

Sofiva Genomics Co., Ltd. and Subsidiaries  
Consolidated Financial Statements and Independent Auditors'  
Review Report  
For the Second Quarters of 2025 and 2024  
(Stock Code: 6615)

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## Table of Contents

1. Cover Page .....	1
2. Table of Contents .....	2-3
4. Consolidated Balance Sheets .....	6-7
5. Consolidated Statements of Comprehensive Income .....	8
6. Consolidated Statements of Changes in Equity .....	9
7. Consolidated Statements of Cash Flows .....	10
8. Notes to the Consolidated Financial Statements .....	11-49
- (1) Company History .....	11
- (2) Approval Date and Procedures of the Financial Statements .....	11
- (3) Application of Newly Released and Revised Standards and Interpretations .....	11-12
- (4) Summary of Significant Accounting Policies .....	13-21
- (5) Major Sources of Estimation Uncertainty, Critical Judgments, and Assumptions .....	21-22
- (6) Description of Significant Accounts .....	22-39
- (7) Related Party Transactions .....	39-42
- (8) Pledged Assets .....	42
- (9) Significant Contingent Liabilities and Unrecognized Contractual Commitments .....	

42

- (10) Significant Losses from  
Disasters .....

42

- (11) Significant Subsequent  
Events .....

42

- (12) Others ..... 42–48

- (13) Disclosure  
Items .....

48

- (14) Segment Information ..... 48–49

## **Review Report of Independent Auditors**

No. 25001602 (2025)

To: SOFIVA Genomics Co., Ltd.

### **Introduction**

We have reviewed the consolidated balance sheets of SOFIVA Genomics Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity, consolidated cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our review. The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, Interim Financial Reporting, as endorsed and made effective by the Financial Supervisory Commission (FSC).

### **Scope**

Except as described in the Basis for Qualified Conclusion paragraph, our review was conducted in accordance with Statement on Auditing Standards No. 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity of the Republic of China. A review consists principally of inquiries, primarily of persons responsible for financial and accounting matters, and the application of analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an audit opinion.

### **Basis for Qualified Conclusion**

As described in Notes 4(3) and 6(4) to the consolidated financial statements, the interim financial statements of certain immaterial subsidiaries and equity-method investees included in the accompanying consolidated financial statements have not been reviewed by independent auditors. As of June 30, 2025 and 2024, their total assets (including equity-method investments) amounted to NT\$66,597 thousand and NT\$398,172 thousand, representing 8.87% and 51.32% of consolidated total assets, respectively. Their total liabilities amounted to NT\$12,567 thousand and NT\$8,582 thousand, representing 10.72% and 6.35% of consolidated total liabilities, respectively. Their comprehensive income (loss) (including the share of comprehensive income (loss) recognized under the equity method) for the three-month and six-month periods ended June 30, 2025 and 2024 amounted to NT\$2,511 thousand, NT\$8,613 thousand, NT\$2,947 thousand, and NT\$16,746 thousand,

representing (909.78%), 89.66%, (82.57%), and 75.35% of consolidated comprehensive income (loss), respectively.

### Qualified Conclusion

Based on our review, except for the possible adjustments to the consolidated financial statements that might have been determined had the financial statements of the immaterial subsidiaries and equity-method investees referred to in the Basis for Qualified Conclusion paragraph been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SOFIVA Genomics Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month and six-month periods then ended, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, Interim Financial Reporting, as endorsed and made effective by the FSC.

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## Consolidated Balance Sheets

Sofiva Genomics Co., Ltd. and Subsidiaries

As of June 30, 2025, December 31, 2024, and June 30, 2024

(Unit: NT\$ thousands)

Assets	Notes	Jun. 30, 2025	%	Dec. 31, 2024	%	Jun. 30, 2024	%
Cash and cash equivalents	6(1)	80,754	11	112,079	15	87,217	11
Financial assets measured at amortized cost – current	6(1)	34,100	5	34,100	4	36,200	5
Contract assets – current	6(14), 7(2)	8,899	1	9,410	1	10,860	1
Notes receivable, net	6(2)	2,303	-	2,508	-	5,808	1
Accounts receivable, net	6(2)	48,765	7	51,431	7	67,451	9
Accounts receivable – related parties, net	6(2), 7(2)	1,990	-	2,590	-	3,021	-
Other receivables	7(2)	5,930	1	-	-	6,199	1
Current income tax assets	6(19)	7,191	1	4,979	1	8,256	1

Inventories	6(3)	45,539	6	46,397	6	46,351	6
Prepayments		10,989	1	7,954	1	8,127	1
Other current assets		1,006	-	1,152	-	1,489	-
Total Current Assets		247,466	33	272,600	35	280,979	36
Investments accounted for using equity method	6(4)	375,225	50	368,015	48	354,980	46
Property, plant and equipment	6(5)	44,127	6	53,160	7	60,764	8
Right-of-use assets	6(6)	41,936	6	49,996	7	52,449	7
Intangible assets		9,382	1	8,192	1	9,675	1
Deferred income tax assets		8,629	1	5,061	1	6,177	1
Refundable deposits		11,057	1	11,059	1	10,514	1
Other non-current assets – others		13,170	2	-	-	304	-
Total Non-current Assets		503,526	67	495,483	65	494,863	64
Total Assets		750,992	100	768,083	100	775,842	100

Liabilities and Equity	Notes	Jun. 30, 2025	%	Dec. 31, 2024	%	Jun. 30, 2024	%
Contract liabilities – current	6(14)	2,251	-	1,773	-	1,241	-
Notes payable – related parties	7(2)	-	-	-	-	2,481	-
Accounts payable		20,650	3	19,256	3	24,484	3
Accounts payable – related parties	7(2)	3,007	1	3,216	1	5,319	1
Other payables	6(7), 7(2)	40,118	6	40,773	5	39,019	5
Current income tax liabilities	6(19)	848	-	-	-	210	-
Provisions – current	6(8)	750	-	1,060	-	1,150	-
Lease liabilities – current		16,604	2	16,428	2	13,479	2
Other current liabilities		1,128	-	951	-	2,186	-
Total Current Liabilities		85,356	12	83,457	11	89,569	11
Provisions – non-current	6(8)	3,054	-	3,030	-	3,007	-
Deferred income tax liabilities		168	-	238	-	169	-
Lease liabilities – non-current		28,612	4	36,954	5	42,381	6



Total Non-current Liabilities		31,834	4	40,222	5	45,557	6
Total Liabilities		117,190	16	123,679	16	135,126	17
Common stock	6(11)	215,934	29	215,934	28	214,724	28
Capital surplus	6(12)	341,589	45	341,594	44	335,904	44
Legal reserve	6(13)	37,481	5	35,638	5	35,638	4
Special reserve	6(13)	148	-	46	-	46	-
Unappropriated retained earnings	6(13)	38,902	5	50,978	7	54,590	7
Other equity		(68)	-	(148)	-	(8)	-
Total equity attributable to owners of the parent		633,986	84	644,042	84	640,894	83
Non-controlling interests		(184)	-	362	-	(178)	-
Total Equity		633,802	84	644,404	84	640,716	83
Total Liabilities and Equity		750,992	100	768,083	100	775,842	100

## Consolidated Statements of Comprehensive Income

Sofiva Genomics Co., Ltd. and Subsidiaries

For the three-month and six-month periods ended June 30, 2025 and 2024

(Unit: NT\$ thousands, except for earnings (loss) per share in NT dollars)

Items	Notes	Apr. 1 – Jun. 30, 2025		Apr. 1 – Jun. 30, 2024		Jan. 1 – Jun. 30, 2025		Jan. 1 – Jun. 30, 2024	
			%		%		%		%
Operating revenue	6(14), 7(2)	100,684	100	122,568	100	196,602	100	243,593	100
Operating costs	6(3),(17), 7(2)	(74,369)	(74)	(83,549)	(68)	(145,163)	(74)	(162,999)	(67)
<b>Gross profit</b>		26,315	26	39,019	32	51,439	26	80,594	33
Selling expenses	6(17), 7(2)	(12,040)	(12)	(12,390)	(10)	(25,775)	(13)	(24,172)	(10)
General and administrative expenses	6(17), 7(2)	(20,125)	(20)	(19,734)	(16)	(39,683)	(20)	(39,305)	(16)
Research and development expenses	6(17), 7(2)	(2,983)	(3)	(3,003)	(3)	(5,364)	(3)	(4,969)	(2)
Expected credit gain (loss)	12(2)	-	-	(4)	-	1	-	(4)	-
<b>Total operating expenses</b>		(35,148)	(35)	(35,131)	(29)	(70,821)	(36)	(68,450)	(28)
<b>Operating income (loss)</b>		(8,833)	(9)	3,888	3	(19,382)	(10)	12,144	5
Interest income	6(15)	428	-	420	-	748	-	743	-
Other income		49	-	47	-	203	-	326	-
Other gains and losses		(608)	(1)	63	-	(802)	-	(218)	-

Items	Notes	Apr. 1 – Jun. 30, 2025	%	Apr. 1 – Jun. 30, 2024	%	Jan. 1 – Jun. 30, 2025	%	Jan. 1 – Jun. 30, 2024	%
Finance costs	6(16)	(227)	-	(270)	-	(473)	-	(562)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(4)	7,234	7	6,787	6	13,140	7	12,818	5
<b>Total non- operating income and expenses</b>		6,876	7	7,047	6	12,816	7	13,107	5
<b>Income (loss) before income tax</b>		(1,957)	(2)	10,935	9	(6,566)	(3)	25,251	10
Income tax benefit (expense)	6(19)	1,553	2	(1,324)	(1)	2,906	1	(3,071)	(1)
<b>Net income (loss) for the period</b>		(404)	-	9,611	8	(3,660)	(2)	22,180	9
Other comprehensive income (loss): items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations		157	-	(7)	-	111	-	53	-
Income tax relating to items	6(19)	(29)	-	2	-	(20)	-	(10)	-

Items	Notes	Apr. 1 – Jun. 30, 2025	%	Apr. 1 – Jun. 30, 2024	%	Jan. 1 – Jun. 30, 2025	%	Jan. 1 – Jun. 30, 2024	%
that may be reclassified subsequently									
<b>Total other comprehensive income (loss)</b>		128	-	(5)	-	91	-	43	-
<b>Total comprehensive income (loss) for the period</b>		(276)	-	9,606	8	(3,569)	(2)	22,223	9
Net income (loss) attributable to:									
– Owners of the parent		(410)	-	9,551	8	(3,653)	(2)	22,042	9
– Non-controlling interests		6	-	60	-	(7)	-	138	-
Total comprehensive income (loss) attributable to:									
– Owners of the parent		(298)	-	9,546	8	(3,573)	(2)	22,080	9
– Non-controlling interests		22	-	60	-	4	-	143	-
<b>Earnings (loss) per share (NT\$)</b>									
Basic earnings (loss) per share	6(20)	(0.02)		0.45		(0.17)		1.03	

Items	Notes	Apr. 1 – Jun. 30, 2025	%	Apr. 1 – Jun. 30, 2024	%	Jan. 1 – Jun. 30, 2025	%	Jan. 1 – Jun. 30, 2024	%
Diluted earnings (loss) per share	6(20)	(0.02)		0.44		(0.17)			

## Consolidated Statements of Changes in Equity

Sofiva Genomics Co., Ltd. and Subsidiaries

For the six-month periods ended June 30, 2025 and 2024

(Unit: NT\$ thousands)

Items	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriate d Retained Earnings	Other Equity	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
Balance as of Jan. 1, 2024	214,724	335,904	35,638	46	32,548	(51)	618,809	(316)	618,493
Net income for the period	-	-	-	-	22,042	-	22,042	138	22,180
Other comprehensive income	-	-	-	-	-	38	38	5	43
Total comprehensive income	-	-	-	-	22,042	38	22,080	143	22,223
Balance as of Jun. 30, 2024	214,724	335,904	35,638	46	54,590	(13)	640,889	(173)	640,716

Balance as of Jan. 1, 2025	215,934	341,594	35,638	46	50,978	(148)	643,042	362	643,404
Appropriation of 2024 earnings: – Legal reserve	-	-	1,843	-	(1,843)	-	-	-	-
Appropriation of 2024 earnings: – Special reserve	-	-	-	102	(102)	-	-	-	-
Appropriation of 2024 earnings: – Cash dividends	-	-	-	-	(25,912)	-	(25,912)	-	(25,912)
Net loss for the period	-	-	-	-	(3,653)	-	(3,653)	(7)	(3,660)
Other comprehensive income	-	-	-	-	-	80	80	11	91
Total comprehensive income (loss)	-	-	-	-	(3,653)	80	(3,573)	4	(3,569)
Balance as of Jun. 30, 2025	215,934	341,589	37,481	148	38,902	(68)	633,986	(184)	633,802

## Consolidated Statements of Cash Flows

Sofiva Genomics Co., Ltd. and Subsidiaries

For the six-month periods ended June 30, 2025 and 2024

(Unit: NT\$ thousands)

Items	2025	2024
Cash flows from operating activities		
Income (loss) before income tax	(6,566)	25,251
Depreciation expense	16,116	16,632
Amortization expense	1,193	1,194
Expected credit (gain) loss	(1)	4
Interest expense	473	562
Interest income	(748)	(743)
Dividend income	(3,729)	(3,493)
Share of profit of associates/joint ventures accounted for using equity method	(13,140)	(12,818)
Loss on disposal of property, plant and equipment	6	218
Changes in working capital (net)		
Contract assets	511	(1,196)
Notes receivable	205	1,220
Accounts receivable	2,666	(13,364)
Other receivables	(5,930)	257



Inventories	858	(4,918)
Prepayments	(3,035)	(2,341)
Other current assets	146	(591)
Contract liabilities	478	(2,018)
Notes payable–related parties	-	2,481
Accounts payable	1,394	2,210
Other payables	(655)	(3,631)
Provisions	(286)	(186)
Other current liabilities	177	(18)
Cash generated from (used in) operations	(10,687)	6,931
Interest received	725	756
Interest paid	(474)	(562)
Income tax paid	(3,224)	(3,852)
Net cash flows from (used in) operating activities	(13,660)	3,273
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,284)	(2,744)
Proceeds from disposal of property, plant and equipment	2	5
Decrease (increase) in refundable deposits	2	(9)
Increase in other non-current assets	(13,170)	-

Dividend received from associates	3,729	3,493
Net cash flows from (used in) investing activities	(10,721)	745
Cash flows from financing activities		
Repayment of lease liabilities	(8,122)	(7,498)
Cash dividends paid	(25,912)	(21,472)
Net cash flows from (used in) financing activities	(34,034)	(28,970)
Net decrease in cash and cash equivalents	(58,415)	(24,952)
Cash and cash equivalents at beginning of period	112,079	112,169
Cash and cash equivalents at end of period	53,664	87,217

## Notes to the Consolidated Financial Statements

Sofiva Genomics Co., Ltd. and Subsidiaries

For the six-month periods ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

### (3) Application of Newly Released and Revised Standards and Interpretations

#### (a) Newly Released and Revised IFRSs Adopted by the Group

The Group has adopted the International Financial Reporting Standards, International Accounting Standards, Interpretations, and related guidance (collectively, “IFRSs”) as endorsed by the Financial Supervisory Commission (FSC) of the Republic of China (Taiwan), effective from January 1, 2025.

The adoption of the newly released and amended IFRSs effective in 2025 did not have a material impact on the Group’s consolidated financial statements.

#### (b) Effect of New and Amended IFRSs Issued by the IASB but Not Yet Endorsed by the FSC

New or amended IFRSs issued by the International Accounting Standards Board (IASB), which have not yet been endorsed by the FSC, are therefore not applicable to the Group as of the reporting date.

The Group is currently evaluating the possible impact of these new or amended standards on its consolidated financial statements. However, the extent of such impact cannot be reasonably estimated at this stage.

#### (c) Effect of IFRSs Issued by the IASB but Not Yet Endorsed by the FSC

International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) that have not yet been endorsed by the Financial Supervisory Commission (FSC) of the Republic of China (Taiwan) are not applicable to the Group as of the reporting date.

The Group is currently assessing the possible impact of these standards on its consolidated financial statements, but the extent of such impact cannot be reasonably estimated at this time.

#### **(4) Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these consolidated financial statements are described as follows. Except where otherwise indicated, such policies have been applied consistently throughout all reporting periods.

##### **(4a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 “Interim Financial Reporting” as endorsed and made effective by the Financial Supervisory Commission (FSC) of the Republic of China (Taiwan).

##### **(4b) Basis of Preparation**

1. These consolidated financial statements have been prepared on a historical cost basis.
2. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations, and related guidance, as endorsed and made effective by the Financial Supervisory Commission (FSC) of the Republic of China (Taiwan), requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group’s accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

##### **(4c) Basis of Consolidation**

###### **1. Principles for Preparing Consolidated Financial Statements**

(1) The Group includes all subsidiaries in the preparation of its consolidated financial statements. A subsidiary is an entity (including structured entities) that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and are deconsolidated from the date that control ceases.

(2) Intra-group transactions, balances, and unrealized gains or losses have been eliminated in full. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with those adopted by the Group.

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

###### **2. Subsidiaries Included in the Consolidated Financial Statements**

Investor	Subsidiary Name	Nature of Business	Shareholding (%) – Jun. 30, 2025	Shareholding (%) – Dec. 31, 2024	Shareholding (%) – Jun. 30, 2024	Note
The Company	群智基因股份有限公司	Testing services	1	1	1	Note 1/2
The Company	Sofiva Genomics Bangkok Co., Ltd.	Testing services	0.9	0.9	0.9	Note 1
The Company	慧智基因醫事檢驗所	Testing services	–	–	–	Note 1/3
The Company	慧智基因臨床醫事檢驗所	Testing services	–	–	–	Note 1/4

Notes:

1. The subsidiaries listed above are included in the consolidated financial statements of the Group.
2. 群智基因股份有限公司 is the main domestic subsidiary of the Company.
3. 慧智基因醫事檢驗所 was dissolved in April 2024.
4. 慧智基因臨床醫事檢驗所 was established in May 2024 and is included in consolidation starting from that date.
3. Subsidiaries Not Included in the Consolidated Financial Statements: None.
4. Adjustments and Treatments for Subsidiaries with Different Accounting Periods: None.
5. Significant Restrictions: None.
6. Subsidiaries with Material Non-controlling Interests to the Group: None.

## **(4d) Foreign Currency Translation**

### **1. Foreign Currency Transactions and Balances**

(1) Foreign currency transactions are translated into the functional currency at the spot exchange rates prevailing at the dates of the transactions or the measurement dates. Exchange differences arising on such transactions are recognized in profit or loss for the period.

(2) Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot exchange rates prevailing at the balance sheet date. Exchange differences arising from such retranslation are recognized in profit or loss for the period.

(3) All exchange gains and losses are presented in the consolidated statements of comprehensive income under "Other gains and losses."

### **2. Translation of Foreign Operations**

For all Group entities, associates, and joint arrangements whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency using the following methods:

(1) Assets and liabilities presented in each balance sheet are translated at the closing exchange rates at the reporting date;

(2) Income and expenses presented in each statement of comprehensive income are translated at average exchange rates for the period;

(3) All resulting exchange differences are recognized in other comprehensive income.

## **(4e) Criteria for Classifying Assets and Liabilities as Current or Non-current**

### **1. Current Assets**

An asset is classified as current if it meets any of the following criteria:

(1) It is expected to be realized, sold, or consumed in the normal operating cycle;

(2) It is held primarily for trading purposes;

(3) It is expected to be realized within twelve months after the reporting period; or

(4) It is cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

### **2. Current Liabilities**

A liability is classified as current if it meets any of the following criteria:

(1) It is expected to be settled in the normal operating cycle;

(2) It is held primarily for trading purposes;

- (3) It is due to be settled within twelve months after the reporting period; or
- (4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

#### **(4f) Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

#### **(4g) Financial Assets Measured at Amortized Cost**

##### **1. Conditions**

Financial assets are classified as measured at amortized cost if they meet both of the following conditions:

- (1) The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **2. Trade Date Accounting**

The Group applies trade date accounting for financial assets measured at amortized cost that are regular way purchases or sales.

##### **3. Subsequent Measurement**

At initial recognition, the Group measures such financial assets at fair value plus transaction costs. Subsequently, interest income is recognized over the period the asset is held using the effective interest method, and impairment losses are recognized where applicable. Gains or losses are recognized in profit or loss when the asset is derecognized.

##### **4. Time Deposits**

Time deposits held by the Group that do not qualify as cash equivalents are measured at the investment amount, as the holding period is short and the effect of discounting is insignificant.

#### **(4h) Accounts Receivable and Notes Receivable**

- 1. Accounts receivable and notes receivable refer to the amounts that the Group has an unconditional contractual right to collect as consideration for the transfer of goods or services.
- 2. Short-term accounts receivable and notes receivable without interest are measured at their original invoice amounts, as the effect of discounting is immaterial.

#### **(4i) Impairment of Financial Assets**

At each balance sheet date, the Group assesses financial assets measured at amortized cost for impairment by considering all reasonable and supportable information, including forward-looking factors.

- For financial assets whose credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.
- For financial assets whose credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses.
- For accounts receivable or contract assets that do not contain a significant financing component, the loss allowance is always measured at an amount equal to the lifetime expected credit losses.

#### **(4j) Derecognition of Financial Assets**

A financial asset is derecognized when the Group's contractual rights to the cash flows from the financial asset expire.

#### **(4k) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted-average method.

When comparing cost and net realizable value, the comparison is performed on an item-by-item basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **(4l) Investments Accounted for Using the Equity Method – Associates**

1. Associates are entities over which the Group has significant influence but not control, generally presumed when the Group holds, directly or indirectly, 20% or more of the voting power. Investments in associates are accounted for using the equity method and are initially recognized at cost.
2. The Group recognizes its share of the post-acquisition profit or loss of associates in profit or loss, and its share of post-acquisition other comprehensive income in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in that associate (including any other unsecured receivables), the Group discontinues recognizing further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When changes in an associate's equity do not result from profit or loss or other comprehensive income and do not affect the Group's ownership percentage, the Group recognizes its share of such changes in equity in "Capital surplus," based on its ownership interest.



4. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. Where necessary, the accounting policies of associates have been adjusted to conform with those adopted by the Group.

5. When an associate issues new shares and the Group does not subscribe for or acquire them in proportion to its existing shareholding, resulting in a change in its ownership interest but retaining significant influence, the change in net equity attributable to the Group is adjusted against "Capital surplus" and "Investments accounted for using the equity method." If the ownership interest decreases, in addition to the above adjustment, any gain or loss previously recognized in other comprehensive income that relates to the associate and is required to be reclassified to profit or loss upon disposal of the related assets or liabilities, is reclassified to profit or loss on a proportionate basis.

6. When the Group disposes of its investment in an associate and loses significant influence, any amounts previously recognized in other comprehensive income in relation to that associate are accounted for as if the Group had directly disposed of the related assets or liabilities. Accordingly, any gain or loss previously recognized in other comprehensive income is reclassified to profit or loss upon loss of significant influence. If the Group retains significant influence after partial disposal, only the proportionate share of amounts previously recognized in other comprehensive income is reclassified to profit or loss.

#### **(4n) Lessee Lease Transactions – Right-of-use Assets / Lease Liabilities**

1. At the commencement date of a lease, the Group recognizes a right-of-use asset and a lease liability. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. At the lease commencement date, lease liabilities are measured at the present value of lease payments not yet paid, discounted using the Group's incremental borrowing rate. Lease payments include fixed payments less any lease incentives receivable. Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease term. When lease terms or payments change for reasons other than contract modifications, the lease liability is reassessed and the corresponding adjustment is made to the right-of-use asset.

3. Right-of-use assets are initially measured at cost, which includes:

- (1) the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date; and
- (3) estimated costs of dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the asset to the condition required under the lease terms.

Subsequently, right-of-use assets are measured using the cost model and are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. When lease liabilities are reassessed, right-of-use assets are adjusted by the same amount.

4. Except for lease modifications that decrease the scope of a lease, in which case the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease and the difference between this amount and the remeasured lease liability is recognized in profit or loss, all other lease modifications result in remeasurement of the lease liability with a corresponding adjustment to the right-of-use asset.

#### **(4o) Intangible Assets**

1. Patents acquired separately are recognized at cost. Patents are finite-life intangible assets and are amortized on a straight-line basis over their estimated useful lives of 15 years.
2. Computer software and website development costs are recognized at cost and are amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.

#### **(4p) Impairment of Non-financial Assets**

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized when the recoverable amount of an asset is less than its carrying amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the circumstances that led to the recognition of an impairment loss in prior years no longer exist or have decreased, the impairment loss is reversed. However, the increased carrying amount of an asset due to a reversal shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized.

#### **(4q) Accounts Payable and Notes Payable**

1. Accounts payable represent obligations to pay for raw materials, goods, or services purchased on credit, and notes payable represent obligations arising from operating and non-operating activities.
2. Short-term accounts payable and notes payable without interest are measured at their original invoice amounts, as the effect of discounting is immaterial.

#### **(4r) Derecognition of Financial Liabilities**

A financial liability is derecognized when the contractual obligation is discharged, cancelled, or expires.

#### **(4s) Provisions**

Provisions for compensation related to testing services and decommissioning liabilities are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

#### **(4t) 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 expenses when the related services are rendered.

##### **2. Pension – Defined Contribution Plans**

For defined contribution plans, contributions payable are recognized as pension expenses in the period in which the employees render services. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

##### **3. Employee Compensation and Remuneration of Directors**

Employee compensation and directors' remuneration are recognized as expenses and liabilities when the Group has a legal or constructive obligation and the amounts can be reasonably estimated. Any difference between the amount resolved for actual distribution and the previously recognized amount is accounted for as a change in accounting estimate. Where employee compensation is distributed in the form of shares, the number of shares is calculated based on the closing price of the shares on the day before the resolution of the board of directors.

#### **(4u) Share-based Payment**

Equity-settled share-based payment arrangements are measured at the fair value of the equity instruments granted at the grant date. The fair value of the services received is recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted reflects the impact of market and non-market vesting conditions. Compensation cost is adjusted based on the estimated number of awards expected to vest in relation to service and non-market vesting conditions, and the final amount recognized is based on the number of awards that vest at the vesting date.

#### **(4v) Income Taxes**

1. Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or directly in equity.

2. Current income tax is calculated based on the enacted or substantively enacted tax rates at the balance sheet date in the jurisdictions where the Group operates and generates taxable income. Management regularly evaluates tax positions taken in tax returns and recognizes income tax liabilities when it is probable that additional taxes will be due. Additional tax on unappropriated earnings is recognized in the year following the resolution by the shareholders' meeting to appropriate earnings.

3. Deferred income tax is recognized using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities on temporary differences associated with investments in subsidiaries are not recognized if the timing of the reversal can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is measured at the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

4. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets, both recognized and unrecognized, are reassessed at each balance sheet date.

5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities which intend to settle on a net basis or realize the assets and liabilities simultaneously.

6. Interim income tax expense is measured by applying the estimated average annual effective tax rate to the pre-tax income of the interim reporting period.

#### **(4w) Capital Stock**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income taxes, are deducted from equity.

#### **(4x) Dividend Distribution**

In accordance with the Company's Articles of Incorporation, cash dividends to shareholders are recognized as liabilities upon the resolution of the board of directors. Stock dividends are recognized as stock dividends to be distributed upon the resolution of the shareholders' meeting, and are reclassified to ordinary shares at the effective date of issuance.

#### **(4y) Revenue Recognition**

1. Service revenue is recognized in the financial reporting period in which the services are rendered to customers. For fixed-price contracts, revenue is recognized based on the stage of completion at the balance sheet date, measured by the proportion of labor hours incurred to the estimated total labor hours.

2. Payment terms for service revenue are usually from advance payments to 90 days after month-end. Since the period between the transfer of promised services to customers and the customers' payments does not exceed one year, the Group does not adjust the

transaction price for the time value of money.

3. Customers pay the contract price according to the agreed payment schedule. When the Group has provided services exceeding the customer's payment obligation, a contract asset is recognized. Conversely, when customer payments exceed the services provided, a contract liability is recognized.

#### **(4z) Operating Segments**

The Group reports operating segment information consistent with the internal management reports provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance. The Group has identified its board of directors as the chief operating decision maker.

### **5. Significant Accounting Judgments, Estimates and Assumptions**

In preparing these consolidated financial statements, management has exercised its judgment in determining the accounting policies to be applied and has made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Actual results may differ from these estimates. The estimates and assumptions are continually evaluated and adjusted based on historical experience and other relevant factors. Such estimates and assumptions involve risks that may result in adjustments to the carrying amounts of assets and liabilities in the next financial year. The following describes significant judgments, estimates, and sources of estimation uncertainty:

#### **(a) Critical Judgments in Applying Accounting Policies**

Management has assessed that there are no critical judgments in applying accounting policies that involve significant uncertainty.

#### **(b) Key Sources of Estimation Uncertainty**

##### **1. Estimation of Stage of Completion for Service Revenue**

The Group's principal revenue arises from genetic and medical testing services, including pre-pregnancy, prenatal, and neonatal tests. Revenue from such services is recognized using the percentage-of-completion method, measured based on the proportion of actual labor hours incurred to the estimated total labor hours under the contract price. The estimated total labor hours are determined based on past experience. When changes occur due to improvements in research and development capabilities or upgrades in equipment, the estimated total labor hours are revised accordingly.

##### **2. Valuation of Inventories**

Since inventories are stated at the lower of cost and net realizable value, the Group must exercise judgment and estimation in determining their net realizable value at the balance sheet date. Given the rapid pace of technological change, the Group assesses the amounts of inventories that may be subject to normal wear and tear, obsolescence, or lack of marketability, and writes down inventory costs to net realizable value. The valuation of

inventories is primarily based on recent selling prices and expected product demand within a specific future period, which may result in significant changes.

## 6. Notes to Significant Accounts

### (a) Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

Item	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	339	322	379
Checks and demand deposits	38,015	69,357	44,438
Time deposits	42,400	42,400	42,400
Total	80,754	112,079	87,217

1. The financial institutions with which the Group maintains business relationships are of high credit quality, and the Group diversifies its dealings among several institutions to mitigate credit risk. Accordingly, the probability of default is expected to be very low.

2. The Group has not pledged any cash or cash equivalents as collateral.

3. Time deposits with maturities over three months but within one year have been reclassified as current financial assets measured at amortized cost. The balances of such deposits amounted to NT\$34,100, NT\$34,100, and NT\$36,200 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively. Interest income arising from these time deposits for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, is disclosed in Note 6(p). The Group has not pledged such current financial assets measured at amortized cost as collateral.

### (b) Notes and Accounts Receivable

The details of notes and accounts receivable are as follows:

Item	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	2,303	2,508	5,808
Accounts receivable	48,784	51,451	67,475
Accounts receivable – related parties	1,990	2,590	3,021
Subtotal	50,774	54,041	70,496

Less: Allowance for doubtful accounts	-19	-20	-24
Net amount	50,755	54,021	70,472

1. The aging analysis of notes and accounts receivable (including related parties) and related credit risk information is disclosed in Note 12(b).
2. The balances of notes and accounts receivable as of June 30, 2025, December 31, 2024, June 30, 2024, and January 1, 2024, all arose from customer contracts. In addition, the balance of notes and accounts receivable from customer contracts as of January 1, 2024 amounted to NT\$71,806.
3. The Group does not hold any collateral for the above notes and accounts receivable.

### (c) Inventories

The details of inventories are as follows (unit: NT\$ thousands):

Catego ry	June 30, 2025 – Cost	June 30, 2025 – Allowa nce for invento ry valuati on losses	June 30, 2025 – Carryi ng amou nt	Decem ber 31, 2024 – Cost	Decem ber 31, 2024 – Allowa nce for invento ry valuati on losses	Decem ber 31, 2024 – Carryin g amoun t	June 30, 2024 – Cost	June 30, 2024 – Allowa nce for invento ry valuati on losses	June 30, 2024 – Carryi ng amou nt
Raw materi als	49,7 30	-4,191	45,53 9	51,411	-5,014	46,397	49,3 63	-3,012	46,35 1

1. None of the inventories listed above were pledged as collateral.
2. Inventory-related expenses recognized during the period.

The Group recognized a reversal gain as a result of consuming inventories for which an allowance for decline in value had previously been provided, thereby reducing the allowance for inventory valuation losses.

The details of inventory-related expenses are as follows:

Item	Apr. 1 – Jun. 30, 2025	Apr. 1 – Jun. 30, 2024
Raw materials consumed	39,616	43,178

Raw materials reclassified to expenses	2,640	2,543
Inventory valuation losses (reversal gain)	-475	-675
Subtotal	41,781	45,046

The Group recognized a reversal gain as a result of consuming inventories for which an allowance for decline in value had previously been provided, thereby reducing the allowance for inventory valuation losses.

#### (d) Investments Accounted for Using the Equity Method

The carrying amounts and ownership percentages of associates are as follows:

Associate	June 30, 2025 – Carrying Amount	Ownership %	Dec. 31, 2024 – Carrying Amount	Ownership %	June 30, 2024 – Carrying Amount	Ownership %
禾馨股份 有限公司	375,225	16.56%	368,015	16.56%	354,980	16.56%

Share of profit (loss) of associates accounted for using the equity method:

Item	Apr. 1 – Jun. 30, 2025	Apr. 1 – Jun. 30, 2024	Jan. 1 – Jun. 30, 2025	Jan. 1 – Jun. 30, 2024
Share of profit (loss) of associates – 禾馨股份有限公 司	13,140	12,818	13,140	12,818

As of June 30, 2024, the Group recognized its share of profit (loss) of Ho Hsin Co., Ltd. based on the investee's financial statements, which were prepared by the investee and not reviewed by independent auditors.

#### 1. Associates

##### (1) Basic information of significant associates



Associate	Principal Place of Business	June 30, 2025 – Ownership %	Dec. 31, 2024 – Ownership %	June 30, 2024 – Ownership %	Nature of Relationship	Measurement Method
禾馨股份有限公司	Taiwan	16.56%	16.56%	16.56%	Associate	Equity method

(2) Summarized financial information of significant associates

A. Balance Sheet – 禾馨股份有限公司

Item	June 30, 2025	Dec. 31, 2024	June 30, 2024
Current assets	660,471	570,509	569,220
Non-current assets	4,447,533	4,498,917	4,487,373
Current liabilities	-442,922	-540,837	-585,509
Non-current liabilities	-2,397,610	-2,306,277	-2,327,485

B. Statement of Comprehensive Income – 禾馨股份有限公司

Item	Apr. 1 – Jun. 30, 2025	Apr. 1 – Jun. 30, 2024	Jan. 1 – Jun. 30, 2025	Jan. 1 – Jun. 30, 2024
Revenue	271,991	237,015	487,431	417,058
Profit (loss) for the period from continuing operations	43,675	40,976	79,340	77,392
Total comprehensive income (loss) for the period	43,675	40,976	79,340	77,392
Dividends received from associates	5,930	5,930	5,930	5,930

2. The Group's associates are not publicly traded; therefore, fair value information is not available.

**(e) Property, Plant and Equipment**

The details of property, plant and equipment are as follows:

For the six months ended June 30, 2025:

Item	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other s	Total
Jan. 1 – Cost	134,082	8,508	24,890	28,149	21,210	216,839
Jan. 1 – Accumulated depreciation	-92,627	-8,508	-23,207	-18,515	-20,822	-163,679
Net opening balance	41,455	-	1,683	9,634	388	53,160
Additions	-	-	-	-	401	401
Depreciation expense	-6,845	-	-1,089	-1,341	-159	-9,434
Net closing balance (June 30)	34,610	-	594	8,293	630	44,127

For the six months ended June 30, 2024:

Item	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other s	Total
Jan. 1 – Cost	113,596	8,508	24,890	28,149	21,585	196,728
Jan. 1 – Accumulated depreciation	-78,986	-8,508	-24,296	-19,856	-20,955	-152,601

depreciatio  
n

Net opening balance	34,610	-	594	8,293	630	44,127
Additions	-	-	-	-	401	401
Depreciation expense	-6,845	-	-1,089	-1,341	-159	-9,434
Net closing balance (June 30)	34,610	-	594	8,293	630	44,127

The Group has neither pledged its property, plant and equipment as collateral nor capitalized any interest.

**(f) Leases – Lessee**

1. The Group leases office premises and transportation equipment under lease contracts with lease terms ranging from 1 to 10 years. These contracts are individually negotiated and contain a wide variety of terms and conditions, without any specific restrictions imposed.

2. Carrying amounts of right-of-use assets and related depreciation expenses:

Item	Office	Transportation Equipment	Total
As of Jan. 1, 2025	48,883	1,113	49,996
Depreciation expense	-7,742	-318	-8,060
As of Jun. 30, 2025	41,141	795	41,936
As of Jan. 1, 2024	58,426	1,748	60,174
Depreciation expense	-7,407	-318	-7,725
As of Jun. 30, 2024	51,019	1,430	52,449

3. Information on items affecting profit (loss) related to lease contracts:

Item	Apr. 1 – Jun. 30, 2025 / 2024	Jan. 1 – Jun. 30, 2025 / 2024
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Interest expense on lease liabilities	215 / 258	449 / 539
Expenses relating to short-term lease contracts	137 / 133	276 / 267
Total	352 / 391	725 / 806

4. For the six-month periods ended June 30, 2025 and 2024, in addition to the lease-related expenses described in Note 6(f)(3) above, the Group's cash outflows also included repayments of lease liabilities. Please refer to Note 6(22) for further details.

### **(g) Other Payables**

The details of other payables are as follows:

Item	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Salaries and bonuses payable	71,375	68,480	61,221
Employees' and directors' remuneration payable	20,900	19,200	21,100
Payables for professional service fees	12,184	8,950	10,300
Taxes payable	4,327	3,891	4,195
Others	9,116	8,775	7,910
Total	117,902	109,296	104,726

### **(h) Provisions**

Movements in provisions were as follows:

Item	Asset Retirement Obligations	Compensation Provisions	Total
Jan. 1, 2025	3,030	1,060	4,090
Reversal of provisions	-	-310	-310

Interest expense (unwinding of discount)	24	-	24
Jun. 30, 2025	3,054	750	3,804
Jan. 1, 2024	3,165	2,465	5,630
Provisions made during the period	-	35	35
Provisions used during the period	-	-1,350	-1,350
Reversal of provisions	-177	-	-177
Interest expense (unwinding of discount)	23	-	23
Net exchange differences	-4	-	-4
Jun. 30, 2024	3,007	1,150	4,157

Analysis of provisions is as follows:

Item	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Current	750	1,060	1,150
Non-current	3,054	3,030	3,007
Total	3,804	4,090	4,157

#### 1. Compensation provisions

The Group recognizes provisions related to the testing services provided, which are estimated based on historical experience and relevant statistical data.

#### 2. Asset retirement obligations

In accordance with applicable contractual requirements, the Group has obligations to dismantle, remove, or restore the leased office premises. Accordingly, the Group recognizes provisions for the present value of expected costs to be incurred. These provisions are expected to be settled upon the expiration of the lease term.

#### (i) Pension

The Company has established a defined contribution pension plan in accordance with the Labor Pension Act, which applies to domestic employees. For those employees who have elected to be subject to the pension system under the Labor Pension Act, the Company contributes monthly an amount equal to 6% of the employees' salaries to individual accounts maintained with the Bureau of Labor Insurance. The payment of pension benefits is based on the balances of these individual accounts and accumulated earnings, and may be received either as monthly payments or as a lump sum.

For the three-month periods ended June 30, 2025 and 2024, and the six-month periods ended June 30, 2025 and 2024, the Company recognized pension costs of \$1,254, \$1,200, \$2,561, and \$2,395, respectively, under the aforementioned pension plan.

#### **(j) Share-based Payments**

##### **1. The Company's share-based payment arrangements:**

Type of Agreement	Grant Date	Number of Shares Granted	Contract Period	Vesting Conditions	Settlement Method
Second Employee Stock Option Plan	May 13, 2020	770,000	5 years	Vested 20% after 2 years; 50% after 3 years; 100% after 4 years	Equity settlement
Second Employee Stock Option Plan	Mar. 24, 2021	230,000	5 years	Vested 20% after 2 years; 50% after 3 years; 100% after 4 years	Equity settlement

##### **2. Details of the above share-based payment arrangements:**

###### **(1) Second Employee Stock Option Plan (Grant date: May 13, 2020)**

Item	2025 (Shares)	2025 Wtd. Avg. Exercise Price (NT\$)	2024 (Shares)	2024 Wtd. Avg. Exercise Price (NT\$)
Outstanding at Jan. 1	378,000	52.6	605,000	52.8

Options forfeited during the period	-	-	-10,000	52.8
Options exercised during the period	-	-	-96,000	52.8
Options expired during the period	-378,000	52.6	-	-
Outstanding at Jun. 30	-	-	499,000	52.8
Exercisable at Jun. 30	-	-	499,000	52.8

(2) Second Employee Stock Option Plan (Grant date: March 24, 2021)

Item	2025 (Shares)	2025 Wtd. Avg. Exercise Price (NT\$)	2024 (Shares)	2024 Wtd. Avg. Exercise Price (NT\$)
Outstanding at Jan. 1	31,000	45.1	195,000	45.2
Options forfeited during the period	-	-	-150,000	45.2
Options exercised during the period	-	-	-14,000	45.2
Outstanding at Jun. 30	31,000	45.1	31,000	45.2
Exercisable at Jun. 30	31,000	45.1	8,500	45.2

3. Expiry dates and exercise prices of outstanding stock options as of the balance sheet date:

Type of Agreement	Grant Date	Expiry Date	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
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Second Employee Stock Option Plan	May 13, 2020	May 12, 2025	-	378 shares / NT\$52.6	499 shares / NT\$52.8
Second Employee Stock Option Plan	Mar. 24, 2021	Mar. 23, 2026	31 shares / NT\$45.1	31 shares / NT\$45.1	31 shares / NT\$45.2

4. The fair value of stock options granted under the Company's share-based payment transactions was estimated using the Black-Scholes option pricing model, with the following assumptions:

Type of Agreement	Grant Date	Stock Price (NT\$)	Exercise Price (NT\$)	Expected Volatility	Expected Life	Expected Dividend Yield	Risk-free Interest Rate	Fair Value per Unit (NT\$)
Second Employee Stock Option Plan	May 13, 2020	60.5	60.5	0.3051	3.5–4.5 years	0.0271	0.35% – 0.36%	NT\$10.6 6 at 2 yrs; NT\$11.1 4 at 3 yrs; NT\$11.5 6 at 4 yrs
Second Employee Stock Option Plan	Mar. 24, 2021	49.8	49.8	0.3364	3.5–4.5 years	0.0268	0.25% – 0.28%	NT\$9.7 at 2 yrs; NT\$10.2 at 3 yrs; NT\$10.6 at 4 yrs

Note: The expected volatility was estimated using the standard deviation of stock returns over a period equivalent to the expected life of the stock options, based on recent stock price data.

5. For the three-month periods ended June 30, 2025 and 2024, and the six-month periods ended June 30, 2025 and 2024, expenses arising from the above share-based payment transactions amounted to \$0, \$397, (\$5), and (\$757), respectively.



#### **(k) Capital Stock**

1. As of June 30, 2025, the Company's authorized capital was NT\$300,000, divided into 30,000 thousand shares (including 2,000 thousand shares reserved for employee stock options). The paid-in capital was NT\$215,934, with a par value of NT\$10 per share. All issued shares were fully paid. The numbers of issued and outstanding shares for the six-month periods ended June 30, 2025 and 2024 were as follows:

Date	2025 (Shares)	2024 (Shares)
Jan. 1	21,593,400	21,362,400
Employee stock option exercised	-	110,000
Jun. 30	21,593,400	21,472,400

2. For the six-month periods ended June 30, 2025 and 2024, the Company issued 0 shares and 110,000 shares of common stock, respectively, as a result of employees' exercise of stock options. The issuance of such common stock has been duly registered as changes in capital.

#### **(l) Capital Surplus**

1. In accordance with the Company Act, capital surplus arising from the issuance of shares in excess of par value and from donations received may be used to offset deficits. When the Company has no accumulated deficits, such capital surplus may also be distributed in proportion to shareholders' original shareholdings, either in the form of new shares or cash. Pursuant to the Securities and Exchange Act, however, the total amount capitalized from the above-mentioned capital surplus in any given year shall not exceed 10% of the paid-in capital. Furthermore, capital surplus shall not be used to cover losses unless the legal reserve is insufficient for such purpose.

2. For the changes in the Company's capital surplus, please refer to the consolidated statements of changes in equity.

#### **(m) Retained Earnings**

1. In accordance with the Company's Articles of Incorporation, when there is no profit in the Company's annual final accounts, no dividends or bonuses shall be distributed. If there is profit, it shall first be used to pay taxes and offset accumulated losses, followed by an appropriation of 10% as legal reserve; however, when the legal reserve equals the Company's total capital, this requirement shall not apply. After setting aside or reversing special reserves in accordance with laws or regulations of competent authorities, the remaining balance is distributable earnings for the year. Distributable earnings, combined with undistributed earnings from prior years, shall be allocated based on the proposal of the Board of Directors and resolved by the shareholders' meeting. However, the annual dividend distribution to shareholders shall not be less than 30% of the distributable earnings for the year. If the accumulated undistributed earnings are less than 1% of paid-in

capital, the Company may choose not to distribute dividends. Dividends may be distributed in cash or stock. As the Company currently maintains stable operations, cash dividends are prioritized. However, stock dividends may also be distributed, provided that cash dividends shall account for not less than 30% of the total dividends distributed. In accordance with Article 240, Paragraph 5 of the Company Act, the Board of Directors is authorized, upon the attendance of at least two-thirds of directors and the resolution of a majority of attending directors, to distribute all or part of the dividends, bonuses, or legal reserve and capital surplus under Article 241, Paragraph 1 of the Company Act in cash, which shall be reported to the shareholders' meeting.

2. The legal reserve shall not be used except to offset Company losses or to be distributed in the form of new shares or cash to shareholders in proportion to their shareholdings. However, when the legal reserve exceeds 25% of paid-in capital, the excess portion may be distributed.

3. When allocating earnings, the Company shall, pursuant to relevant laws and regulations, set aside a special reserve equal to the debit balance of other equity items as of the balance sheet date. When such debit balance is subsequently reversed, the reversed amount may be included in distributable earnings.

#### 4. Earnings distribution

On June 4, 2025 and May 29, 2024, the Company's shareholders' meetings resolved the earnings distribution for 2024 and 2023, respectively, as follows:

Item	2024 (NT\$ thousand)	Cash Dividend per Share (NT\$)	2023 (NT\$ thousand)	Cash Dividend per Share (NT\$)
Appropriation of legal reserve	1,843	-	1,153	-
Appropriation of special reserve	102	-	14	-
Cash dividends	6,478	0.3	4,272	0.2
Total	8,423	-	5,439	-

#### (n) Revenue

##### 1. Disaggregation of customer contract revenue

The Group's revenue is derived from services transferred over time and can be disaggregated into the following major product lines and geographic regions:

Category	Taiwan	Others	Total
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Customer contract revenue (3 months ended Jun. 30, 2025)	95,803	4,881	100,684
Customer contract revenue (3 months ended Jun. 30, 2024)	117,654	4,914	122,568
Customer contract revenue (6 months ended Jun. 30, 2025)	187,873	8,729	196,602
Customer contract revenue (6 months ended Jun. 30, 2024)	233,916	9,677	243,593

## 2. Contract assets and contract liabilities

(1) The Group recognized contract assets and contract liabilities relating to customer contract revenue:

Item	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024	Jan. 1, 2024
Contract assets – Testing-related services	8,899	9,410	10,860	4,159
Contract liabilities – Testing-related services	2,251	1,773	1,241	773

(2) Revenue recognized from contract liabilities at the beginning of the period:

Category	2025	2024
Testing-related services (3 months ended Jun. 30)	-	37
Testing-related services (6 months ended Jun. 30)	526	696

## (o) Interest Income

For the three-month and six-month periods ended June 30, 2025 and 2024, the Group recognized interest income as follows:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Interest from bank deposits	425	417
Imputed interest income from lease	3	3
Total	428	420

**\*\*For the six months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Interest from bank deposits	673	674
Imputed interest income from lease	75	69
Total	748	743

#### **(p) Finance Costs**

For the three-month and six-month periods ended June 30, 2025 and 2024, the Group recognized finance costs as follows:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Interest expense on lease liabilities	215	258
Interest expense on asset retirement obligations	12	12
Total	227	270

**\*\*For the six months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Interest expense on lease liabilities	449	539
Interest expense on asset retirement obligations	24	23
Total	473	562

**(q) Additional Information on the Nature of Expenses**

The Group's expenses, by nature, for the three-month and six-month periods ended June 30, 2025 and 2024, are analyzed as follows:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Employee benefits expense	32,323	32,168
Depreciation expense on property, plant and equipment and right-of-use assets	8,676	8,960
Amortization expense on intangible assets	2,436	1,476

**\*\*For the six months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Employee benefits expense	66,764	62,094
Depreciation expense on property, plant and equipment and right-of-use assets	17,494	17,631
Amortization expense on intangible assets	4,151	2,885

**(r) Employee Benefits Expense**

The Group's employee benefits expenses for the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Salaries expense	24,996	24,640
Share-based payments	-	397
Labor and health insurance expense	2,720	2,547

Pension expense	1,254	1,200
Remuneration of directors	1,966	2,025
Others	1,387	1,359
Total	32,323	32,168

\*\*For the six months ended June 30, 2025 and 2024\*\*

Item	2025	2024
Salaries expense	50,906	48,326
Share-based payments	(5)	(757)
Labor and health insurance expense	5,808	5,353
Pension expense	2,561	2,395
Remuneration of directors	4,745	4,041
Others	2,749	2,736
Total	66,764	62,094

1. In accordance with the Company's Articles of Incorporation, if the Company has profits for the year, 1% to 10% shall be appropriated as employees' compensation and no more than 2% as directors' remuneration. Of the employees' compensation mentioned above, 50% shall be allocated to basic-level employees. However, if the Company still has accumulated deficits, the deficits shall first be covered.

Employees' compensation may be distributed in the form of stock or cash, subject to a resolution adopted by the Board of Directors with the attendance of at least two-thirds of directors and the approval of a majority of the attending directors, and shall be reported to the shareholders' meeting. The recipients of employees' compensation, whether in stock or cash, may include subordinate employees who meet certain criteria.

Matters relating to the distribution of employees' and directors' remuneration shall be handled in accordance with relevant laws and regulations, resolved by the Board of Directors, and reported to the shareholders' meeting.

2. For the three-month and six-month periods ended June 30, 2025 and 2024, the Company accrued employees' compensation of \$0, \$109, \$0, and \$251, respectively, and directors' remuneration of \$0, \$109, \$0, and \$251, respectively. The aforementioned amounts were recorded under the line item of salaries expense.

Since the Company incurred a loss for the six-month period ended June 30, 2025, no employees' or directors' compensation was accrued. For 2024, the Company's Board of Directors resolved employees' compensation and directors' remuneration at \$235 each, consistent with the amounts recognized in the consolidated financial statements for 2024. As of June 30, 2025, the above-mentioned employees' compensation and directors' remuneration for 2024 had not yet been distributed.

3. Information regarding the employees' and directors' compensation approved by the Board of Directors can be found on the Market Observation Post System (MOPS).

#### (s) Income Tax

##### 1. Income tax (benefit) expense

##### (1) Components of income tax (benefit) expense:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Income tax payable for the period	648	150
Income tax assets for the period	(804)	1,266
Income tax refundable (payable) from prior years	(292)	(2,424)
Prepaid and withheld tax	1,128	1,157
Additional tax on undistributed earnings	(245)	-
Under(over)-estimation in prior years	(96)	(182)
Total current income tax	339	(33)
Deferred income tax – Origination and reversal of temporary differences	(2,106)	1,356
Total deferred income tax	(2,106)	1,356
Exchange differences, net	(31)	1
Total income tax (benefit) expense	(1,553)	1,324

(2) Income tax (benefit) expense relating to other comprehensive income:

**\*\*For the three months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Exchange differences on foreign operations	29	(2)

**\*\*For the six months ended June 30, 2025 and 2024\*\***

Item	2025	2024
Exchange differences on foreign operations	20	10

(3) For the three-month and six-month periods ended June 30, 2025 and 2024, the Group did not recognize any income tax directly debited or credited to equity.

2. The Company's corporate income tax returns have been assessed and approved by the tax authorities up to 2023. In addition, the subsidiary GeneReach Biotech Inc. has also had its corporate income tax returns assessed and approved by the tax authorities up to 2023.

#### **(t) Earnings (Loss) per Share**

1. Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period.

2. Diluted earnings (loss) per share is calculated by adjusting the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, such as employee stock options.

**\*\*For the three months ended June 30, 2025\*\***

Item	Net Loss (NT\$ thousand)	Weighted-average shares (thousand)	EPS (NT\$)
Basic loss per share	(410)	21,593	(0.02)
Diluted loss per share	(410)	21,593	(0.02)

**\*\*For the three months ended June 30, 2024\*\***

Item	Net Income (NT\$ thousand)	Weighted-average shares (thousand)	EPS (NT\$)
Basic earnings per share	20,332	21,483	0.95



Diluted earnings per share	20,332	21,483	0.94
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#### (u) Cash Flow Information

##### 1. Investing activities with only partial cash payments

##### \*\*Acquisition of property, plant and equipment\*\*

Item	2025	2024
Acquisition of property, plant and equipment	401	14,762
Add: Beginning balance of payables	-	105
Less: Ending balance of payables	-	(116)
Cash paid during the period	401	14,751

##### \*\*Acquisition of intangible assets\*\*

Item	2025	2024
Acquisition of intangible assets	5,341	5,696
Add: Beginning balance of payables	1,289	889
Less: Ending balance of payables	(380)	-
Cash paid during the period	6,250	6,585

##### 2. Financing activities not affecting cash flows

Item	2025	2024
Declared but unpaid cash dividends	6,478	4,272

#### (v) Changes in Liabilities from Financing Activities

\*\*For the six months ended June 30, 2025\*\*

Item	Dividends Payable	Lease Liabilities (Current/Non-current)
Balance as of January 1	-	53,382
Cash dividends declared	6,478	-
Repayment of lease liabilities	-	(8,166)
Balance as of June 30	6,478	45,216

**\*\*For the six months ended June 30, 2024\*\***

Item	Dividends Payable	Lease Liabilities (Current/Non-current)
Balance as of January 1	-	63,585
Cash dividends declared	4,272	-
Repayment of lease liabilities	-	(7,725)
Balance as of June 30	4,272	55,860

## 7. Related Party Transactions

### (a) Names of related parties and relationships

Name of Related Party	Relationship with the Group
禾馨股份有限公司 (禾馨公司)	Associate
禾蘊股份有限公司 (禾蘊公司)	The Company's Chairman is also a director of this company
禾馨婦產科診所 (禾馨懷寧)	The Company's Chairman is also the person in charge of this clinic
慧智醫事檢驗所 (慧智檢驗所)	Substantive related party
和平婦產科 (和平婦產)	Substantive related party
全體董事、總經理及主要管理階層等	Key management personnel and governance bodies of the Group

**(b) Significant transactions with related parties**

**1. Transactions for providing testing services**

**(1) Service Revenue**

Details of service revenue from providing testing services to related parties are as follows:

Related Party Category	2025 (Apr 1 – Jun 30)	2024 (Apr 1 – Jun 30)
Other related parties	3,935	5,580

The testing services provided to related parties are not different from those provided to ordinary customers. Transaction prices are based on mutual agreements, and the collection terms are not significantly different from those with non-related parties. For ordinary customers, the collection period ranges from advance payment to 90 days after month-end, while for the related parties above, the collection period is approximately 60 days after month-end.

**(2) Accounts Receivable**

Balances of accounts receivable arising from the above related party transactions are as follows:

Related Party Category	June 30, 2025	Dec 31, 2024	June 30, 2024
Other related parties	1,990	2,590	3,021

**(3) Contract Assets**

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

Related Party Category	June 30, 2025	Dec 31, 2024	June 30, 2024
Other related parties	343	352	668

**2. Transactions for outsourced testing services**

**(1) Service Costs**

Details of service costs arising from testing services provided by related parties are as follows:

For the three months ended June 30

Related Party Category	2025	2024
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Other related parties – Sofiva Laboratory	4,301	7,403
Other related parties – Others	645	955
Total	4,946	8,358

For the six months ended June 30

Related Party Category	2025	2024
Other related parties – Sofiva Laboratory	8,978	14,194
Other related parties – Others	1,084	1,961
Total	10,062	16,155

The transaction prices for testing services provided by related parties are based on mutual agreements. The payment terms are not significantly different from those with non-related parties. For ordinary suppliers, the payment period is 60 days after month-end, and for the related parties above, the payment period is also 60 days after month-end.

## (2) Notes Payable / Accounts Payable

Balances of notes payable and accounts payable arising from the above related party transactions are as follows:

### A. Notes Payable

Related Party Category	June 30, 2025	Dec 31, 2024	June 30, 2024
Other related parties – Sofiva Laboratory	-	-	2,175
Other related parties – Others	-	-	306
Total	-	-	2,481

### B. Accounts Payable

Related Party Category	June 30, 2025	Dec 31, 2024	June 30, 2024
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Other related parties – Sofiva Laboratory	2,606	2,836	4,731
Other related parties – Others	401	380	588
Total	3,007	3,216	5,319

### 3. Investment Transactions

(1) Dividend Income (deduction under investments accounted for using the equity method)

Dividend income arising from investments in associates (presented as a deduction under investments accounted for using the equity method) is disclosed in Note 6(4).

(2) Other Receivables

As of June 30, 2025, December 31, 2024, and June 30, 2024, the balances of other receivables arising from the above related party transactions amounted to NT\$5,930, NT\$0, and NT\$5,930, respectively.

### 4. Other Transactions – Operating Expenses / Other Payables

For the three months and six months ended June 30, 2025 and 2024, expenses incurred for consulting services provided by associates amounted to NT\$150, NT\$150, NT\$300, and NT\$300, respectively.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the balances of other payables arising from these transactions amounted to NT\$105, NT\$52, and NT\$105, respectively.

### (c) Compensation of Key Management Personnel

For the three months ended June 30

Category	2025	2024
Short-term employee benefits	3,091	3,561
Post-employment benefits	51	51
Share-based payments	-	26
Total	3,142	3,638

For the six months ended June 30

Category	2025	2024
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Short-term employee benefits	8,120	7,950
Post-employment benefits	102	102
Share-based payments	-	106
Total	8,222	8,158

## 8. Assets Pledged

None.

## 9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

### (a) Significant Contingent Liabilities

None.

### (b) Significant Unrecognized Contractual Commitments

The Group is authorized to use certain testing technologies and pays royalties each quarter based on the number of test reports issued.

## 10. Significant Losses from Disasters

None.

## 11. Significant Subsequent Events

None.

## 12. Others

### (a) Capital Management

The Group's objectives of capital management are to ensure its ability to continue as a going concern, to maintain an optimal capital structure in order to reduce the cost of capital, and to provide returns 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 monitors its capital on the basis of the debt-to-assets ratio, which is calculated as total liabilities divided by total assets.

The Group's strategy for 2025 remained the same as in 2024. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's debt-to-assets ratio is disclosed in the consolidated balance sheets.

## **(b) Financial Instruments**

### **1. Types of Financial Instruments**

The Group's financial assets (including cash and cash equivalents, financial assets measured at amortized cost – current, contract assets – current, notes receivable, accounts receivable (including related parties), other receivables, and refundable deposits) and financial liabilities (including notes payable – related parties, accounts payable (including related parties), other payables, and lease liabilities (current/non-current)) are disclosed in Note 6 and in the consolidated balance sheets.

### **2. Risk Management Policies**

The Group's daily operations are exposed to a variety of financial risks, including market risk (comprising foreign exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. The Group's Finance Department executes risk management in accordance with policies approved by management and is primarily responsible for identifying, assessing, and mitigating financial risks.

## **3. Nature and Extent of Major Financial Risks**

### **(1) Market Risk**

#### **A. Foreign Exchange Risk**

The Group's operations involve transactions in certain non-functional currencies (the Company's functional currency is the New Taiwan Dollar (NTD), while the subsidiaries' functional currencies are the NTD and Thai Baht (THB)). Accordingly, the Group is exposed to fluctuations in exchange rates. Monetary assets and liabilities subject to material exchange-rate exposure are summarized below:

#### **(A) Monetary Items**

Item	Foreign Currency (thousand)	Exchange Rate	Carrying Amount (NT\$)
Financial assets – THB	7684	0.907	6969
Financial assets – USD	142	29.3	4161
Financial liabilities – USD	61	29.3	1787

### **(B) Foreign Exchange Gains and Losses**

Aggregate foreign exchange gains (losses) on monetary items significantly affected by exchange-rate fluctuations—including both realized and unrealized amounts—were NT\$(608), NT\$50, NT\$(802), and NT\$(231) for the three months and six months ended June 30, 2025 and 2024, respectively.

### **(C) Sensitivity Analysis**

Currency	Change in rate	Impact on profit or loss	Impact on OCI
THB:NTD	0.01	70	–
USD:NTD (assets)	0.01	42	–
USD:NTD (liabilities)	0.01	-18	–

### **B. Price Risk**

The Group is not subject to any material price risk.

### **C. Cash Flow and Fair Value Interest Rate Risk**

The Group is not subject to any material interest rate risk.

## **(2) Credit Risk**

### **A. Definition**

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations.

### **B. Policies and Group-level Management**

Pursuant to its internal credit policies, the Group evaluates each new customer prior to setting service terms, considering financial condition, past experience, and other factors to assess credit quality. From a group perspective, the Finance Department establishes credit limits based on internal or external ratings and monitors the usage of such limits on a regular basis. The principal sources of credit risk are bank deposits with financial institutions and outstanding contract assets, notes receivable, and accounts receivable from customers.

### **C. Criteria for Significant Increase in Credit Risk and Default**

Based on historical experience, the Group regards contractual amounts that are more than 90 days past due as having experienced a significant increase in credit risk after initial recognition, and amounts more than 360 days past due as in default.



#### D. Simplified Approach and Provision Matrix

The Group applies the simplified approach to measure expected credit losses (ECL) on accounts receivable and contract assets, using a provision matrix. Forward-looking information is incorporated to adjust loss rates derived from historical and current data.

Bucket	Not past due	1–30 days	31–90 days	91–180 days	181–360 days	>360 days	Total
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100%	nan%
Contract assets – current	8899	\$ -	\$ -	\$ -	\$ -	\$ -	8899
Notes receivable	2303	-	-	-	-	-	2303
Accounts receivable	47947	1779	1031	17	-	-	50774
Total	59149	1779	1031	17	\$ -	\$ -	61976
Loss allowance	18	1	\$ -	\$ -	\$ -	\$ -	19
Bucket	Not past due	1–30 days	31–90 days	91–180 days	181–360 days	>360 days	Total
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100%	nan%
Contract assets – current	9410	\$ -	\$ -	\$ -	\$ -	\$ -	9410
Notes receivable	2508	-	-	-	-	-	2508
Accounts receivable	48275	1793	2813	1160	-	-	54041
Total	60193	1793	2813	1160	\$ -	\$ -	65959
Loss allowance	18	1	1	\$ -	\$ -	\$ -	20

Bucket	Not past due	1–30 days	31–90 days	91–180 days	181–360 days	>360 days	Total
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100%	nan%
Contract assets – current	10860	\$ -	\$ -	\$ -	\$ -	\$ -	10860
Notes receivable	5808	-	-	-	-	-	5808
Accounts receivable	64925	3205	2172	194	-	-	70496
Total	81593	3205	2172	194	\$ -	\$ -	87164
Loss allowance	22	1	1	\$ -	\$ -	\$ -	24

The above analysis is based on days past due (aging buckets).

#### E. Collection and Write-off Policies

For financial assets that are in default, the Group continues to pursue legal collection procedures to preserve its rights. After such procedures, amounts that are not reasonably recoverable are written off.

#### G. Movements in Loss Allowance

Item	Contract assets	Notes receivable	Accounts receivable	Total
Balance at January 1, 2025	\$ -		20	20
Expected credit loss (gain)	-	-	-1	-1
Balance at June 30, 2025	\$ -	\$ -	19	19
Item	Contract assets	Notes receivable	Accounts receivable	Total
Balance at January 1, 2024	\$ -	\$ -	20	20

Expected credit loss (gain)	-	-	4	4
Balance at June 30, 2024	\$ -	\$ -	24	24

### (3) Liquidity Risk

#### A. Cash Flow Forecasting and Covenants

Cash flow forecasts are prepared by the Finance Department to monitor liquidity needs, ensure sufficient funds are available for operations, and maintain adequate undrawn borrowing facilities at all times so that the Group remains in compliance with borrowing limits and covenants. The forecasts consider debt financing plans, covenant compliance, and internal balance-sheet ratio targets.

#### B. Management of Excess Cash

When cash on hand exceeds working capital requirements, the Finance Department places excess cash in interest-bearing demand deposits with sufficient liquidity to meet the above forecasts and provide an adequate buffer.

#### C. Undrawn Borrowing Facilities

As of June 30, 2025, December 31, 2024, and June 30, 2024, there were no undrawn borrowing facilities.

#### D. Contractual Maturity Analysis

The contractual cash flows of non-derivative financial liabilities are grouped by maturity below. Except for the amounts presented in the table, the remaining items generally mature within one year. The amounts disclosed represent undiscounted cash flows and are broadly consistent with the carrying amounts presented in the consolidated balance sheet.

Non-derivative liabilities	Within 1 year	1–2 years	Over 2 years	Total
Lease liabilities	17269	13680	15472	46421
Non-derivative liabilities	Within 1 year	1–2 years	Over 2 years	Total
Lease liabilities	17250	15669	22118	55037
Non-derivative liabilities	Within 1 year	1–2 years	Over 2 years	Total
Lease liabilities	14356	14398	29152	57906

#### **(4) Fair Value Information**

The Group has no material financial instruments measured at fair value, and the valuation techniques used do not have a significant impact. For financial instruments not measured at fair value—including cash and cash equivalents, financial assets at amortized cost (current), contract assets (current), notes receivable (net), accounts receivable (net, including related parties), other receivables, refundable deposits, notes payable (related parties), accounts payable (including related parties), other payables, and lease liabilities (current/non-current)—their carrying amounts approximate fair values.

#### **(3) Fair Value Information**

The Group has no material financial instruments measured at fair value, and the valuation techniques used for fair value estimation have no significant impact. Furthermore, for financial instruments not measured at fair value—including cash and cash equivalents, financial assets at amortized cost (current), contract assets (current), notes receivable (net), accounts receivable (net, including related parties), other receivables, refundable deposits, notes payable (related parties), accounts payable (including related parties), other payables, and lease liabilities (current/non-current)—their carrying amounts approximate fair values.

### **XIII. Notes Disclosure**

#### **(a) Information on Significant Transactions**

1. Loans to others: Please refer to Schedule 1.
2. Endorsements/guarantees for others: None.
3. Significant marketable securities held at period-end (excluding investments in subsidiaries, associates, and joint ventures): None.
4. Purchases and sales with related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
5. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
6. Intercompany business relationships and significant transactions between parent and subsidiaries: Please refer to Schedule 2.

#### **(b) Information on Investments**

Information on investee companies, including name and location (excluding investments in Mainland China): Please refer to Schedule 3.

### **(c) Information on Investments in Mainland China**

None.

## **XIV. Segment Information**

### **(a) General Information**

The Group operates in a single industry, and management evaluates performance and allocates resources on a consolidated basis. Accordingly, the Group is identified as a single reportable segment.

### **(b) Measurement of Segment Information**

The profit or loss of the Group's operating segment is measured on a pre-tax basis, which serves as the basis for performance evaluation.

### **(c) Segment Profit or Loss, Assets, and Liabilities**

The Group has only one reportable segment. Segment profit or loss, assets, and liabilities are consistent with the consolidated statements of comprehensive income and consolidated balance sheets. The accounting policies and estimates used for the reportable segment are the same as those described in Notes IV and V on significant accounting policies and critical accounting estimates and assumptions.

### **(d) Reconciliation of Segment Information**

1. As the Group has only one reportable segment, the external revenue and profit or loss information provided to the chief operating decision maker is consistent with the amounts in the consolidated statements of comprehensive income. The segment profit or loss is pre-tax, and no reconciliation is required.
2. As the Group has only one reportable segment, the total assets and total liabilities provided to the chief operating decision maker are consistent with the amounts in the consolidated balance sheets. Therefore, no reconciliation is required.