Sofiva Genomics Co., Ltd. And Its Subsidiaries
Consolidated Financial Report and CPA Review Report
3rd Quarter of 2022 and 2021
(Stock Code: 6615)

Address: 4F-2, No. 66-1, Sec. 1, Chongqing S. Rd., Taipei City
Telephone: (02)2382-6615

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail

Sofiva Genomics Co., Ltd. And Its Subsidiaries

Consolidated Financial Report and CPA Review Report for the

3rd Quarter of 2022 and 2021

Table of Contents

CPA Review Report

(2022) Financial Review Report No. 22001976

Sofiva Genomics Co., Ltd.:

Introduction

We have reviewed the accompanying Consolidated Balance Sheets of Sofiva Genomics Co., Ltd. and its subsidiaries of September 30, 2022 and 2021. The Consolidated Statements of Comprehensive Income from July 1 to September 30, 2022 and 2021 and from January 1 to September, 2022 and 2021, the Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows from January 1 to September 30, 2022 and 2021, and the notes on Consolidated Financial Statements (including a summary of significant accounting policies) are hereafter referred to as the consolidated financial statements. It is the responsibility of the management division to prepare and fairly present these 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

Except for the statement in the Basis for the Reserved Conclusions paragraph below, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of the consolidated financial statements consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially smaller in scope than an audit and consequently does not enable us to obtain assurance on the awareness of all significant matters that might be identified in an audit. Accordingly, we did not express an audit opinion.

Basis for the Reserved Conclusions

As stated in Notes 4 (3) and 6 (4) in the consolidated financial statements, we have not reviewed the financial statements for the same period of the immaterial subsidiaries and investments using the equity method included in the aforementioned consolidated financial statements. Their total assets (including investments using the equity method) as of September 30, 2022 and 2021 were NT$396,309 thousand and NT$326,988 thousand respectively, accounting for 50.44% and 43.40% of the total consolidated assets respectively; respective total liabilities were NT$14,430 thousand and NT$12,092 thousand, accounting for 8.04% and 6.50% of the consolidated total liabilities, respectively. The total consolidated profit (loss) (including the share of consolidated profit (loss) accounted for using the equity method) for the periods July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021 were NT$7,022 thousand, NT$8,541 thousand, NT$22,377 thousand, and NT$20,800 thousand, respectively, accounting for 261.53%, 60.11%, 98.79%, and 49.01% of the total consolidated profit (loss), respectively.

Reserved Conclusions

Based on the results of our reviews, we are not aware of any material modifications made to the consolidated financial statements when it was reviewed. The financial statements of the immaterial subsidiaries and investments used the equity method as described in the preceding Basis for the Reserved Conclusions paragraph. With the exception for the adjustments which may have been made to the consolidated financial statements, nothing has come to our attention that has caused us to believe that the consolidated financial statements do not fairly present the consolidated financial position of Sofiva Genomics Co., Ltd. and its subsidiaries (as of September 30, 2022 and 2021). The consolidated financial results from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, and the consolidated cash flows from January 1 to September 30, 2022 and 2021 are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” commissioned and issued into effect by the Financial Supervisory Commission of the Republic of China.

PricewaterhouseCoopers Taiwan
Yu Chih-Fan
CPA
Huang Shih-Chun
Financial Supervisory Commission
Approval NO.: Jin-Guan-Jheng-Liou-Zih NO.1110349013
Jin-Guan-Jheng-Liou-Zih NO.1050029449
November 2, 2022

Sofiva Genomics Co., Ltd. And Its Subsidiaries
Consolidated Balance Sheet
September 30, 2022 and December 31, 2021, September 30, 2021
(The Consolidated Balance Sheet as of September 30, 2022 and 2021 were only reviewed and have not been audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand

	Assets	Notes	September 30, 2022 Amount	%	December 31, 2021 Amount	%	September 30, 2021 Amount	%
	Current Assets							
1100	Cash and Cash Equivalents	6 (1)	$ 136,448	17	$ 214,992	26	$ 195,838	26
1136	Financial Assets at Amortized Cost - Current	6 (1)	42,150	5	30,200	4	30,200	4
1140	Contract Assets - Current	6 (14) and 7 (2)	6,842	1	9,818	1	8,851	1
1150	Notes Receivable (Net)	6 (2)	4,076	1	6,780	1	5,827	1
1170	Net Amount of Accounts Receivable	6 (2)	67,197	9	54,111	7	50,175	7
1180	Accounts receivable - Related Party, Net Value	6 (2) and 7 (2)	3,055	-	3,333	-	3,121	-
1200	Other Receivables		1,098	-	44	-	22	-
1220	Income Tax Assets in the Current Period	6 (19)	7,155	1	4,716	-	3,701	1
130X	Inventories	6 (3)	38,932	5	41,562	5	38,881	5
1410	Advance Payment		6,092	1	6,578	1	7,808	1
1470	Other Current Assets		2,139	-	1,392	-	1,864	-
11XX	**Total Current Assets**		315,184	40	373,526	45	346,288	46
	Non-current Assets							
1550	Investment Accounted for Using the Equity Method	6 (4)	311,537	39	297,346	36	246,642	33
1600	Property, Plant, and Equipment	6 (5)	61,343	8	44,391	6	49,178	6
1755	Right-of-use Assets	6 (6)	75,940	10	84,176	10	88,327	12
1780	Intangible Assets		7,081	1	6,234	1	6,615	1
1840	Deferred Income Tax Assets		6,579	1	8,912	1	8,733	1
1920	Refundable Deposits		6,613	1	6,206	1	6,196	1
1990	Other Non-current Assets - Others		1,393	-	1,510	-	1,512	-
15XX	**Total Non-current Assets**		470,486	60	448,775	55	407,203	54
1XXX	**Total Assets**		$ 785,670	100	$ 822,301	100	$ 753,491	100

(Continued on next page)

Sofiva Genomics Co., Ltd. And Its Subsidiaries
Consolidated Balance Sheet
September 30, 2022 and December 31, 2021, September 30, 2021
(The Consolidated Balance Sheet as of September 30, 2022 and 2021 were only reviewed and have not been audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand

	Liabilities and Equities	Notes	September 30, 2022 Amount	%	December 31, 2021 Amount	%	September 30, 2021 Amount	%
	Liabilities							
	Current Liabilities							
2130	Contract Liabilities - Current	6 (14)	$ 2,162	-	$ 2,691	-	$ 3,158	1
2150	Notes Payable		-	-	1,618	-	969	-
2160	Notes Payable - Related Party	7 (2)	-	-	2,586	-	2,642	-
2170	Accounts Payable		45,623	6	51,245	6	38,295	5
2180	Accounts Payable - Related Party	7 (2)	5,385	1	2,995	1	2,722	1
2200	Other Payables	6 (7)	41,573	5	40,378	5	38,597	5
2230	Income Tax Liabilities for the Current Period	6 (19)	17	-	4,215	1	3,522	1
2250	Liability Reserve - Current	6 (8)	1,948	-	1,290	-	1,338	-
2280	Lease Liabilities - Current		14,290	2	14,481	2	15,100	2
2300	Other Current Liabilities		1,292	-	1,848	-	1,914	-
21XX	**Total Current Liabilities**		112,290	14	123,347	15	108,257	15
	Non-current Liabilities							
2550	Liability Reserve - Non-current	6 (8)	3,097	1	3,060	-	3,047	-
2580	Lease Liabilities - Non-current		64,162	8	71,454	9	74,703	10
25XX	**Total Non-current Liabilities**		67,259	9	74,514	9	77,750	10
2XXX	**Total Liabilities**		179,549	23	197,861	24	186,007	25
	Equities Attributable to Owners of the Parent Company							
	Share Capital	6 (11)						
3110	Capital Stock - Common Shares		213,624	27	213,624	26	212,616	28
	Capital Surplus	6 (12)						
3200	Capital Surplus		330,241	42	328,309	40	286,318	38
	Retained Earnings	6 (13)						
3310	Legal Reserve		30,207	4	24,509	3	24,509	3
3350	Undistributed Earnings		32,138	4	57,779	7	43,801	6
	Other Equity							
3400	Other Equity		23	-	10	-	(5)	-
31XX	**Total Equities Attributable to Owners of the Company**		606,233	77	624,231	76	567,239	75
36XX	**Non-controlling Interests**		(112)	-	209	-	245	-
3XXX	**Total Equities**		606,121	77	624,440	76	567,484	75
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9						
	Significant Subsequent Events	11						
3X2X	**Total Liabilities and Equities**		$ 785,670	100	$ 822,301	100	$ 753,491	100

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

Chairman: Yi-Ning Su Manager: Chia-Cheng Hung Accounting Supervisor: Fu-Chien Chang

Sofiva Genomics Co., Ltd. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to September 30, 2022 and 2021
(Reviewed only and not audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand
(except for earnings per share, which are listed in NTD)

	Item	Notes	July 1 to September 30, 2022		July 1 to September 30, 2021		January 1 to September 30, 2022		January 1 to September 30, 2021	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue	6 (14) and 7 (2)	$ 120,004	100	$ 125,253	100	$ 375,350	100	$ 383,090	100
5000	Operating Costs	6 (3) (17) and 7 (2)	(88,664)	(74)	(81,961)	(65)	(261,570)	(70)	(248,233)	(65)
5900	Operating Gross Profit		31,340	26	43,292	35	113,780	30	134,857	35
	Operating Expenses	6 (17)								
6100	Sales Expenses		(12,566)	(11)	(12,750)	(10)	(36,293)	(9)	(37,318)	(10)
6200	Administrative Expenses		(21,110)	(18)	(20,645)	(16)	(62,615)	(17)	(59,867)	(15)
6300	Research and Development Expenses		(2,866)	(2)	(2,084)	(2)	(6,320)	(2)	(8,884)	(2)
6450	Expected Credit Impairment Gains (Losses)	12 (2)	1,192	1	491	-	(1,874)	-	545	-
6000	Total Operating Expenses		(35,350)	(30)	(34,988)	(28)	(107,102)	(28)	(105,524)	(27)
6900	Operating Profit (Loss)		(4,010)	(4)	8,304	7	6,678	2	29,333	8
	Non-operating Income and Expenses									
7100	Interest Income	6 (15)	148	-	65	-	391	-	253	-
7010	Other Incomes		73	-	118	-	936	-	453	-
7020	Other Gains and Losses		(80)	-	(646)	(1)	64	-	(1,761)	(1)
7050	Financial Costs	6 (16)	(373)	-	(425)	-	(1,133)	-	(1,332)	-
7060	Share of Profit or Loss of Associated Enterprises and Joint Ventures Recognized by the Equity Method	6 (4)	6,111	5	8,706	7	20,123	5	21,423	6
7000	Total Non-operating Income and Expenses		5,879	5	7,818	6	20,381	5	19,036	5
7900	**Net Profit before Tax**		1,869	1	16,122	13	27,059	7	48,369	13
7950	Income Tax (Expenses) Gains	6 (19)	822	1	(1,827)	(2)	(4,422)	(1)	(5,541)	(2)
8200	**Net Profit of Current Period**		$ 2,691	2	$ 14,295	11	$ 22,637	6	$ 42,828	11

(Continued on next page)

Sofiva Genomics Co., Ltd. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to September 30, 2022 and 2021
(Reviewed only and not audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand
(except for earnings per share, which are listed in NTD)

	Item	Notes	July 1 to September 30, 2022 Amount	%	July 1 to September 30, 2021 Amount	%	January 1 to September 30, 2022 Amount	%	January 1 to September 30, 2021 Amount	%
	Other Comprehensive Income (Loss)									
	Items that May be Subsequently Reclassified as Profit or Loss									
8361	Exchange Differences in Conversion of the Financial Statements of Foreign Operations		($ 7)	-	($ 95)	-	$ 17	-	($ 384)	-
8399	Income Tax Expenses (Gains) Related to Items that May be Subsequently Reclassified to Profit or Loss:	6 (19)	1	-	8	-	(3)	-	(1)	-
8360	Total items that may be subsequently reclassified as profit or loss		(6)	-	(87)	-	14	-	(385)	-
8300	**Other Comprehensive Income (Net)**		($ 6)	-	($ 87)	-	$ 14	-	($ 385)	-
8500	**Total Comprehensive Income of Current Period**		$ 2,685	2	$ 14,208	11	$ 22,651	6	$ 42,443	11
	Net Income Attributable to:									
8610	Owners of the Parent Company		$ 2,548	2	$ 14,398	11	$ 22,782	6	$ 42,998	11
8620	Non-controlling Interests		143	-	(103)	-	(145)	-	(170)	-
			$ 2,691	2	$ 14,295	11	$ 22,637	6	$ 42,828	11
	Total Comprehensive Profit or Loss Attributable to:									
8710	Owners of the Parent Company		$ 2,543	2	$ 14,320	11	$ 22,795	6	$ 42,652	11
8720	Non-controlling Interests		142	-	(112)	-	(144)	-	(209)	-
			$ 2,685	2	$ 14,208	11	$ 22,651	6	$ 42,443	11
	Basic Earnings per Share									
9750	Net Profit of Current Period	6 (20)	$ 0.12		$ 0.68		$ 1.07		$ 2.02	
	Diluted Earnings per Share									
9850	Net Profit of Current Period	6 (20)	$ 0.12		$ 0.67		$ 1.07		$ 2.01	

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

Chairman: Yi-Ning Su Manager: Chia-Cheng Hung Accounting Supervisor: Fu-Chien Chang

Sofiva Genomics Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to September 30, 2022 and 2021
(Reviewed only and not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

		Equities Attributable to Owners of Parent Company										
			Capital Surplus				Retained Earnings		Other Equity			
	Notes	Capital Stock - Common Shares	Issue Premium	Changes in the Net Equity Value of Associated Enterprises Recognized by the Equity Method	Employee Share Options	Others	Legal Reserves	Undistributed Earnings	Exchange Differences in Conversion of the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total
January 1 to September 30, 2021												
Balance as at January 1, 2021		$ 212,616	$ 224,468	$ 57,447	$ 2,379	$ 30	$ 21,124	$ 33,954	$ 341	$ 552,359	$ 454	$ 552,813
Net Profit of Current Period		-	-	-	-	-	-	42,998	-	42,998	(170)	42,828
Other Comprehensive Profit (Loss) for the Current Period		-	-	-	-	-	-	-	(346)	(346)	(39)	(385)
Total Comprehensive Profit (Loss) for the Current Period		-	-	-	-	-	-	42,998	(346)	42,652	(209)	42,443
2020 Surplus Appropriation and Distribution	6 (13)											
Provision of Legal Reserves		-	-	-	-	-	3,385	(3,385)	-	-	-	-
Cash Dividend of Common Stock		-	-	-	-	-	-	(29,766)	-	(29,766)	-	(29,766)
Employee Share Option Compensation Cost	6 (10)	-	-	-	2,063	-	-	-	-	2,063	-	2,063
Changes in the Net Equity Value of Associated Enterprises Recognized by the Equity Method		-	-	(69)	-	-	-	-	-	(69)	-	(69)
Balance as at September 30, 2021		$ 212,616	$ 224,468	$ 57,378	$ 4,442	$ 30	$ 24,509	$ 43,801	($ 5)	$ 567,239	$ 245	$ 567,484
January 1 to September 30, 2022												
Balance as at January 1, 2022		$ 213,624	$ 225,173	$ 98,456	$ 4,650	$ 30	$ 24,509	$ 57,779	$ 10	$ 624,231	$ 209	$ 624,440
Net Profit of Current Period		-	-	-	-	-	-	22,782	-	22,782	(145)	22,637
Other Comprehensive Profit (Loss) for the Current Period		-	-	-	-	-	-	-	13	13	1	14
Total Comprehensive Profit (Loss) for the Current Period		-	-	-	-	-	-	22,782	13	22,795	(144)	22,651
2021 Surplus Appropriation and Distribution	6 (13)											
Provision of Legal Reserves		-	-	-	-	-	5,698	(5,698)	-	-	-	-
Cash Dividend of Common Stock		-	-	-	-	-	-	(42,725)	-	(42,725)	-	(42,725)
Employee Share Option Compensation Cost	6 (10)	-	-	-	1,932	-	-	-	-	1,932	-	1,932
Increase/Decrease in Non-controlling Interests	4 (3)	-	-	-	-	-	-	-	-	-	(177)	(177)
Balance as at September 30, 2022		$ 213,624	$ 225,173	$ 98,456	$ 6,582	$ 30	$ 30,207	$ 32,138	$ 23	$ 606,233	($ 112)	$ 606,121

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

Chairman: Yi-Ning Su | Manager: Chia-Cheng Hung | Accounting Supervisor: Fu-Chien Chang

Sofiva Genomics Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2022 and 2021
(Reviewed only and not audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand

	Notes	January 1 to September 30, 2022	January 1 to September 30, 2021
Cash Flows from Operating Activities			
Current Net Income before Tax		$ 27,059	$ 48,369
Adjusted Items			
Revenue and Expense Items			
Depreciation of property, plant, and equipment as well as right-of-use assets	6 (17)	29,161	30,570
Amortization of Intangible Assets	6 (17)	2,694	1,457
Expected Credit Impairment Loss (Gain)	12 (2)	1,874	(545)
Interest Expenses	6 (16)	1,133	1,332
Interest Income	6 (15)	(391)	(253)
Employee Share Option Compensation Cost	6 (10)	1,932	2,063
Share of Loss (Gain) of Associated Enterprise Recognized by the Equity Method	6 (4)	(20,123)	(21,423)
Loss (Gain) from Disposal of Property, Plant, and Equipment		(17)	-
Changes in Assets/Liabilities Related to Operating Activities			
Net Change in Assets Related to Operating Activities			
Contract Assets - Current		2,976	(2,395)
Net Amount of Notes Receivable		2,704	1,753
Net Amount of Accounts Receivable		(14,960)	(4,582)
Accounts receivable - Related Party, Net Value		278	114
Other Receivables		(1,054)	21
Inventories		2,630	11,227
Advance Payment		486	196
Other Current Assets		(747)	(687)
Net Change in Liabilities Related to Operating Activities			
Contract Liabilities - Current		(529)	(89)
Notes Payable		(1,618)	(440)
Notes Payable - Related Party		(2,586)	130
Accounts Payable		(5,622)	(4,816)
Accounts Payable - Related Party		2,390	(689)
Other Payables		(85)	(1,343)
Liability Reserve - Current		658	(48)
Other Current Liabilities		(556)	367
Cash Inflow from Operations		27,687	60,289
Interests Received		391	222
Interests Paid		(1,098)	(1,295)
Income Tax Paid		(8,698)	(3,309)
Net Cash Inflow from Operating Activities		18,282	55,907
Cash Flows from Investment Activities			
Financial Assets Measured at Amortized Cost- Current Increase		(11,950)	-
Acquisition of Property, Plant, and Equipment	6 (21)	(31,548)	(6,153)
Disposal of Property, Plant, and Equipment		95	-
Acquisition of Intangible Assets		(1,628)	(4,273)
Increase of Other Non-Current Assets		(2,596)	(1,512)
Increase in Refundable Deposits		(507)	(499)
Decrease in Refundable Deposits		100	195
Dividend Received	6 (4)	5,932	4,448
Net Cash Outflow from Investing Activities		(42,102)	(7,794)
Cash Flows from Financing Activities			
Decrease in Deposits Received		-	(2)
Repayment of the Principal Portion of Lease Liabilities	6 (22)	(11,784)	(11,654)
Distributed Cash Dividend	6 (22)	(42,725)	(29,766)
Changes in Non-controlling Interests	4 (3)	(177)	-
Net Cash Outflow from Financing Activities		(54,686)	(41,422)
Effect of Exchange Rate Changes		(38)	298
Increase (Decrease) in Cash and Cash Equivalents in the Current Period		(78,544)	6,989
Cash and Cash Equivalents at Beginning of the Period		214,992	188,849
Cash and Cash Equivalents at End of the Period		$ 136,448	$ 195,838

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

Chairman: Yi-Ning Su Manager: Chia-Cheng Hung Accounting Supervisor: Fu-Chien Chang

Sofiva Genomics Co., Ltd. And Its Subsidiaries

Notes to Consolidated Financial Statements

3rd Quarter of 2022 and 2021

(Reviewed only and not audited in accordance with the generally accepted auditing standards)

Unit: NTD thousand

(Unless otherwise specified)

I. Company History

(I) Sofiva Genomics Co., Ltd. (hereinafter referred to as the “Company”) was established on June 15, 2012, in accordance with the Company Act of the Republic of China, and began its official operations. The main business items of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are pre-pregnancy, prenatal, and newborn genetic testing as well as medical testing services.

(II) In January 2017, the Company applied for the registration of trading in the emerging stock market at Taipei Exchange (TPEx) of the Republic of China, an incorporated foundation. Since January 22, 2018, the Company has been trading at TPEx.

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements had been approved and issued by the Board of Directors on November 2, 2022.

III. Applicable for Newly Issued and Revised Standards and Interpretations

(I) Impact of new and amended IFRS/IAS endorsed by the Financial Supervisory Commission (FSC)

The following table summarizes the standards and interpretations for the new issuance, amendment, and revision of the IFRS/IAS applicable in 2022, as endorsed by the Financial Supervisory Commission:

New, Revised, and Amended Standards or Interpretations	Effective Date Announced by IASB
Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Onerous Contracts - Cost of Fulfilling Contracts (Amendments to IAS 37)	January 1, 2022
Annual Improvements to the 2018-2020 Cycle	January 1, 2022

The Group has assessed that the above criteria and interpretations have no material impact on its consolidated financial position and consolidated financial performance.

(II) The impact of the newly released and amended IFRS/IAS endorsed by the FSC that have not yet been adopted

The following table summarizes the standards and interpretations for the new issuance, amendment and revision of the IFRS/IAS applicable as of the year of 2023, as endorsed by the Financial Supervisory Commission:

New, Revised and Amended Standards or Interpretations	Effective Date Announced by IASB
Disclosure of Accounting Policies (Amendments to IAS 1)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023

The Group has assessed that the above criteria and interpretations have no material impact on its consolidated financial position and consolidated financial performance.

(III) The impact of IFRS/IAS has been issued by the IASB but it has not yet been endorsed by the FSC

The following table summarizes the newly issued, amended, and revised standards and interpretations that have been issued by the IASB but have not yet been incorporated into the IFRS recognized by the FSC:

New, Revised and Amended Standards or Interpretations	Effective Date Announced by IASB
Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be decided by the IASB
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024
Insurance Contracts (IFRS 17)	January 1, 2023
Insurance Contracts (Amendments to IFRS 17)	January 1, 2023

Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendments to IFRS 17)	January 1, 2023
Current or Non-Current Classification of Liabilities (Amendments to IAS 1)	January 1, 2023

The Group has assessed that the above criteria and interpretations have no material impact on its consolidated financial position and consolidated financial performance.

IV. Summary Statement of Significant Accounting Policies

The principal accounting policies used in the preparation of these consolidated financial statements are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Declaration of Compliance

This consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting, which has been endorsed and issued into effect by the FSC.

(II) Basis of Preparation

1. This consolidated financial report is prepared in accordance with the historical cost principle.
2. The preparation of financial reports complies with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”), which are endorsed and issued into effect by the FSC. It requires the use of some significant accounting estimates. The management division is also required to give their judgements in the process of applying for the Group’s accounting policies, items involving a high degree of judgment or complexity, or items involving significant assumptions and estimates in the consolidated financial report. Please refer to Note 5 for further details.

(III) Basis for Consolidation

1. Principles for the preparation of consolidated financial statements
   (1) The Group incorporates all its subsidiaries into the entity that prepares the consolidated financial statements. “Subsidiary” means an entity (including a structured entity) controlled by the Group which is controlled by the Group when it is exposed to or has a right to variable remuneration from its participation in such entity and has the ability to influence such remuneration through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group gains control, and the consolidation is terminated from the date of loss of control.
   (2) Intra-group transactions, balances and unrealized gains and losses have been

eliminated. The accounting policies of subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

(3) Profit or loss and each component of other comprehensive profit or loss are attributed to the owners of the parent company and the non-controlling interests. The total comprehensive profit or loss is also attributed to the owners of the parent company and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2. Subsidiaries included in the consolidated financial statements:

Name of Investing Company	Name of Subsidiary	Nature of Business	Shareholding Percentage			Remarks
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Phoebus Genetics Co., Ltd.	Testing Services	100%	100%	100%	Note 1
The Company	Sofiva Genomics Bangkok Co., Ltd.	Testing Services	90%	90%	90%	Note 1
The Company	Sofiva Genomics Medical Laboratory	Testing Services	-	-	-	Note 1/Note 2
The Company	Sofiva Genomics Clinician's Laboratory	Testing Services	-	-	-	Note 1/Note 3

Note 1: Non-significant subsidiaries; the financial statements as of September 30, 2022 and 2021 have not been audited by the CPA. The financial statements as of December 31, 2021 have been audited by the Company's CPA.

Note 2: This laboratory was established in June 2021. Although the Company has not invested in holding shares, it has control over the financial, operational, and personnel policies of the laboratory and it is therefore included in the consolidated entity.

The laboratory distributed NT$177 of earnings in March 2022, and the impact on non-controlling interests was (NT$177).

Note 3: This laboratory was established in February 2022. Although the Company has not invested in holding shares, it has control over the financial, operational, and personnel policies of the laboratory and it is therefore included in the consolidated entity.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatment methods for different accounting periods of subsidiaries: None.
5. Significant limitations: None.
6. Subsidiaries with non-controlling interests in the Group: None.

(IV) <u>Foreign Currency Conversion</u>

The items included in the financial statements of each entity within the Group are measured in the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The functional currency of the Company is in New Taiwan dollars, and those of the subsidiaries are in New Taiwan dollars and Thai Baht. The consolidated financial statements are presented in New Taiwan dollars, the Company's functional currency.

1. Payments in foreign currencies and balances
   (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and differences arising from the translation of these transactions are recognized in profit or loss for the current period.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as current profits and losses.
   (3) All exchange gains and losses are reported under "Other Gains and Losses" in the Consolidated Statements of Comprehensive Income.
2. Conversion of foreign operating institutions
   The results of operations and the financial position of all group entities, associated enterprises and associated agreements whose functional currencies differ from the expressed currencies are translated into the expressed currencies in the following manner:
   (1) The assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on that balance sheet date;
   (2) The gains and losses expressed in each consolidated statement of profit or loss are translated at the average exchange rate for the period; and
   (3) All translation differences arising from translation are recognized in other comprehensive profit or loss.

(V) Classification Criteria for Distinguishing between Current and Non-current Assets and Liabilities

1. Assets that meet one of the following conditions are classified as current assets:
   (1) Assets expected to be realized in the normal operating cycle, or intended to be sold or consumed.
   (2) Assets held primarily for trading purposes.
   (3) Assets expected to be realized within 12 months after the balance sheet date.
   (4) Cash or cash equivalents, unless they are exchanged at least 12 months after the balance sheet date or restricted from being used to settle liabilities.

   The Group classifies all assets that do not meet the above criteria as non-current.
2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Those expected to be settled in the normal business cycle.
(2) Those held primarily for trading purposes.
(3) Those expected to be repaid within 12 months after the balance sheet date.
(4) Those with repayment periods that cannot be unconditionally deferred to at least 12 months after the balance sheet date. The terms of liabilities may depend on the counterparty's choice, and the issue of equity instruments will result in repayment, which does not affect their classification.

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

(VI) Cash Equivalents

Cash equivalents are short-term, highly liquid investments that can be converted into fixed amounts of cash at any time with minimal risk of changes in value. Time deposits meet the above definition. They are held for the purpose of meeting short-term operating cash commitments and classified as cash equivalents.

(VII) Financial Assets Measured at Amortized Cost

1. The term refers to assets which meet the following conditions simultaneously:
   (1) The financial asset is held under an operating model whose purpose is to collect contractual cash flows.
   (2) The contractual terms of the financial asset generate cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.
2. The Group uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. The Group measures fair value plus transaction costs at the time of initial recognition, and subsequently recognizes interest income and impairment losses during the circulation period by using the effective interest method of amortization. When delisting, the profit or loss is recognized.
4. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounts is not significant and is measured by the investment amount.

(VIII) Accounts Receivable and Notes Receivable

1. These terms refer to the accounts and notes that have the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.
2. For short-term accounts and notes receivable with unpaid interest, since the impact of discounting is not significant, the Group measures them by the original invoice amount.

(IX) Impairment of Financial Assets

At each balance sheet date, the Group, after considering all reasonable and corroborative information (including forward-looking information) for financial assets measured at amortized cost, has had no significant increase in credit risk since the original recognition. The allowance loss shall be measured by the amount of 12-month expected credit loss. For those whose credit risk has increased significantly since the original recognition, the allowance loss shall be measured by the amount of expected credit loss during the duration. For accounts receivable and contract assets which do not include significant financial components, allowance losses are measured at the lifetime expected credit loss amount.

(X) De-recognition of Financial Assets

Financial assets are de-recognized when the Group's contractual rights to receive cash flows from the financial assets lapse.

(XI) Inventories

Inventories are measured at the lower cost and net realizable value, with cost determined by the weighted average method. When the comparison of cost and net realizable value is low, the comparison is made on a case-by-case basis. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost to complete and the estimated cost to complete the sale.

(XII) Investments Accounted for the Using Equity Method—Associated Enterprises

1. Associated enterprises refers to all individuals over which the Group has significant influence on but no control over, generally directly or indirectly holding more than 20% of the voting shares. The Group's investments in associated enterprises are treated using the equity method and are recognized at cost when acquired.
2. The Group recognizes the share of profit or loss obtained by the associated enterprise as current profits and losses. It also recognizes the share of other comprehensive profits and losses after it is obtained as such. If the Group's share of the loss to any associated enterprise equals to or exceeds its interest in that enterprise (including any other unsecured receivables), the Group shall not recognize further losses unless the Group has legal or constructive obligation to the affiliate or has paid on its behalf.
3. When equity changes in non-profits or losses and other comprehensive profits and losses with associated enterprises do not affect the shareholding ratio of the said enterprises, the Group will recognize the changes in equity attributable to the Group as "capital reserve" according to the shareholding ratio.
4. Unrealized gains and losses arising from transactions between the Group and its associated enterprises have been eliminated in proportion to its equity in the associated

enterprises; unless evidence shows that the assets transferred by the transaction have been impaired. Unrealized losses are also excluded. The accounting policies of the associated enterprise have been adjusted as necessary to conform to the policies approved by the Group.

5. When an associated enterprise issues new shares, if the Group does not subscribe or acquire them proportionally, resulting in a change in the investment ratio but still having a significant impact on it, the increase or decrease in the net change in equity is an adjustment to the "capital surplus" and "investments accounted for using equity method". In the event of a decrease in the proportion of investments, in addition to the adjustments mentioned above, gains or losses previously recognized in other comprehensive income or loss related to the decrease in ownership interests that needed reclassification at the time of disposal of the underlying asset or liability are reclassified to profit or loss in proportion to the decrease.

6. When the Group disposes of an associated enterprise, if it loses significant influence on the enterprise, the accounting treatment for all amounts previously recognized in other comprehensive profits and losses related to the associated enterprise shall be the same as if the Group had directly disposed of the relevant assets or liabilities. That is, if the profit or loss previously recognized as other comprehensive profit or loss is reclassified as profit or loss when the relevant assets or liabilities are disposed of. It may also be when the significant impact on the associated enterprise is lost, the profit or loss is reclassified from equity for profits and losses. If there is still significant influence on the associated enterprise, only the amount previously recognized in other comprehensive profits and losses shall be transferred out in the manner outlined above.

(XIII) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that the future economic benefits associated with the item will go to the Group and the cost of the item can be measured reliably. The carrying amount of the portion to be replaced shall be excluded. All other maintenance costs are recognized as profit or loss for the period when incurred.

3. Subsequent measurement of property, plant and equipment adopts the cost model and is depreciated on a straight-line basis over its estimated useful lives. Each component of property, plant and equipment is depreciated separately if it is significant.

4. The Group reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life

is different from the previous estimate, or if there has been a significant change in the expected consumption pattern of the future economic benefits contained in the asset,, from the date of the change, it will be handled in accordance with the provisions on changes in accounting estimates in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The useful life of each asset is as follows:

Machinery and equipment	2 to 8 years
Transportation equipment	5 years
Office equipment	3 to 5 years
Leasehold improvements	3 to 10 years
Others	3 to 5 years

(XIV) Lease Transactions of Lessee - Right-of-use Assets/Lease Liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is a short-term lease or a low-value underlying asset, lease payments are recognized as an expense on a straight-line basis over the lease term.

2. The lease liability is recognized at the inception date of the lease at the present value of the outstanding lease payments and discounted at the Group's incremental borrowing rate. The lease payments consist of fixed payments minus any lease inducements that may be received.
Subsequent use of the interest method is measured by the amortized cost method, and the interest expense is provided during the lease period. When non-contractual amendments result in changes in the lease term or lease payments, the lease liability is reassessed and the right-of-use asset is adjusted by re-measurement.

3. Right-of-use assets are recognized at cost on the commencement date of the lease, which includes:
   (1) The original measurement of the lease liability;
   (2) Any lease payments made on or before the commencement date;
   (3) The estimated cost of dismantling, removing and restoring the targeted asset to its location, or restoring the targeted asset to the condition required by the terms and conditions of the lease.

   The subsequent cost model is used for measurement, and the depreciation expense is charged when the service life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will be adjusted for any remeasurement of the lease liability.

4. For lease modifications that reduce the scope of the lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the

lease and will recognize in profit or loss the difference between this and the remeasured amount of the lease liability.

(XV) Intangible Assets

1. Exclusively acquired patent rights are recognized at the cost of acquisition. Patent rights are assets with finite service lives and are amortized on a straight-line basis over an estimated service life of 15 years.
2. Computer software and website costs are recognized at the cost of acquisition and amortized on a straight-line basis over an estimated service life of one to five years.

(XVI) Impairment of Non-financial Assets

On the balance sheet date, the Group estimates the recoverable amount of assets with signs of impairment and recognizes impairment losses when the recoverable amount is lower than the asset's book value. The recoverable amount is the fair value of an asset minus the cost of disposal or its value in use, whichever is higher. When previously recognized impairment no longer exists or has been reduced, the impairment loss shall be reversed, but the increase in the carrying amount of the asset due to reversal of impairment loss shall not exceed the depreciation or amortization of the asset.

(XVII) Accounts Payable and Notes Payable

1. These terms refer to debts arising from the purchase of raw materials, commodities, or services on credit as well as the accounts and notes payable arising from business and non-business purposes.
2. The Group measures short-term accounts payable and bills, with no interest paid by the original invoice amount, since the impact by discount is not significant.

(XVIII) Derecognition of Financial Liabilities

The Group's financial liabilities are derecognized when the obligations set out in the contract are terminated, canceled, or expired.

(XIX) Liability Reserve

Provision for indemnity and decommissioning liabilities for the provision of inspection services are current statutory or constructive obligations arising from past events. It is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably. Liability reserve is measured at the best estimated present value of expenses required to meet the obligation at the balance sheet date. The discount rate uses a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risk of the liability. The amortization of the discount is recognized as an interest expense. Future operating losses shall not be recognized as a liability reserve.

(XX) Employee Benefits

1. Short-term Employee Benefits

   Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Pension—Defined Contribution Plan

   For a defined contribution plan, the amount to be allocated to the pension fund is recognized as the current pension cost on an accrual basis. Advance provisions are recognized as assets to the extent of refundable cash or reductions in future payments.

3. Employee Remuneration and Remuneration of Directors and Supervisors

   Remunerations of employees, directors, and supervisors are recognized as expenses and liabilities when there are legal or constructive obligations. These amounts can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount in subsequent resolutions, it shall be dealt with as a change in accounting estimation. In addition, if employees are paid in shares, the basis for calculating the number of shares is the closing price on the day before the resolution of the Board of Directors.

(XXI) Employee Share-based Payment

The equity-delivered share-based payment agreement refers to employee labor services obtained by measuring the fair value of the equity instruments given on the grant date, which are recognized as remuneration costs during the vested period. Equity is adjusted relatively. The fair value of equity instruments should reflect the effect of the market-price vesting and non-vesting conditions. recognized remuneration costs are adjusted according to the number of awards expected to meet the conditions of service and non-market price vesting conditions until the final recognition amount is recognized in the vested amount on the vesting date.

(XXII) Income Tax

1. Income tax expenses include current and deferred income tax. Income tax is recognized in profit or loss, except for income tax relating to items included in other comprehensive profit or loss or directly included in equity.
2. The current income tax is calculated based on the tax rates enacted or substantively enacted at the balance sheet date in the countries in which the Group operates and generates taxable income. The management division regularly assesses the status of income tax returns with respect to applicable income tax-related regulations and, where applicable, assesses income tax liabilities based on expected tax payments to tax authorities. Undistributed earnings are subject to additional income tax in accordance with the Income Tax Act. The undistributed earnings income tax expense shall be

recognized only after the shareholders' meeting approves the earnings distribution proposal the year after the earnings are generated.

3. Deferred income tax is recognized using the balance sheet method based on temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. For temporary differences arising from investments in subsidiaries, the Group can control the timing of the reversal of the temporary differences. However, these differences will not be recognized if it is very likely that they will not reverse in the foreseeable future. Deferred income tax is determined using the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date in addition to those that are expected to be applied when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized within the scope of temporary differences that are likely to be used to offset future taxable income. In addition, both unrecognized and recognized deferred tax assets are reassessed at each balance sheet date.
5. When there is a statutory enforcement right to offset the recognized amount of current income tax assets and liabilities, and when it is intended to pay off the assets and liabilities on a net basis, the current income tax assets and current income tax liabilities shall only be offsetted. Deferred income tax assets and liabilities will only be offset upon the underlying settlement or the simultaneous realization of the asset and settlement of the liability. This occurs when there is a statutory enforcement right to offset current income tax assets and current income tax liabilities. It also occurs when the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but when each subject intends to pay the net amount.
6. The estimated annual average effective tax rate of income tax expense for the interim period is applied to the pre-tax profits and losses for the interim period. Relevant information is disclosed in accordance with the aforementioned policy.

(XXIII) Share Capital

Common stock is classified as equity. Incremental costs directly attributable to the issue of new shares or stock options as well as net of income tax, are shown as a deduction in equity.

(XXIV) Dividend Distribution

According to Article 240 of the Company Act and the Articles of Association of the Company, the cash dividends distributed to the shareholders of the company shall be recognized as liabilities in the financial statements after the resolution of the Board of Directors of the company is adopted; after the resolution of the Company's shareholders' meeting is approved, the distribution of stock dividends shall have their distribution recognized in the financial statements and be transferred to ordinary shares on the base date of issuance of new shares.

(XXV) Revenue Recognition

1. Labor revenue is recognized as revenue during the financial reporting period when services are provided to clients. Revenue from fixed price contracts is recognized as revenue based on the degree of completion of transactions on the balance sheet date. The degree of completion is estimated as the proportion of the number of days of labor invested to the total number of days of labor estimated.
2. The payment conditions of labor service income are usually 90 days from advance receipt to monthly settlement. Since the time interval between the transfer of the promised goods or services to the customer, and the payment by the customer is less than one year, the Group has not adjusted the transaction price to reflect the time value of money.
3. The customer pays the contract price in accordance with the agreed payment schedule. When the service provided by the Group exceeds the customer's payment, it is recognized as a contract asset, and if the customer's payment exceeds the service provided by the Group, it is recognized as a contract liability.

(XXVI) Operations Department

The information of the Group's operating divisions is reported in a consistent manner with the internal management reports provided to key operational decision-makers. These decision-makers are responsible for allocating resources to the operating divisions and evaluating their performance. The key operational decision-makers of the Group have been identified as the Board of Directors.

V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

At the time of the Group's preparation of these consolidated financial statements, the management division has used its judgment to determine the accounting policies to be approved of and to make accounting estimates and assumptions based on the circumstances on the balance sheet date and reasonable expectations of future events. Significant accounting estimates and assumptions may differ from the actual results, and previous experiences and other factors will be taken into account for the ongoing evaluation and adjustment. These estimates and assumptions carry the risk that the carrying amount of the assets and liabilities will be adjusted in the next financial year. Please find below a description of uncertainty regarding significant accounting judgements, estimates, and assumptions:

(I) Significant Judgments on the Adoption of Accounting Policies

There is no significant uncertainty in the assessment of the significant judgments made in the application of the Group's accounting policies.

(II) Significant Accounting Estimates and Assumptions

1. Estimation of Labor Revenue Completion Degree

   The main business items of the Group are pre-pregnancy, pre-natal and neonatal genetic testing, medical testing, and other service income. The relevant testing income is recognized based on the degree of completion of the project, and the income is recognized by multiplying the contract price by the ratio of the actual number of working days to the estimated total working days. The estimated total number of labor days is determined based on past experience. When there are changes in the estimated total number of labor days due to changes in R&D technical capabilities or equipment upgrades, appropriate corrections will be made.
2. Estimation of Loss of Allowance for Accounts Receivable

   The Group manages the collections, including those of accounts from customers and incorporates the associated credit risk. The management authority regularly evaluates the credit quality and collection status of customers and adjusts the credit extension policy to customers in a timely manner. In addition, the assessment of impairment of accounts receivable is based on the relevant provisions of IFRS 9 Financial Instruments, adopting a simplified method for assessment. For expected credit losses, the management authority establishes the expected loss rate based on a number of factors that may affect the customer's ability to pay, such as the overdue period of the customer on the balance sheet date and of the past. Other factors include the customer's financial condition and economic condition and incorporating predicted information of the future.

VI. Explanation of Significant Accounts

(I) Cash and Cash Equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	$ 351	$ 217	$ 307
Checks and demand deposits	88,697	178,375	159,131
Time deposits	47,400	36,400	36,400
	$ 136,448	$ 214,992	$ 195,838

1. The credit quality of the financial institutions with which the Group has contacts is good. The Group has contacts with a number of financial institutions to diversify credit risks, so the probability of default is expected to be low.
2. The Group has pledged neither cash nor cash equivalents as collateral.
3. The Group has reclassified the time deposits of more than three months into financial assets measured by amortized cost - current. The amounts as of September 30, 2022, December 31, 2021 and September 30, 2021 were respectively $42,150, $30,200 and $30,200. For the

recognized interest income from time deposits from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, please refer to Note 6 (15) for details. The Group has not pledged financial assets - liquidity measured at amortized cost as collateral.

(II) Notes and Accounts Receivable

	September 30, 2022		December 31, 2021		September 30, 2021	
Notes receivable	$	4,076	$	6,780	$	5,827
Accounts receivable	$	69,574	$	54,614	$	50,271
Accounts receivable - Related party		3,055		3,333		3,121
		72,629		57,947		53,392
Less: Allowance loss	(	2,377)	(	503)	(	96)
	$	70,252	$	57,444	$	53,296

1. For the aging analysis of notes receivable and accounts (including related parties) and related credit risk information, please refer to Note 12 (2) for details.
2. The balances of notes and accounts receivable on September 30, 2022, December 31, 2021, and September 30, 2021 were all generated by customer contracts. In addition, the balance of notes and accounts receivable of the customer contracts on January 1, 2021 was $56,595.
3. The Group does not hold any collateral for the above notes and accounts receivable.

(III) Inventories

	September 30, 2022					
	Cost		Allowance for depreciation losses		Book value	
Raw material	$	42,955	($	4,023)	$	38,932

	December 31, 2021					
	Cost		Allowance for depreciation losses		Book value	
Raw material	$	44,699	($	3,137)	$	41,562

	September 30, 2021					
	Cost		Allowance for depreciation losses		Book value	
Raw material	$	41,669	($	2,788)	$	38,881

1. The inventories listed above are not provided with pledge guarantees.
2. Inventory-related expenses and losses recognized in the current period:

	July 1 to September 30, 2022	July 1 to September 30, 2021
Raw material consumption	$ 43,636	$ 39,990
Raw material transfer cost	2,000	1,850
Loss from inventory price decrease (Gain from inventory price recovery)	227	(984)
	$ 45,863	$ 40,856

	July 1 to September 30, 2022	July 1 to September 30, 2021
Raw material consumption	$ 129,549	$ 106,368
Raw material transfer cost	5,327	7,799
Loss from inventory price decrease (Gain from inventory price recovery)	886	(613)
	$ 135,762	$ 113,554

The Group recorded a gain from inventory price recovery due to a decrease in the allowance for depreciation losses on depletion of inventories for which an allowance for loss had been recognized.

(IV) Investment Accounted for Using the Equity Method

Associated Enterprises:	September 30, 2022		December 31, 2021		September 30, 2021	
	Carrying Amount	Shareholding Ratio	Carrying Amount	Shareholding Ratio	Carrying Amount	Shareholding Ratio
Dianthus Co., Ltd. (former name: Hoyo Co., Ltd.)	$311,537	16.56%	$297,346	16.56%	$246,642	18.42%

For periods from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, the Group’s shares of profits (losses) of associated enterprises recognized by the equity method were $6,111, $8,706, $20,123, and $21,423, respectively. The profits (losses) are evaluated and recognized based on the financial statements compiled by investors themselves, and they have not been reviewed by our CPA.

1. Associated Enterprises

(1) The basic information on the associated enterprise's significant related parties is as follows:

		Shareholding Ratio				
		September 30, 2022	December 31, 2021	September 30, 2021	Nature of the relationship	Measurement method
Dianthus Co., Ltd. (former name: Hoyo Co., Ltd.)	Taiwan	16.56%	16.56%	18.42%	Associated enterprise	Equity method

(2) The summary of the financial information of the Group's significant associated enterprises is as follows:

A. Balance Sheet

	Dianthus Co., Ltd.		
	September 30, 2022	December 31, 2021	September 30, 2021
Current Assets	$ 1,027,401	$ 1,063,200	$ 1,137,877
Non-current Assets	2,391,461	1,639,181	1,036,238
Current Liabilities	(436,278)	(193,516)	(344,065)
Non-current Liabilities	(1,101,312)	(713,309)	(491,065)
Total Net Assets	$ 1,881,272	$ 1,795,556	$ 1,338,985
Share in the Net Assets of Associated Enterprises	$ 311,537	$ 297,346	$ 246,642
Book Value of Associated Enterprise	$ 311,537	$ 297,346	$ 246,642

B. Statements of Comprehensive Income

	Dianthus Co., Ltd.	
	July 1 to September 30, 2022	July 1 to September 30, 2021
Revenue	$ 149,829	$ 162,580
Net Profit (Loss) of Continuing Business Units for the Current Period	$ 36,901	$ 47,259
Total Comprehensive Profit (Loss) for the Current Period	$ 36,901	$ 47,259
Dividends Distributed from Associated Enterprises	$ -	$ 4,448

	Dianthus Co., Ltd.	
	January 1 to September 30, 2022	January 1 to September 30, 2021
Revenue	$ 471,782	$ 416,345
Net Profit (Loss) of Continuing Business Units for the Current Period	$ 121,516	$ 116,304
Total Comprehensive Profit (Loss) for the Current Period	$ 121,516	$ 116,304
Dividends Distributed from Associated Enterprises	$ 5,932	$ 4,448

2. The Group's associated enterprises have no open market quotations and therefore have no fair value information.

(V) Property, Plant, and Equipment

	2022					
	Machinery and equipment for own use	Transportation equipment for own use	Office equipment for own use	Leasehold improvements for own use	Others for own use	Total
January 1						
Cost	$ 88,251	$ 8,508	$ 18,970	$ 29,332	$ 21,497	$ 166,558
Accumulated Depreciation	(79,952)	(5,164)	(10,372)	(10,912)	(15,767)	(122,167)
	$ 8,299	$ 3,344	$ 8,598	$ 18,420	$ 5,730	$ 44,391
January 1	$ 8,299	$ 3,344	$ 8,598	$ 18,420	$ 5,730	$ 44,391
Additions	26,563	-	5,165	471	629	32,828
Disposal	(78)	-	-	-	-	(78)
Reclassification	800	-	-	-	-	800
Depreciation Expenses	(5,008)	(1,276)	(3,774)	(2,610)	(3,955)	(16,623)
Net Exchange Differences	14	-	2	9	-	25
September 30	$ 30,590	$ 2,068	$ 9,991	$ 16,290	$ 2,404	$ 61,343
September 30						
Cost	$ 115,546	$ 8,508	$ 24,138	$ 29,821	$ 22,129	$ 200,142
Accumulated Depreciation	(84,956)	(6,440)	(14,147)	(13,531)	(19,725)	(138,799)
	$ 30,590	$ 2,068	$ 9,991	$ 16,290	$ 2,404	$ 61,343

	2021					
	Machinery and equipment for own use	Transportation equipment for own use	Office equipment for own use	Leasehold improvements for own use	Others for own use	Total
January 1						
Cost	$ 87,771	$ 8,508	$ 11,413	$ 29,546	$ 21,418	$ 158,656
Accumulated Depreciation	(72,060)	(3,462)	(6,307)	(7,528)	(9,962)	(99,319)
	$ 15,711	$ 5,046	$ 5,106	$ 22,018	$ 11,456	$ 59,337
January 1	$ 15,711	$ 5,046	$ 5,106	$ 22,018	$ 11,456	$ 59,337
Additions	678	-	7,310	-	114	8,102
Depreciation Expenses	(6,664)	(1,276)	(2,958)	(2,614)	(4,438)	(17,950)
Net Exchange Differences	(157)		(16)	(127)	(11)	(311)
September 30	$ 9,568	$ 3,770	$ 9,442	$ 19,277	$ 7,121	$ 49,178
September 30						
Cost	$ 88,143	$ 8,508	$ 18,690	$ 29,321	$ 21,495	$ 166,157
Accumulated Depreciation	(78,575)	(4,738)	(9,248)	(10,044)	(14,374)	(116,979)
	$ 9,568	$ 3,770	$ 9,442	$ 19,277	$ 7,121	$ 49,178

The Group has not provided any real property, plant, and equipment as a pledge and capitalized interest.

(VI) Lease Transaction - Lessee

1. The underlying assets leased by the Group are offices. The lease contract period ranges from two to ten years. Lease contracts are negotiated individually and contain various terms and conditions without any other restrictions.

2. The book value of the right-of-use assets and the depreciation expenses are as follows:

	2022 Office	2021 Office
January 1	$ 84,176	$ 100,622
Additions to the Current Period	4,266	817
Depreciation Expenses	(12,538)	(12,620)
Net Exchange Differences	36	(492)
September 30	$ 75,940	$ 88,327

3. Information on the items of profits and losses related to the lease contract is as follows:

Items affecting current profits and losses	July 1 to September 30, 2022	July 1 to September 30, 2021
Interest Expenses on Lease Liability	$ 362	$ 412
Expenses under Short-term Lease Contracts	113	102
	$ 475	$ 514

Items affecting current profits and losses	January 1 to September 30, 2022	January 1 to September 30, 2021
Interest Expense on Lease Liability	$ 1,098	$ 1,296
Expenses under Short-term Lease Contracts	338	307
	$ 1,436	$ 1,603

4. In addition to the cash outflow of lease-related expenses as described in Note 6 (6) 3. above, the Group's principal repayments of lease liabilities from January 1 to September 30, 2022 and 2021 are described in Note 6 (22).

5. Options to extend lease and options to terminate lease

(1) The leasing object of the Group's lease contract, which is categorized as an office lease, includes an extension option that the Group can exercise. The signing of this clause in the lease contract is to improve the management of the Group's operational flexibility.

(2) When determining the lease term, the Group takes into account all facts and circumstances that would give rise to economic incentives to exercise the option of

extending or not exercising the option to terminate. The term of the lease will be revalued when a significant event occurs in the assessment of exercising the extended option or non-exercising the termination option.

(VII) Other Payables

	September 30, 2022		December 31, 2021		September 30, 2021	
Personnel Expenses Payable	$	25,270		25,321		22,949
Royalties Payable		2,990		3,060		3,191
Services Payable		3,296		2,143		2,070
Equipment Payable		1,594		314		1,949
Others		8,423		9,540		8,438
	$	41,573	$	40,378	$	38,597

(VIII) Liability Reserves

	2022					
	Decommissioning Liabilities		Compensation Provision		Total	
January 1	$	3,060	$	1,290	$	4,350
Liability Reserves for Reversal in the Current Period		-		658		658
Interest Amortization		35		-		35
Net Exchange Differences		2		-		2
September 30	$	3,097	$	1,948	$	5,045

	2021					
	Decommissioning Liabilities		Compensation Provisions		Total	
January 1	$	3,037	$	1,386	$	4,423
Liability Reserves for Reversal in the Current Period		-	(	48)	(	48)
Interest Amortization		36		-		36
Net Exchange Differences	(	26)		-	(	26)
September 30	$	3,047	$	1,338	$	4,385

Liability reserves are analyzed as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	$ 1,948	$ 1,290	$ 1,338
Non-current	3,097	3,060	3,047
	$ 5,045	$ 4,350	$ 4,385

1. Compensation Provision

   The Group's liability reserve related to the provision of testing services is estimated with reference to previous experiences and relevant statistics of the testing services.

2. Decommissioning Liabilities

   In accordance with applicable contractual requirements, the Group has an obligation to dismantle, remove or restore the location of the leased office buildings. Therefore, a provision for the liability is recognized based on the current value of the costs expected to be incurred in dismantling, removing, or restoring the location, which the Group expects to incur at the end of the lease term.

(IX) Pension

In accordance with the Labor Pension Act, the Company has established a retirement method with certain contributions, which is applicable to employees with Taiwanese citizenship. The Company shall choose the part of the labor pension system stipulated in the Labor Pension Act that is applicable to the employee and pay into the labor pension at 6% of the salary to the employee's personal account with the Bureau of Labor Insurance each month. The payment of the employee pension is based on the amount of the employee's personal pension account and their accumulated income. Pensions can be granted as monthly stipends or in one-off payments. For periods from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, the Company recognized pension costs of $1,185, $1,124, $3,333, and $3,386, respectively, under the aforementioned pension method.

(X) Share-based Payments

1. The Company's share-based payment agreement is as follows:

Type of agreement	Grant date	Grant quantity (shares)	Contract period	Vesting conditions	Delivery method
1st Employee Share Option Plan	2015.09.30	500,000	6.08 years	20% may be exercised after two years; 40% may be exercised after three years; 60% may be exercised after four years; 80% may be exercised after five years; and 100% may be exercised after six years.	Delivery of Equity
2nd Employee Share Option Plan	2020.05.13	770,000	5 years	20% may be exercised after two years; 50% may be exercised after three years; and 100% may be exercised after four years.	Delivery of Equity
2nd Employee Share Option Plan	2021.03.24	230,000	5 years	20% may be exercised after two years; 50% may be exercised after three years; and 100% may be exercised after four years.	Delivery of Equity

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

(1) 1st Employee Share Option Plan

	2022		2021	
	Number of stock options (shares)	Weighted average strike price (NTD) (Note)	Number of stock options (shares)	Weighted average strike price (NTD)
Outright options outstanding at the beginning of January 1	-	-	106,400	11.7
Granted stock options in the current period	-	-	-	-
Loss of stock options in the current period	-	-	(5,600)	11.7
Execution of stock options in the current period	-	-	-	-
Outstanding options at the end of September 30	-	-	100,800	11.1
Executable options at the end of September 30	-	-	50,000	11.1

Note: The Company adjusted the strike price of the employee share options in accordance with the provisions of the employee share option method.

(2) 2nd Employee Share Option plan (Delivery Date: May 13, 2020)

	2022		2021	
	Number of stock options (shares)	Weighted average strike price (NTD) (Note)	Number of stock options (shares)	Weighted average strike price (NTD)
Outright options outstanding at the beginning of January 1	675,000	56.6	735,000	58.2
Granted stock options in the current period	-	-	-	-
Loss of stock options in the current period	(40,000)	56.6	(60,000)	58.2
Execution of stock options in the current period	-	-	-	-
Outstanding options at the end of September 30	635,000	54.1	675,000	56.6
Executable options at the end of September 30	127,000	-	-	-

Note: The Company adjusted the strike price of the employee share options in accordance with the provisions of the employee share option method.

(3) 2nd Employee Share Option plan (Delivery Date: March 24, 2021)

	2022		2021	
	Number of stock options (shares)	Weighted average strike price (NTD) (Note)	Number of stock options (shares)	Weighted average strike price (NTD)
Outstanding options at the beginning of January 1	230,000	48.4	-	-
Granted stock options in the current period	-	-	230,000	49.8
Loss of stock options in the current period	(25,000)	48.4	-	-
Execution of stock options in the current period	-	-	-	-
Outstanding options at the end of September 30	205,000	46.3	230,000	48.4
Executable options at the end of September 30	-	-	-	-

Note: The Company adjusted the strike price of the employee share option in accordance with the provisions of the employee share option method.

3. The maturity date and strike price of the outstanding options on the balance sheet date are as follows:

			September 30, 2022		December 31, 2021		September 30, 2021	
Type of agreement	Grant date	Expiration date	Number of shares (thousands)	Strike price (NTD)	Number of shares (thousands)	Strike price (NTD)	Number of shares (thousands)	Strike price (NTD)
1st Employee Share Option Plan	September 30, 2015	October 31, 2021	-	-	-	-	100.8	11.1
2nd Employee Share Option Plan	May 13, 2020	May 12, 2025	635.0	54.1	675.0	56.6	675.0	56.6
2nd Employee Share Option Plan	March 24, 2021	March 23, 2026	205.0	46.3	230.0	48.4	230.0	48.4

4. The fair value of the stock option estimated with the Black-Scholes Model for the share-based payment transactions given by the Company is as follows:

Type of agreement	Grant date	Share price (NTD)	Strike price (NTD)	Expected volatility (Note)	Expected duration	Expected dividends	Risk-free interest rate	Fair value per unit (NTD)
1st Employee Share Option Plan	2015.09.30	15.09	20.00	49.76%	5.04 years	-	0.93%	5.38
2nd Employee Share Option Plan	2020.05.13	60.50	60.50	30.51%	3.5-4.5 years	2.71%	0.35%-0.36%	10.66 after two years 11.14 after three years 11.56 after four years
2nd Employee Share Option Plan	2021.03.24	49.80	49.80	33.64%	3.5-4.5 years	2.68%	0.25%-0.28%	9.7 after two years 10.2 after three years 10.6 after four years

Note: The expected volatility is estimated by using the most recent period equivalent to the expected duration of the stock option, as the stock price in the sample range. It is then estimated by the standard deviation of the stock return rate during that period.

5. For periods from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, the expenses incurred due to the aforementioned share-based payment transactions were $745, $772, $1,932, and $2,063, respectively.

(XI) Share Capital

As of September 30, 2022, the Company had a nominal capital of $300,000, which is then divided into 30,000 thousand shares (including 2,000 thousand shares subscribed with Employee Share Option certificates) with paid-up capital of $213,624 and a nominal value of NT$10 per share. All fees for issued shares have been received. In addition, the numbers of outstanding shares and the actual number of shares outstanding as of September 30, 2022 and 2021 are as follows:

	2022	2021
January 1 (i.e., September 30)	21,362,400	21,261,600

(XII) Capital Surplus

1. According to the provisions of the Company Act, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts can be used to make up for losses. When the Company has no accumulated losses, new shares or cash will be issued in proportion to the shareholders' existing shares. In addition, in accordance with the relevant regulations of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to cover capital losses, it may not use capital reserves to make up for it.
2. For changes in the capital reserve of the Company, please refer to the explanation of the consolidated statement of changes in equity.

(XIII) Retained Earnings

1. According to the provisions of the Company's Articles of Association, dividends and bonuses may not be distributed when there is no surplus in the annual accounts of the Company. If there is a surplus, tax shall be paid first. Afterwards, accumulated losses are made up and a further 10% shall be allocated as the statutory surplus reserve. However, the statutory surplus reserve shall not be limited to the total capital of the Company. Once it is reached, in accordance with legislation and the competent authority, a special surplus reserve shall be set aside or reversed as an annual distributable surplus. The annual distributable surplus and accumulated undistributed surplus of the previous year shall be calculated by the Board of Directors and submitted to the Shareholders' Meeting for a resolution regarding distribution. However, the annual shareholder dividend distribution shall not be less than 30% of the annual distributable surplus, and when the surplus is less than 1% of the paid-in share capital, it may not be distributed. The distribution of earnings may be made in the form of cash dividends or stock dividends. As the Company currently operates in a stable manner, the distribution of earnings may be made in the form of cash dividends and stock dividends, provided that the proportion of cash dividends distributed is not less than 30% of the total amount of dividends. In accordance with the provisions of Paragraph 5, Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute dividends and bonuses, or all or part of the statutory surplus reserve and capital reserve prescribed in Paragraph 1, Article 241 of the Company Act. This can be decided by the presence of more than two-thirds of the directors and by a resolution of the majority of the directors, in cash, in which they then must report to the Shareholders' Meeting.
2. The statutory surplus reserve shall not be used except to make up for the Company's losses and to issue new shares or cash in proportion to the shareholders' existing shares. The portion of the reserve exceeding 25% of the paid-in capital shall be the limit for the issuance of new shares or cash.
3. When the Company distributes earnings, it is required by law to allocate the special earnings reserve to the debit balance of other equity items on the balance sheet date of the current year. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in the distributable earnings.
4. Distribution of Earnings of the Company

   On June 15, 2022 and August 18, 2021, the Company approved the resolutions on the distribution of earnings at the respective Shareholders' Meetings. The distribution of earnings for the years of 2021 and 2020 are as follows:

	2021		2020	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Provision of Legal Reserves	$ 5,698		$ 3,385	
Cash Dividend	42,725	2.0	29,766	1.4
	$ 48,423		$ 33,151	

(XIV) Operating Revenue

1. Breakdown of Revenue from Contracts with Customers

The income of the Group is derived from the provision of services that are gradually transferred over time and can be broken down into the following main product lines and geographical areas:

July 1 to September 30, 2022	Testing Services		Other Services	
	Taiwan	Others	Others	Total
Income from Contracts with Customers	$ 116,293	$ 3,711	$ -	$ 120,004

July 1 to September 30, 2021	Testing Services		Other Services	
	Taiwan	Others	Others	Total
Income from Contracts with Customers	$ 122,582	$ 2,671	$ -	$ 125,253

January 1 to September 30, 2022	Testing Services		Other Services	
	Taiwan	Others	Others	Total
Income from Contracts with Customers	$ 365,433	$ 9,916	$ 1	$ 375,350

January 1 to September 30, 2021	Testing Services		Other Services	
	Taiwan	Others	Others	Total
Income from Contracts with Customers	$ 373,670	$ 9,420	$ -	$ 383,090

2. Contract Assets and Contract Liabilities

(1) The Group recognizes the contractual assets and contractual liabilities related to the contractual income of customers as follows:

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Contract Assets - Current:				
Contract Assets - Testing-related Services	$ 6,842	$ 9,818	$ 8,851	$ 6,456
Contract Liabilities - Current:				
Contract Liabilities - Testing-related Services	$ 2,162	$ 2,691	$ 3,158	$ 3,247

(2) Contract liabilities at the beginning of the period recognized as revenue in the current period

	July 1 to September 30, 2022	July 1 to September 30, 2021
Testing-related Services	$ -	$ -

	January 1 to September 30, 2022	January 1 to September 30, 2021
Testing-related Services	$ 2,618	$ 2,569

(XV) Interest Income

	July 1 to September 30, 2022	July 1 to September 30, 2021
Interest on Bank Deposits	$ 148	$ 65
Interest Income from Rental Calculation	-	-
	$ 148	$ 65

	January 1 to September 30, 2022	January 1 to September 30, 2021
Interest on Bank Deposits	$ 360	$ 222
Interest Income from Rental Calculation	31	31
	$ 391	$ 253

(XVI) Financial Costs

	July 1 to September 30, 2022	July 1 to September 30, 2021
Lease Liability Interest Expenses	$ 362	$ 412
Interest Expenses on Decommissioning Liabilities	11	13
	$ 373	$ 425

	January 1 to September 30, 2022	January 1 to September 30, 2021
Lease Liability Interest Expenses	$ 1,098	$ 1,296
Interest Expenses on Decommissioning Liabilities	35	36
	$ 1,133	$ 1,332

(XVII) Additional Information on the Nature of the Expense

	July 1 to September 30, 2022	July 1 to September 30, 2021
Employee Benefits	$ 33,710	$ 32,748
Depreciation Expense of Property, Plant, and Equipment as well as Right-of-use Assets	$ 10,233	$ 9,577
Amortization of Intangible Assets	$ 1,038	$ 476

	January 1 to September 30, 2022	January 1 to September 30, 2021
Employee Benefits	$ 95,604	$ 94,552
Depreciation Expense of Property, Plant, and Equipment as well as Right-of-use Assets	$ 29,161	$ 30,570
Amortization of Intangible Assets	$ 2,694	$ 1,457

(XVIII) Employee Benefits

	July 1 to September 30, 2022	July 1 to September 30, 2021
Salary Expenses	$ 27,546	$ 26,375
Share-based Payments	745	772
Labor and Health Insurance Costs	2,598	2,461
Retirement Benefit Expenses	1,185	1,124
Director Compensation	504	684
Others	1,132	1,332
	$ 33,710	$ 32,748

	January 1 to September 30, 2022	January 1 to September 30, 2021
Salary Expenses	$ 77,651	$ 75,838
Share-based Payments	1,932	2,063
Labor and Health Insurance Costs	7,421	7,418
Retirement Benefit Expenses	3,333	3,386
Director Compensation	1,762	1,997
Others	3,505	3,850
	$ 95,604	$ 94,552

1. In accordance with the Company's Articles of Association, should the Company run a profit for the year, it shall allocate from 1% to 10% of that profit to employee remuneration and not more than 2% of it to remuneration for directors. However, in case of accumulated losses, the Company shall reserve the profit to offset those losses. When employee remuneration is distributed in the form of shares or cash, it shall be implemented by the Board of Directors with the presence of more than 2/3 of the directors and a resolution approved by more than half of the directors present, which must then be reported to the Shareholders' Meeting. The recipients of employee compensation in stock or cash may include subordinate employees who meet certain conditions.

   All matters related to the issuance of employee remuneration and directors' remuneration shall be handled in accordance with relevant laws and regulations. These matters will be decided by the Board of Directors and reported to the Shareholders' Meeting.
2. The estimated amount of Company employee remuneration from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021 is $16, $335, $276, and $997, respectively. The estimated amount of directors' remuneration is $16, $168,

$276, and $499, respectively, and the aforementioned amounts are recorded in the salary expense account.

The remuneration of employees and directors of January 1 to September 30, 2022 shall be estimated at 1% and 1% respectively based on the profit situation of the year.

The Company's annual employee remuneration and directors' remuneration for 2021 were $647 and $336, respectively. They were approved by the Board of Directors, and are consistent with the amounts recognized in the Consolidated Financial Statements of the Company for 2021. As of September 30, 2022, all employee remuneration and directors' remuneration for 2021 have been distributed.

3. Information on the remuneration of employees and directors approved by the Board of Directors of the Company may be queried on the Market Observation Post System (MOPS) website.

(XIX) Income Tax

1. Income Tax (Profit) Expenses

(1) Income Tax (Profit) Expense Component

	July 1 to September 30, 2022	July 1 to September 30, 2021
Current Income Tax:		
Income Tax Liabilities for the Current Period	($ 3,203)	($ 58)
Income Tax Assets in the Current Period	(40)	(943)
Income Tax Payable in the Previous Year	(1,850)	-
Temporary Payment and Withholding Tax	3,958	3,141
Income Tax (Overestimation) Underestimation in the Previous Year	2	-
Total Income Tax in the Current Period	(1,133)	2,140
Deferred Income Tax:		
Origin and Reversal of Temporary Differences	335	(171)
Total Deferred Income Tax	335	(171)
Others:		
Net Exchange Differences	(24)	(142)
Income Tax (Profit) Expenses	($ 822)	$ 1,827

	January 1 to September 30, 2022	January 1 to September 30, 2022
Current Income Tax:		
Income Tax Liabilities for the Current Period	$ 17	$ 3,522
Income Tax Assets in the Current Period	(7,155)	(3,701)
Income Tax Payable in the Previous Year	2,866	2,602
Temporary Payment and Withholding Tax	6,323	3,309
Surtax on Unappropriated Earnings	(428)	(40)
Income Tax (Overestimation) Underestimation in the Previous Year	2	348
Total Income Tax in the Current Period	1,625	6,040
Deferred Income Tax:		
Origin and Reversal of Temporary Differences	2,333	(174)
Total Deferred Income Tax	2,333	(174)
Others:		
Surtax on Unappropriated Earnings	428	40
Net Exchange Differences	36	(365)
Income Tax (Profit) Expenses	$ 4,422	$ 5,541

(2) For periods from July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, the Group did not have any income tax related to direct debit or credit equity.

(3) The Amount of Income Tax Related to Other Comprehensive Losses (Profits):

	July 1 to September 30, 2022	July 1 to September 30, 2021
Foreign Operating Agency Conversion Difference	($ 1)	($ 8)

	January 1 to September 30, 2022	January 1 to September 30, 2021
Foreign Operating Agency Conversion Difference	$ 3	$ 1

2. The Company's profit-seeking business income tax was approved by the tax collection authority unti 2019. In addition, the profit-seeking enterprise income tax of the subsidiary Phoebus Genetics Co., Ltd. was approved by the tax collection authority until 2020.

(XX) Earnings per Share

	July 1 to September 30, 2022		
	After-tax amount	Weighted average number of outstanding shares (thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 2,548	21,362	0.12
Diluted Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 2,548	21,362	
Impact of Potential Common Stock with Diluting Effect			
- Employee Compensation	-	-	
Impact of Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company Plus Potential Common Stocks	$ 2,548	21,362	0.12

	July 1 to September 30, 2021		
	After-tax amount	Weighted average number of outstanding shares (thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 14,398	21,262	0.68
Diluted Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 14,398	21,262	
Impact of Potential Common Stock with Diluting Effect - Employee Share Options	-	78	
- Employee Compensation	-	7	
Impact of Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company Plus Potential Common Stocks	$ 14,398	21,347	0.67

	January 1 to September 30, 2022		
	After-tax amount	Weighted average number of outstanding shares (thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 22,782	21,362	1.07
Diluted Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 22,782	21,362	
Impact of Potential Common Stock with Diluting Effect			
- Employee Compensation	-	12	
Impact of Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company Plus Potential Common Stocks	$ 22,782	21,374	1.07

	January 1 to September 30, 2021		
	After-tax amount	Weighted average number of outstanding Shares (thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company	$ 42,998	21,262	2.02
Diluted Earnings per Share			
Impact of Potential Common Stock with Diluting Effect - Employee Share Options	-	79	
- Employee Compensation	-	26	
Impact of Net Profit for the Current Period Attributable to Common Shareholders of the Parent Company Plus Potential Common Stocks	$ 42,998	21,367	2.01

(XXI) Cash Flow Supplementary Information

Investment Activities with only Partial Cash Payment:

	January 1 to September 30, 2022	January 1 to September 30, 2021
Acquisition of Right-of-use Assets	$ 4,266	$ 817
Less: Lease Liabilities Added in the Current Period	(4,266)	(817)
Cash Paid in the Current Period	$ -	$ -

	January 1 to September 30, 2022	January 1 to September 30, 2021
Acquisition of Property, Plant, and Equipment	$ 32,828	$ 8,102
Add: Equipment Payable at the Beginning of the Period	314	-
Less: Equipment Payable at the End of the Period	(1,594)	(1,949)
Cash Paid in the Current Period	$ 31,548	$ 6,153

(XXII) Changes in Liabilities from Financing Activities

	2022	
	Dividends Payable	Lease Liabilities (Current/Non-current)
January 1	$ -	$ 85,935
Announcement of Dividend Distribution	42,725	-
Distributed Cash Dividend	(42,725)	-
Lease Liabilities Added in the Current Period	-	4,266
Repayment of the Principal Portion of Lease Liabilities	-	(11,784)
Net Exchange Differences	-	35
September 30	$ -	$ 78,452

	2021	
	Dividends Payable	Lease Liabilities (Current/Non-current)
January 1	$ -	$ 101,100
Announcement of Dividend Distribution	29,766	-
Distributed Cash Dividend	(29,766)	-
Lease Liabilities Added in the Current Period	-	817
Repayment of the Principal Portion of Lease Liabilities	-	(11,654)
Net Exchange Differences	-	(460)
September 30	$ -	$ 89,803

VII. Related Party Transactions

(I) Names and Relationships of the Related Parties

Name of the Related Party	Relationship with the Group
Dianthus Co., Ltd. (former name: Hoyo Co., Ltd.)	Company over which the Group has significant influence on
Dianthus MFM Center (Dianthus Huaining)	The Chairman of the Company is the person in charge of the clinic
Sofiva Clinical Laboratory (Sofiva Laboratory)	Substantive related party
Dianthus Clinical Laboratory (Dianthus Laboratory)	Substantive related party
All directors, general managers, and key management, etc.	Major management and governance units of the Group

(II) Major Transactions with Related Parties

1. Provision of Testing Service Transactions

(1) Service Revenue

The details of labor income generated by the Group’s provision of related party testing services are as follows:

	July 1 to September 30,2022	July 1 to September 30,2021
Other Related Parties	$ 5,160	$ 6,023

	January 1 to September 30, 2022	January 1 to September 30, 2021
Other Related Parties	$ 16,214	$ 20,361

The testing services provided by the Group to related parties are no different from those of general customers. The transaction price is handled in accordance with the agreement between the two parties. There is no major difference in the terms of payment from non-related parties. The collection period for general customers is 0 days (i.e., upfront payment) to 90 days from the end of the month, while the collection period for the above-mentioned related parties is about 60 days from the end of the month.

(2) Accounts Receivable

The balance of accounts receivable arising from the above related party transactions is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Other Related Parties - Dianthus Huaining Co., Ltd.	$ 3,055	$ 3,333	$ 3,121

(3) Contract Assets

The balance of contract assets arising from the above related party transactions are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Other Related Parties	$ 281	$ 583	$ 521

2. Outsourced Testing Transactions

(1) Labor Costs

The details of labor costs incurred by the related parties in providing testing services to the Group are as follows:

	July 1 to September 30, 2022	July 1 to September 30, 2021
Other Related Parties - Sofiva Laboratory	$ 7,681	$ 8,438
Other Related Parties - Others	1,059	542
	$ 8,740	$ 8,980

	January 1 to September 30, 2022	January 1 to September 30, 2021
Other Related Parties - Sofiva Laboratory	$ 25,611	$ 27,479
Other Related Parties - Others	2,167	1,456
	$ 27,778	$ 28,935

The transaction prices of the related parties for providing the Group's testing services are handled in accordance with the agreements between the parties. There is no material difference between the terms of payment from those of non-related parties. The payment period for the general supplier is 60 days from the end of the month, and the payment period for the above-mentioned related parties is 60 days from the end of the month.

(2) Notes Payable/Accounts Payable

The balances of notes payable and accounts payable arising from the above-mentioned related-party transactions are as follows:

A. Notes Payable

	September 30, 2022	December 31, 2021	September 30, 2021
Other Related Parties - Sofiva Laboratory	$ -	$ 2,420	$ 2,482
Other Related Parties - Others	-	166	160
	$ -	$ 2,586	$ 2,642

B. Accounts Payable

	September 30, 2022	December 31, 2021	September 30, 2021
Other Related Parties - Sofiva Laboratory	$ 4,672	$ 2,856	$ 2,580
Other Related Parties - Others	713	139	142
	$ 5,385	$ 2,995	$ 2,722

3. Investment Transactions

(1) Dividend Income (Listed as a Deduction from Investments Accounted for Using the Equity Method)

Please refer to Note 6 (4) for a detailed description of dividend income from the Company's investment in associated enterprises (listed as a deduction from investments accounted for using the equity method).

(2) Other Receivables

The balance of other accounts receivable arising from the above-mentioned related party transactions is $0.

(III) Key Management Compensation Information

	July 1 to September 30, 2022		July 1 to September 30, 2021	
Short-term Employee Benefits	$	3,748	$	4,149
Post-employment Benefits		46		47
Share-based Payments		324		329
	$	4,118	$	4,525

	January 1 to September 30, 2022		January 1 to September 30, 2021	
Short-term Employee Benefits	$	11,751	$	12,158
Post-employment Benefits		140		125
Share-based Payments		971		863
	$	12,862	$	13,146

VIII. Pledged Assets

None.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Significant Contingent Liabilities

On April 28, 2018, the plaintiff went for a prenatal examination to a clinic in which the Company had a partnership in testing services. The clinic issued a test report stating that no abnormalities relating to Williams syndrome were detected, but on February 18, 2019, the plaintiff's son was diagnosed with the disorder. The plaintiff, having deemed the Company to be a party to the contract and having had defective testing services provided by the Company, sued the Company for damages of $5,640 in addition to statutory deferred interest.

The trial of the second instance of the case was decided by the Taiwan Taipei District Court on October 11, 2022, with the result being favorable to the Company. As of November 2, 2022, the plaintiff has not filed another appeal. In the opinion of the Company, if the plaintiff does file another appeal, the maximum loss that the Company may suffer in this action would amount to $5,640 in addition to statutory delay interest claimed by the plaintiff. In addition, the trial of the third instance requires the existence of a legal dispute before an appeal can be considered justified, and only if it is evaluated that the second trial judgment does not have any existing unresolved legal dispute. Therefore, the third instance trial can be expected with a high probability to uphold the second instance judgment, with the result still being favorable to the Company.

(II) Significant Unrecognized Contractual Commitments

The Group is authorized to use testing technology and must pay royalties on a quarterly basis based on the number of test reports issued.

X. Significant Catastrophic Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The Group's capital management objective is to ensure that the Company can continue to operate, maintain an optimal capital structure to reduce capital costs and provide compensation to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group uses the debt/asset ratio, by dividing the Company's total liabilities by its total assets, to monitor its capital.

The strategies of the Group in 2022 are the same as those in 2021. As of September 30, 2022, December 31, 2021, and September 30, 2021, the debt-to-asset ratio of the Group is detailed in the consolidated balance sheet.

(II) Financial Instruments

1. Types of Financial Instruments

Information on the Group's financial assets (cash and cash equivalents, financial assets measured at amortized cost, contract assets - current, notes receivable, accounts receivable (including related parties), other receivables, refundable deposits) liabilities, financial liabilities (notes payable (including related parties), as well as accounts payable (including related parties, other payables, and deposits received) is further detailed in Note 6 and the notes in the consolidated balance sheet.

2. Risk Management Policy

The day-to-day operations of the Group are affected by a number of financial risks, including market risk (including exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk. The work of managing these risks is carried out by the Group's Finance Department in accordance with policies approved by management, which are mainly responsible for identifying, assessing, and avoiding financial risks.

3. Nature and Extent of Significant Financial Risks

(1) Market Risks

A. Exchange Rate Risks

(A) The Group engages in businesses involving a number of non-functional currencies (the functional currency of the Group is New Taiwan dollars). Therefore, the Group is affected by exchange rate fluctuations, and the foreign currency assets and liabilities that are affected by significant exchange rate fluctuations are as follows:

	September 30, 2022		
	Foreign Currency (in Thousands)	Currency Exchange Rate	Book Value (NTD)
(Foreign Currency: Functional Currency)			
Financial Assets			
Monetary Items			
HKD: NTD	323	4.044	$ 1,306
RMB: NTD	244	4.473	1,091
THB: NTD	27,345	0.845	23,107
USD: NTD	112	31.75	3,556
Financial Liabilities			
Monetary Items			
USD: NTD	94	31.75	2,985

(Foreign Currency: Functional Currency)	December 31, 2021		
	Foreign Currency (in Thousands)	Currency Exchange Rate	Book Value (NTD)
Financial Assets			
Monetary Items			
HKD: NTD	323	3.549	$ 1,146
RMB: NTD	244	4.344	1,060
THB: NTD	24,345	0.835	20,328
USD: NTD	111	27.68	3,072
Financial Liabilities			
Monetary Items			
USD: NTD	111	27.68	3,072

(B) The Group's recognized exchange gains (losses) on monetary items impacted by significant exchange rate fluctuations for the periods of July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021 (both realized and unrealized) totaled ($80), ($646), $64, and ($1,761), respectively.

(C) The Group's analysis of foreign currency market risk due to significant exchange rate fluctuations is as follows:

(Foreign Currency: Functional Currency)	January 1 to September 30, 2022		
	Sensitivity Analysis		
	Range of Change	Impact (Loss) Gain	Effect on Other Comprehensive (Loss) Gain
Financial Assets			
Monetary Items			
HKD: NTD	1%	$ 13	$ -
RMB: NTD	1%	11	-
THB: NTD	1%	231	-
USD: NTD	1%	36	-
Financial Liabilities			
Monetary Items			
USD: NTD	1%	(30)	-

	January 1 to September 30, 2021		
	Sensitivity Analysis		
	Range of Change	Impact (Loss) Gain	Effect on Other Comprehensive (Loss) Gain
(Foreign Currency: Functional Currency)			
<u>Financial Assets</u>			
<u>Monetary Items</u>			
HKD: NTD	1%	$ 15	$ -
RMB: NTD	1%	11	-
THB: NTD	1%	105	-
USD: NTD	1%	20	-
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD: NTD	1%	(32)	-

B. <u>Price Risk</u>

There are no significant price risks associated with the Group's transactions.

C. <u>Cash Flow and Fair Value Interest Rate Risk</u>

There are no significant interest rate risks associated with the Group's transactions.

(2) Credit Risk

A. Credit risk is the Group's risk of financial losses due to the customer's inability to perform its contractual obligations. According to the internal credit policy, the Group must conduct management and credit risk analysis for each new customer before setting the conditions for providing services. Internal risk control is the assessment of customers' credit quality by considering their financial status, past experience, and other factors. Individual risk limits are established by the Finance Department and are based on internal or external ratings. The use of credit lines is regularly monitored. The primary sources of credit risk are deposits with banks/financial institutions and uncollected contract assets, notes receivable, and accounts receivable from customers.

B. The Group manages the establishment of credit risk from the Group's perspective. In accordance with the internally defined credit policy, each operating individual of the Group as well as each new customer is subject to management and credit risk analysis before agreeing on the terms and conditions of payment and delivery. Internal risk control is the assessment of customers' credit quality by considering their financial status, past experience, and other factors. Individual risk limits are established by the management division and are based on internal or external ratings. The use of credit lines is regularly monitored.

C. After considering previous experiences, the Group adopts a contract payment overdue for more than 90 days according to agreed payment terms as the basis for the significant increase in the credit risk of financial assets since its first recognition. A breach of contract is deemed to have occurred when a contractually agreed upon payment is overdue for more than 360 days.

D. The Group employs a simplified approach using a provision matrix to estimate expected credit losses for accounts receivable and contract assets of customers.

E. The Group exercises its right to preserve its claims by pursuing ongoing legal proceedings against financial assets that have been defaulted on. Amounts of financial assets that cannot be expected to be reasonably recovered are written off following recourse procedures.

F. The Group incorporates predictive considerations into the future and adjusts the loss rate established based on historical and current information for a specific period to estimate the allowance losses for bills and accounts receivable (including related parties) as well as contract assets. The provision matrix is as follows:

	Not overdue	Overdue for 1-30 days	Overdue for 31-90 days	Overdue for 91-180 days	Overdue for 181-360 days	Overdue for more than 361 days	Individual Evaluation	Total
September 30, 2022								
Expected Loss Rate	0.03%	0.04%	0.04% ~0.05%	0.06% ~0.09%	0.11% ~0.27%	100.00%	100.00%	
Contract Assets - Current	$ 6,842	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,842
Notes Receivable	4,076	-	-	-	-	-	-	4,076
Accounts Receivable	58,579	209	581	1,020	620	-	1,472	72,629
Total	$ 69,497	$ 209	$ 581	$ 1,020	$ 620	$ -	$ 1,472	$ 83,547
Allowance Loss	$ 79	$ 38	$ 17	$ 151	$ 620	$ -	$ 1,472	$ 2,377

	Not overdue	Overdue for 1-30 days	Overdue for 31-90 days	Overdue for 91-180 days	Overdue for 181-360 days	Overdue for more than 361 days	Individual Evaluation	Total
December 31, 2021								
Expected Loss Rate	0.03%	8.32%	13.06% ~13.41%	28.74% ~84.09%	97.61% ~100%	100.00%	-	
Contract Assets - Current	$ 9,818	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,818
Notes Receivable	6,780	-	-	-	-	-	-	6,780
Accounts Receivable	54,056	209	2,953	729	-	-	-	57,947
Total	$ 70,654	$ 209	$ 2,953	$ 729	$ -	$ -	$ -	$ 74,545
Allowance Loss	$ 11	$ 17	$ 316	$ 159	$ -	$ -	$ -	$ 503

	Not overdue	Overdue for 1-30 days	Overdue for 31-90 days	Overdue for 91-180 days	Overdue for 181-360 days	Overdue for more than 361 days	Individual Evaluation	Total
September 30, 2021								
Expected Loss Rate	0.02% ~0.03%	3.00%	3.02% ~3.53%	28.74% ~76.12%	91.29% ~100.00%	100.00%	-	
Contract Assets - Current	$ 8,851	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,851
Notes Receivable	5,827	-	-	-	-	-	-	5,827
Accounts Receivable	50,565	2,333	493	1	-	-	-	53,392
Total	$ 65,243	$ 2,333	$ 493	$ 1	$ -	$ -	$ -	$ 68,070
Allowance Loss	$ 10	$ 69	$ 17	$ -	$ -	$ -	$ -	$ 96

The above is an aging analysis based on days overdue.

G. The simplified table of changes in notes and accounts receivable (including related parties) and allowance for loss of contract assets approved by the Group is as follows:

	2022			
	Contract Assets	Notes Receivable	Accounts Receivable	Total
January 1	$ -	$ -	$ 503	$ 503
Expected Credit Impairment Loss (Gain)	-	-	1,874	1,874
September 30	$ -	$ -	$ 2,377	$ 2,377

	2021			
	Contract Assets	Notes Receivable	Accounts Receivable	Total
January 1	$ -	$ -	$ 732	$ 732
Expected Credit Impairment Loss (Gain)	-	-	(545)	(545)
Write-off of Unrecoverable Accounts	-	-	(91)	(91)
September 30	$ -	$ -	$ 96	$ 96

(3) Liquidity Risk

A. Cash flow forecasting is carried out by the Group's Finance Department, which is responsible for monitoring the demand for working capital, ensuring that there are sufficient funds to meet the operational needs, and maintaining sufficient unspent borrowing commitments at any time. As a result, the Company will not violate the relevant borrowing limits or terms. These projections take into account the Company's debt financing plans, compliance with debt terms, and compliance with internal balance sheet financial ratio targets.

B. When the remaining cash held exceeds the management requirements of working capital, the Finance Department will invest the remaining funds in interest-bearing demand deposits. The selected instruments have sufficient liquidity to meet the above forecast and provide a sufficiently adjustable level.

C. The details of the Group’s unused loan line are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Floating Interest Rate			
Due within One Year	$ 65,000	$ 10,000	$ 65,000

Note: The amount due within one year is an annual amount which will be negotiated separately in 2022.

D. The Group has no derivative financial liabilities. The non-derivative amounts of liabilities are grouped according to the relevant maturity dates and are analyzed according to the remaining period from the balance sheet date to the contract maturity date. Except for those listed in the following table, they are all due within one year. The undiscounted contractual cash flow amount is equivalent to the amount listed in the balance sheet. The undiscounted contractual cash flow of the remaining non-derivative financial liabilities is as follows:

September 30, 2022	Within one year	More than one year	Total
Non-derivative financial liabilities:			
Lease liabilities (current and non-current)	$ 15,685	$ 66,924	$ 82,609

December 31, 2021	Within one year	More than one year	Total
Non-derivative financial liabilities:			
Lease liabilities (current and non-current)	$ 16,053	$ 75,114	$ 91,167

September 30, 2021	Within one year	More than one year	Total
Non-derivative financial liabilities:			
Lease liabilities (current and non-current)	$ 16,572	$ 78,856	$ 95,428

(III) Fair Value Information

The Group does not have significant financial instruments measured at fair value, and the techniques of fair value estimation have no significant impact on the Group. In addition, for financial instruments not measured at fair value, reasonable approximations of their fair value are adopted. These include cash and cash equivalents, financial assets-current measured at amortized cost, contract assets - current, net notes receivable, net accounts receivable (including related parties), other receivables, refundable deposits, notes payable (including related parties), accounts payable (including related parties), other payables, and the carrying amount of other payables and deposits received.

(IV) Other Matters

Due to the COVID-19 pandemic and the government's promotion of a number of epidemic prevention measures, the Group approved personnel rotation to work in the office, working from home and the use of digital tools in line with the various policies of the government. As of September 30, 2022, the consolidated financial situation and consolidated operating results of the Group were not significantly affected by the pandemic.

XIII. Notes to Disclosures

(I) Information on Significant Transactions

1. Fund loaned to others: Please refer to Table 1 for details.
2. Endorsement guarantee for others: None.
3. The status of marketable securities held at the end of the period (excluding investment subsidiaries, associated enterprises, and joint venture control): None.
4. Cumulative purchases or sales of the same marketable securities amounting to NT$300 million or more than 20% of paid-up capital: None.
5. Acquisition of real estate amounting to NT$300 million or more than 20% of paid-in capital: None.
6. Disposal of real estate amounting to NT$300 million or more than 20% of paid-in capital: None.
7. Amount of goods purchased and sold with related parties amounting to NT$100 million or more than 20% of the paid-in capital: None.
8. Receivables from related parties amounting to NT$100 million or more than 20% of paid-in capital: None.
9. Derivative transactions engaged in: None.
10. The business relationships and significant transactions between a parent company and its subsidiaries, among subsidiaries as well as their status and amounts: Please refer to Table 2 for details.

(II) Information on Investees

Relevant information, such as the name and location of the invested company (excluding invested companies in mainland China): Please refer to Table 3 for details.

(III) Information on Investments in Mainland China

None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 4 for details.

XIV. Division Information

(I) General Information

The Group operates as a single industry. Its management division is responsible for overall Group performance assessments and resource allocations. It's also identified as a single reporting unit.

(II) Measurement of Departmental Information

The profit or loss of the Group's operating division is measured in profits (losses) before tax and is used as the basis for the performance evaluation.

(III) Information on Departmental Profit and Loss, Assets, and Liabilities

The Group has only a single reporting unit. Information on departmental profits and losses, assets and liabilities, the amounts in the consolidated statements of comprehensive income, and the amounts in the consolidated balance sheet are measured in a consistent manner. The accounting policies estimates of the reporting unit are the same as the summaries of significant accounting policies. These estimates and assumptions are listed out in Notes 4 and 5.

(IV) Departmental Profits and Losses, Assets, and Related Reconciliation Information

1. The Group has only a single reporting unit that provides information on external revenues, profits, and losses to key operational decision-makers. These estimates are measured in a consistent manner with consideration of the amounts in the consolidated statements of comprehensive income. The Group's reportable department profit (loss) is pre-tax profits (losses), so no adjustment is required.
2. The Group has only a single reporting unit that provides total assets and liabilities to key operational decision-makers. These assets and liabilities of the consolidated balance sheet apply a consistent measurement method. The Group's reportable departmental assets and liabilities are equal to the total assets and liabilities, so no adjustment is required.

Sofiva Genomics Co., Ltd. and Its Subsidiaries

Funds Loaned to Others

January 1 to September 30, 2022

Table 1

Unit: NTD Thousand (Unless otherwise specified)

No. (Note 1)	Company lending funds	Borrower	Item	Related to the party?	Maximum amount in the current period	Ending balance	Actual moving cost	Interest rate range	Funds loaned and the nature of the loan	Amount of business transactions	Reason for the necessity of short-term financing	Amount of provision for losses	Collaterals		Capital lending limit to individual counterparties (Note 2)	Total capital loans (Note 2)	Remarks
													Name	Value			
0	Sofiva Genomics Co., Ltd.	SOFIVA GENOMICS BANGKOK CO.,LTD.	Receivables from related parties	Yes	$ 10,396	$ 10,142	$ 7,607	1.55%	Short-term financing	$ -	Loan repayment and business turnover	$ -	-	$ -	$ 242,493	$ 242,493	Note 3

Note 1: The description of the column number is as follows:

(1) For the parent company, fill in 0.

(2) Subsidiaries are numbered sequentially starting from 1 according to the Company.

Note 2: If the Company is required to lend funds to other companies or banks for business purposes, the total amount of the loan and its limit to a single counterparty shall not exceed 40% of the net value of the Company.

Note 3: On November 10, 2021, the Board of Directors approved a capital loan with Sofiva Genomics Bangkok Co., Ltd. of THB 12 million. The duration is one year from the actual active loan period, presented in THB: NTD = 1：0.8452.

Sofiva Genomics Co., Ltd. and Its Subsidiaries

Business Relationships and Significant Transactions between the Parent Company and its Subsidiaries, among Subsidiaries, and Their Amounts

January 1 to September 30, 2022

Table 2

Unit: NTD thousand (Unless otherwise specified)

				Transaction Status			
No. (Note 1)	Name of transacting party	Transacting counterparty	Relationship with the counterparty (Note 2)	Accounts	Amount	Transaction terms	Percentage of the total consolidated operating income or total assets (Note 2)
1	Phoebus Genetics Co.,Ltd.	Sofiva Genomics Co., Ltd.	Parent company	Testing service revenue	$ 16,839	Note 3	4.49%
1	Phoebus Genetics Co.,Ltd.	Sofiva Genomics Co., Ltd.	Parent company	Accounts receivable	3,649	Settlement of 60 days after end of the month	0.46%
2	Sofiva Genomics Medical Laboratory	Sofiva Genomics Co., Ltd.	Parent company	Service revenue	32,235	Note 3	8.59%
2	Sofiva Genomics Medical Laboratory	Sofiva Genomics Co., Ltd.	Parent company	Accounts receivable	8,319	Settlement of 60 days after end of the month	1.06%

Note 1: Information on business operations between parent company and its subsidiaries is indicated in column number and filled in as follows:

(1) For the parent company, fill in 0.

(2) Subsidiaries are numbered sequentially starting from 1 according to the Company.

Note 2: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets is calculated by the balance at the end of the period as a percentage of the consolidated total assets, however, only if it is an asset and liability account. If it is a profit and loss account, it is calculated by the cumulative amount in the period as a percentage of the consolidated total revenue.

Individual transactions do not reach 1% of the consolidated total operating revenue or total assets, and therefore, are not disclosed. In addition, while the revenue and assets of each company are disclosed, their relative transactions are no longer disclosed.

Sofiva Genomics Co., Ltd. and Its Subsidiaries

Invested Company Name, Location, and Other Related Information (Excluding Invested Companies in Mainland China)

January 1 to September 30, 2022

Table 3

Unit: NTD thousand (Unless otherwise specified)

Name of investing company	Name of investee	Location	Main business activities	Original Investment Amount (Note): End of the current period	Original Investment Amount (Note): End of the previous year	Holdings at the End of the Period: Number of shares	Holdings at the End of the Period: Ratio	Holdings at the End of the Period: Carrying amount	Profits (losses) of investee company in the current period	Recognized profits (losses) on investment in the current period	Remarks
The Company	Phoebus Genetics Co.,Ltd	Taiwan	Pre-pregnancy and prenatal medical testing services	$ 52,000	$ 52,000	5,200,000	100.00	$ 56,475	$ 3,557	$ 3,557	
The Company	Sofiva Genomics Bangkok Co.,Ltd.	Thailand	Pre-pregnancy and prenatal medical testing services	12,677	12,677	13,500	90.00	(1,004)	(1,449)	(1,304)	
The Company	Dianthus Co., Ltd.	Taiwan	Medical services management	148,250	148,250	14,825,000	16.56	311,537	121,516	20,123	

Note: Disclosed at historical exchange rate.

Sofiva Genomics Co., Ltd. and Its Subsidiaries
Information on Major Shareholders
September 30, 2022

Table 4

Name of major shareholders	Shares: Number of shares held (common shares)	Shares: Number of shares held (preferred shares)	Shares: Shareholding ratio	Remark
Phoebus Genetech Co., Ltd.	2,428,500	-	11.36%	
Yala investment Co., Ltd.	1,598,000	-	7.48%	
Shiwei Investment Co., Ltd.	1,348,200	-	6.31%	
Huarui investment Co., Ltd.	1,312,000	-	6.14%	

Note 1: Information on major shareholders in this table is calculated by TDCC (Taiwan Depository & Clearing Corporation) on the last business day at the end of each quarter. Shareholders hold more than 5% of the common shares and special shares that have been delivered (including treasury shares) without physical registration.
As for the share capital recorded in the Company’s financial report as well as the actual number of shares delivered by the Company, there may be differences due to different calculation bases.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. Shareholding includes own shares plus the shares delivered to the trust. Shareholders have the right to exercise decision-making power over the trust property. This is with respect to the shareholders’ declaration of insider rights exceeding 10% of the shares held in accordance with the Securities and Exchange Act and relevant regulations. Please refer to the Market Observation Post System (MOPS) website for insider equity declaration.