (losses) were \$676 thousand and \$(262) thousand, respectively; for the nine months ended September 30, 2025 and 2024, realized and unrealized net foreign exchange gains (losses) were \$(739) thousand and \$(89) thousand, respectively, which were primarily from the exchange of US dollars to New Taiwan dollars.

### 34. 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.

### 35. 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 Nine Months Ended September 30, 2025			
	Biotechnology Testing Department	Instrument Sales Department	Adjustments and Write-offs	Total
Revenue from external customers	\$ 223,178	\$ 54,922	\$ -	\$ 278,100
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 223,178</u>	<u>\$ 54,922</u>	<u>\$ -</u>	<u>\$ 278,100</u>
Segment profit	<u>\$ 91,093</u>	<u>\$ 24,735</u>	<u>\$ -</u>	\$ 115,828
Interest income				1,284
General other income				2,682
Other gains and losses				(555)
Finance costs				(2,465)
General operating expenses				<u>(114,832)</u>
Net profit before tax for the period				<u>\$ 1,942</u>
Identifiable assets	<u>\$ 168,101</u>	<u>\$ 4,812</u>		\$ 172,913
General assets				<u>381,662</u>
Total assets				<u>\$ 554,575</u>
Depreciation expense	<u>\$ 16,932</u>	<u>\$ 3,386</u>		
Capital expenditure amount	<u>\$ 17,254</u>	<u>\$ 83</u>		

	For the Nine Months Ended September 30, 2024			
	Biotechnology Testing Department	Instrument Sales Department	Adjustments and Write-offs	Total
Revenue from external customers	\$ 175,396	\$ 59,498	\$ -	\$ 234,894
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 175,396</u>	<u>\$ 59,498</u>	<u>\$ -</u>	<u>\$ 234,894</u>
Segment profit	<u>\$ 76,398</u>	<u>\$ 22,422</u>	<u>\$ -</u>	\$ 98,820
Interest income				652
General other income				2,043
Other gains and losses				370
Finance costs				(2,245)
General operating expenses				<u>(98,535)</u>
Net profit before tax for the period				<u>\$ 1,105</u>
Identifiable assets	<u>\$ 173,070</u>	<u>\$ 7,981</u>		\$ 181,051
General assets				<u>331,830</u>
Total assets				<u>\$ 512,881</u>
Depreciation expense	<u>\$ 17,902</u>	<u>\$ 3,623</u>		
Capital expenditure amount	<u>\$ 3,935</u>	<u>\$ -</u>		

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.



TABLE 1

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
SEPTEMBER 30, 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/ Guarantee 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.	Welfare Co., Ltd.	Subsidiary	\$ 28,882	\$ 7,445	\$ 6,733	\$ -	\$ -	2.33	\$ 144,411	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.

TABLE 2

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)  
SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Line Item	September 30, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Welgene Biotech Co., Ltd.	<u>Shares</u>							
	Compass Bioinformatics Inc.	-	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current	200,000	\$ 709	0.56	\$ 709	
	Taiwan Genome Industry Alliance Inc.	-	"	3,970,000	<u>23,775</u> <u>\$ 24,484</u>	14.75	<u>23,775</u> <u>\$ 24,484</u>	

TABLE 3

WELGENE BIOTECH CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
Welgene Biotech Co., Ltd.	Welfare 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	\$ 127,736	\$ 4,800	\$ 4,800	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	49,170	(1,094)	(1,286)	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.