

Sofiva Genomics Co. Ltd. and Subsidiaries
Consolidated Financial Statements for the Nine Months Ended September
30, 2024 and 2023 and Independent Auditors' Report
(Stock Code: 6615)

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Sofiva Genomics Co. Ltd. and Subsidiaries
Consolidated Financial Statements for the Nine Months Ended September 30, 2024
and 2023 and Independent Auditors' Report
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Independent Auditors' Report

(113) Cai-Shen-Bao-Zih No. 24002285

The Board of Directors and Stockholders
Sofiva Genomics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sofiva Genomics Co., Ltd. and subsidiaries (the 'Group') as at September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the quarters ended September 30, 2024 and 2023 and as at September 30, 2024 and 2023, the consolidated statements of changes in equity and of cash flows as at September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of 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' as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 2410 'Review of Financial Information Performed by the Independent Auditor of the Entity' in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(4), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets as at September 30, 2024 and 2023 (including investments accounted for under the equity method) of NT\$412,129 thousand and NT \$402,136 thousand, constituting 53.08% and 52.45% of the consolidated total assets, and total liabilities of NT\$15,285 thousand and NT\$11,910 thousand, constituting 11.96% and 8.14% of the consolidated total liabilities as at September 30, 2024 and 2023, respectively; and total comprehensive income (including other comprehensive income accounted for under the equity method) of NT\$6,713 thousand, NT\$6,458 thousand, NT\$23,459 thousand and NT\$17,915 thousand, constituting 428.13%, 110.83%, 98.60% and 126.80% of the consolidated total comprehensive income (loss) for the quarters ended September 30, 2024 and 2023, and as at September 30, 2024 and 2023, respectively.



Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and investments accounted for under the equity method been reviewed by independent accounts, that we might have been aware of had it not been for the situation described above, based on our review, 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 the Group as at September 30, 2024 and 2023, its consolidated financial performance for the quarters ended September 30, 2024 and 2023 and as at September 30, 2024 and 2023, and its consolidated cash flows as at September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, 'Interim Financial Reporting' as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

Independent Accountants Yu Chih-fan

Chih Ping-chun

Financial Supervisory Commission

Approval No.: Jin-Guan-Jheng-Shen-Zih No. 1110349013

Former Securities and Futures Commission, Ministry of Finance

Approval No.: (88) Tai-Tsai-Cheng(6) No. 16120

ate: November 13, 2024

Sofiva Genomics Co. Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 102,083	13	\$ 96,806	13	\$ 99,981	13
1136	Current financial assets at Amortized cost	6(1)	34,100	4	43,225	6	43,225	6
1140	Current contract assets	6(14) and 7(2)	9,317	1	4,159	-	9,730	1
1150	Notes receivable, net	6(2)	3,109	1	6,910	1	6,068	1
1170	Accounts receivable, net	6(2)	54,968	7	60,176	8	52,087	7
1180	Accounts receivable due from related parties, net	6(2) and 7(2)	2,814	-	4,700	1	4,855	-
1200	Other receivable		-	-	612	-	555	-
1220	Current income tax assets	6(19)	4,506	1	8,398	1	7,620	1
130X	Inventories	6(3)	51,361	7	41,787	5	43,624	6
1410	Prepayments		12,590	2	8,776	1	7,270	1
1470	Other current assets		1,176	-	1,790	-	1,557	-
11XX	Total current assets		276,024	36	277,339	36	276,572	36
Non-current assets								
1550	Investments accounted for under the equity method	6(4)	361,553	45	348,092	46	344,014	45
1600	Property, plant and equipment	6(5)	57,869	7	55,908	7	60,933	8
1755	Right-of-use assets	6(6)	54,025	7	60,174	8	62,197	8
1780	Intangible assets		8,578	1	6,864	1	7,089	1
1840	Deferred income tax assets		7,212	1	9,312	1	8,019	1
1920	Guarantee deposits paid		11,230	1	9,449	1	7,697	1
1990	Other non-current assets - others		-	-	-	-	216	-
15XX	Total non-current assets		500,467	64	489,799	64	490,165	64
1XXX	Total assets		\$ 776,491	100	\$ 767,138	100	\$ 766,737	100

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Sofiva Genomics Co. Ltd. and Subsidiaries

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

(The consolidated balance sheets as of September 30, 2023 and 2024 are reviewed, not audited in conformity with the ROC GAAS)

Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Liabilities								
Current liabilities								
2130	Current contract liabilities	6(14)	\$ 2,175	-	\$ 773	-	\$ 1,722	-
2170	Accounts payable		21,385	3	26,947	3	25,811	3
2180	Accounts payable to related parties	7(2)	3,985	-	4,770	1	4,924	1
2200	Other payables	6(7) and 7(2)	36,663	5	45,182	6	41,608	6
2230	Current income tax liabilities	6(19)	234	-	-	-	62	-
2250	Current provisions	6(8)	1,144	-	2,465	-	1,228	-
2280	Current lease liabilities		16,339	2	14,433	2	14,362	2
2300	Other current liabilities		1,420	-	1,628	-	1,606	-
21XX	Total current liabilities		<u>83,345</u>	<u>10</u>	<u>96,198</u>	<u>12</u>	<u>91,323</u>	<u>12</u>
Non-current liabilities								
2550	Non-current provisions	6(8)	3,019	1	3,165	1	3,150	-
2570	Deferred income tax liabilities		368	-	251	-	631	-
2580	Non-current lease liabilities		41,095	5	49,152	6	51,229	7
25XX	Total non-current liabilities		<u>44,482</u>	<u>6</u>	<u>52,568</u>	<u>7</u>	<u>55,010</u>	<u>7</u>
2XXX	Total liabilities		<u>127,827</u>	<u>16</u>	<u>148,766</u>	<u>19</u>	<u>146,333</u>	<u>19</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(11)	215,935	28	213,624	28	213,624	28
Capital surplus								
3200	Capital surplus	6(12)	341,074	44	332,060	43	331,870	43
Retained earnings								
3310	Legal reserve	6(13)	35,638	5	34,485	5	34,485	5
3320	Special reserve		46	-	32	-	32	-
3350	Unappropriated retained earnings		56,336	7	37,987	5	40,694	5
Other equity interest								
3400	Other equity interest		(169)	-	(46)	1	3	-
31XX	Total equity attributable to owners of parent		<u>648,859</u>	<u>84</u>	<u>618,142</u>	<u>82</u>	<u>620,708</u>	<u>81</u>
36XX	Non-controlling interests		(195)	-	230	(1)	(304)	-
3XXX	Total equity		<u>648,664</u>	<u>84</u>	<u>618,372</u>	<u>81</u>	<u>620,404</u>	<u>81</u>
Significant contingent liabilities and unrecognized contractual commitments								
	Significant events after reporting period	9						
		11						
3X2X	Total liabilities and equity		<u>\$ 766,491</u>	<u>100</u>	<u>\$ 767,138</u>	<u>100</u>	<u>\$ 766,737</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements. Please also refer thereto.

Chairman: Su Yi-Ning

General Manager: Hung Chia-Cheng

Accounting Manager: Chang Fu-Chien

Sofiva Genomics Co. Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

As at September 30, 2024 and 2023

(Expressed in thousands of New Taiwan dollars,
except for earnings per share amount)

Items	Notes	For the quarter ended September 30, 2024		For the quarter ended September 30, 2023		As at September 30, 2024		As at September 30, 2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6(14) and 7(2)	\$ 106,249	100	\$ 119,889	100	\$ 349,842	100	\$ 351,979	100
5000	Operating costs	6(3) (17) and 7(2)	(78,305)	(74)	(86,797)	(72)	(241,304)	(69)	(251,142)	(71)
5900	Net operating margin		27,944	26	33,092	28	108,538	31	100,837	29
	Operating expenses	6(17)and 7(2)								
6100	Selling expenses		(14,292)	(14)	(13,845)	(12)	(38,646)	(11)	(38,721)	(11)
6200	General and administrative expenses		(19,104)	(18)	(19,756)	(17)	(58,409)	(16)	(62,324)	(18)
6300	Research and development expenses		(1,527)	(1)	(1,734)	(1)	(6,496)	(2)	(7,939)	(2)
6450	Expected credit impairment loss	12(2)	-	-	(2)	-	(4)	-	(3)	-
6000	Total operating expenses		(34,923)	(33)	(35,337)	(30)	(103,373)	(29)	(108,987)	(31)
6900	Operating profit(loss)		(6,979)	(7)	(2,245)	(2)	(5,165)	2	(8,150)	2
	Non-operating income and expenses									
7100	Interest income	6(15)	245	-	229	-	988	-	1,021	-
7010	Other income		472	1	176	-	798	-	1,508	-
7020	Other gains and losses		1,003	1	(131)	-	785	-	(528)	-
7050	Finance costs	6(16)	(284)	-	(312)	-	(846)	-	(986)	-
7060	Share of profit or loss of associates and joint ventures accounted for under equity method	6(4)	6,573	6	6,447	6	19,391	6	19,593	6
7000	Total non-operating income and expenses		8,009	8	6,409	6	21,116	6	20,608	6
7900	Profit before income tax		1,030	1	4,164	4	26,281	8	12,458	4
7950	Income tax expense	6(19)	722	-	1,669	1	(2,349)	(1)	1,631	-
8200	Profit for the period		<u>\$ 1,752</u>	<u>1</u>	<u>\$ 5,833</u>	<u>5</u>	<u>\$ 23,932</u>	<u>7</u>	<u>\$ 14,089</u>	<u>4</u>
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		(\$ 224)	-	(\$ 4)	-	(\$ 171)	-	\$ 52	-
8399	Income tax related to components that may be reclassified	6(19)	40	-	(2)	-	30	-	(12)	-
8360	Total of components that may be reclassified to profit or loss		(184)	-	(6)	-	(141)	-	40	-
8300	Other comprehensive income (loss), net		<u>(\$ 184)</u>	<u>-</u>	<u>(\$ 6)</u>	<u>-</u>	<u>(\$ 141)</u>	<u>-</u>	<u>\$ 40</u>	<u>-</u>
8500	Total comprehensive income (loss) for the period		<u>\$ 1,568</u>	<u>1</u>	<u>\$ 5,827</u>	<u>5</u>	<u>\$ 23,791</u>	<u>7</u>	<u>\$ 14,129</u>	<u>4</u>
	Profit attributable to:									
8610	Owners of the parent		\$ 1,746	1	\$ 5,774	5	\$ 23,788	7	\$ 14,234	4
8620	Non-controlling interests		6	-	59	-	144	-	(145)	-
			<u>\$ 1,752</u>	<u>1</u>	<u>\$ 5,833</u>	<u>5</u>	<u>\$ 23,932</u>	<u>7</u>	<u>\$ 14,089</u>	<u>4</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		\$ 1,585	1	\$ 5,769	5	\$ 23,665	7	\$ 14,269	4
8720	Non-controlling interests		(17)	-	58	-	126	-	(14)	-
			<u>\$ 1,568</u>	<u>1</u>	<u>\$ 5,827</u>	<u>5</u>	<u>\$ 23,791</u>	<u>7</u>	<u>\$ 14,129</u>	<u>4</u>
	Earnings per share									
9750	Basic profit for the period	6(20)	\$ 0.08		\$ 0.27		\$ 1.11		\$ 0.67	
9850	Diluted profit for the period	6(20)	\$ 0.08		\$ 0.27		\$ 1.10		\$ 0.67	

The accompanying notes are an integral part of the consolidated financial statements. Please also refer thereto.

Chairman: Su Yi-ning

General Manager: Hung Chia-cheng

Accounting Manager: Chang Fu-chien

As at September
(Reviewed, not audited in con

Equity

	Notes	Capital Surplus			
		Shared capital – common stock	Additional paid- in capital	Changes in associates' equity value recognized using the equity method	Employee stock options
<u>As at September 30, 2023</u>					
Balance at January 1, 2023		\$ 213,624	\$ 225,173	\$ 98,456	\$ 7,328
Profit for the period		-	-	-	-
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	-
Allocation and distribution of retained earnings at December 31, 2022	6(13)	-	-	-	-
Legal reserve		-	-	-	-
Set aside special reserve		-	-	-	-
Cash dividends per ordinary share		-	-	-	-
Compensation cost for employee stock options	6(10)	-	-	-	883
Changes in non-controlling interests	4(3)	-	-	-	-
Balance at September 30, 2023		\$ 213,624	\$ 225,173	\$ 98,456	\$ 8,211
<u>As at September 30, 2024</u>					
Balance at January 1, 2024		\$ 213,624	\$ 225,173	\$ 98,456	\$ 8,319
Profit for the period		-	-	-	-
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	-
Allocation and distribution of Cash dividends per ordinary share at December 31, 2023	6(13)	-	-	-	-
Legal reserve		-	-	-	-
Set aside special reserve		-	-	-	-
Cash dividends per ordinary share		-	-	-	-
Compensation cost for employee stock options	6(10)	-	-	-	(742)
Expired employee stock warrants	6(10)	-	-	-	(318)
Employee exercise of stock options	6(10)	2,310	12,320	-	(2,564)
Changes in non-controlling interests	4(3)	-	-	-	-
Balance at September 30, 2024		\$ 215,934	\$ 237,493	\$ 98,456	\$ 4,695

The accompanying notes are an integral part of the con

Chairman: Su Yi-Ning

General Mana

Sofiva Genomics Co. Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

As at September 30, 2024 and 2023

(Reviewed, not audited in conformity with the ROC GAAS)

(Expressed in thousands of New Taiwan dollars)

	Notes	As at September 30, 2024	As at September 30, 2023
Cash flows from operating activities			
Profit before income tax for the period		\$ 26,281	\$ 12,458
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense on property, plant and equipment and right-of-use assets	6(17)	26,490	27,421
Amortized expense on intangible assets	6(17)	4,646	3,573
Expected credit impairment loss (gain)	12(2)	4	3
Interest expense	6(16)	846	986
Interest income	6(15)	(988)	(1,021)
Compensation cost for employee stock options	6(10)	(742)	883
Share of profit or loss of associates accounted for under equity method	6(4)	(19,391)	(19,593)
Changes in operating assets and liabilities			
Net changes in operating assets			
Current contract assets		(5,158)	(129)
Net notes receivable		3,801	2,280
Net accounts receivable		5,204	2,449
Net accounts receivable from related parties		1,886	(2,186)
Other receivables		612	(70)
Inventories		(9,574)	13,454
Prepayments		(3,814)	3,563
Other current assets		614	768
Net changes in operating liabilities			
Current contract liabilities		1,402	(389)
Accounts payable		(5,562)	(19,631)
Accounts payable from related parties		(785)	(236)
Other payables		(7,525)	(3,638)
Current provisions		(1,321)	(650)
Other current liabilities		(208)	271
Non-Current provisions		(197)	-
Cash inflow generated from operations		16,521	20,566
Interest received		988	1,021
Interest paid		(812)	(952)
Income tax received		7,856	225
Income tax paid		(3,766)	(458)
Net cash flows from operating activities		<u>20,787</u>	<u>20,402</u>
Cash flows from investing activities			
Financial assets measured at amortized cost -decrease in current		9,125	7,925
Acquisition of property, plant and equipment	6(21)	(16,801)	(20,916)
Withdrawal of intangible assets	6(21)	(7,249)	(2,696)
Increase in other non-current assets		-	(216)
Increase in guarantee deposits paid		(5,821)	(1,287)
Decrease in guarantee deposits paid		4,044	782
Dividends received		5,930	8,895
Net cash flows from investing activities		<u>(10,772)</u>	<u>(7,513)</u>
Cash flows from financing activities			
Payment of lease liabilities	6(22)	(11,757)	(10,828)
Dividends issued	6(22)	(4,272)	(21,362)
Employee exercise of stock options		12,066	
Changes in non-controlling interests	4(3)	(551)	(567)
Net cash flows used in financing activities		<u>(4,514)</u>	<u>(32,757)</u>
Effect of foreign exchange rate changes		224	37
Net increase(decrease) in cash and cash equivalents		5,277	(19,831)
Cash and cash equivalents at beginning of period	6(1)	96,806	119,812
Cash and cash equivalents at end of period	6(1)	<u>\$ 102,083</u>	<u>\$ 99,981</u>

The accompanying notes are an integral part of the consolidated financial statements. Please also refer thereto.

Chairman: Su Yi-ning

General Manager: Hung Chia-cheng

Accounting Manager: Chang Fu-chien

Sofiva Genomics Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Quarters Ended September 30, 2024 and 2023
(Reviewed, not audited in conformity with the ROC GAAS)

(Expressed in thousands of New Taiwan dollars,
unless otherwise specified)

1. General Information (Note 1)

- (1) Sofiva Genomics Co., Ltd. (hereinafter referred to as ‘the Company’) was incorporated upon approval of the competent authority and started to operate on September 15, 2012 in accordance with Company Act of the Republic of China. The Company and subsidiaries (hereinafter referred to as ‘the Group’) engages in the provision of pre-pregnancy, prenatal, and newborn genetic testing and medical inspection services.
- (2) In January 2017, the Company applied to Taipei Exchange (TPEX) for trading ordinary shares listed on the stock exchange. On January 22, 2018, the Company started to trade shares at TPEX as a listed company.

2. Approval of Financial Statements

The consolidated financial statements were approved and published by the board of directors on November 13, 2024.

3. Application of New, Amended and Revised Standards and Interpretations

- (1) Effects on the adoption of newly released or amended International Financial Reporting Standards (hereinafter referred to as IFRS) endorsed by the Financial Supervisory Commission (hereinafter referred to as FSC)

The following table summarizes newly released, amended or revised IFRS standards and interpretations that are applicable in 2024 as endorsed by FSC:

<u>Newly released, amended or revised standards and interpretations</u>	<u>Effective date issued by IASB</u>
Amendment to IFRS 16 ‘Lease Liability in a Sale and Leaseback’	January 1, 2024
Amendment to IAS 1 ‘Classifying liabilities as current or non-current’	January 1, 2024
Amendment to IAS 1 ‘Non-current Liabilities with Covenants’	January 1, 2024
Amendment to IAS 7 and Amendment to IFRS 7 ‘Supplier Finance Arrangements’.	January 1, 2024

According to the Group’s evaluation, above standards and interpretations would not cause significant changes to the Group’s consolidated financial status and performance.

(2) Effects on the failure of adopting newly released or amended IFRS endorsed by FSC

The following table summarizes newly released, amended or revised standards and interpretations of IFRS that have been issued by IASB and remain effective until 2024, as approved by FSC:

Newly released, amended or revised standards and interpretations	Effective date issued by IASB
Amendments to IAS 21 「Lack of Exchangeability」	January 1, 2025

According to the Group's evaluation, above standards and interpretations would not cause significant changes to the Group's consolidated financial status and performance.

(3) Effects on IFRS that have been issued by International Accounting Standards Board (IASB) without being endorsed by FSC.

The following table summarizes newly released, amended or revised standards and interpretations of IFRS that have been issued by IASB without being endorsed by FSC.

Newly released, amended or revised standards and interpretations	Effective date issued by IASB
Amendment to IFRS 9 and IAS 7 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2025
Amendment to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be finalized by IASB
'Insurance Contract' of IFRS 17	January 1, 2024
Amendment to IFRS 17 'Insurance Contract'	January 1, 2024
Amendment to IFRS 17 'Initial Application of IFRS 17 and IFRS 9 -Comparative Information'	January 1, 2024
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
IFRS Accounting Standards 'Annual Improvements-Volume 11'	January 1, 2026

According to the Group's evaluation, above standards and interpretations would not cause significant changes to the Group's consolidated financial status and performance.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements have been prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers' and IFRS's endorsed and issued 'IAS 34 Interim Financial Reporting'.

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the ‘IFRSs’) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policy. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements
- a. All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries re all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of the subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- b. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- c. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to non-controlling interests even if this result in the non-controlling interests having a deficit balance.
- B. Subsidiaries included in the consolidated financial statements:

Investor	Name of the subsidiary	Business nature	Ownership (%)			Descriptions
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Phoebus Genetics Co., Ltd.	Testing service	100%	100%	100%	Note 1/ Note 2
The Company	Sofiva Genomics Bangkok Co., Ltd.	Testing service	90%	90%	90%	Note 1
The Company	Sofiva Genomics Medical Laboratory	Testing service	-	-	-	Note 1/ Note 3
The Company	Sofiva Genomics Clinical Medical Laboratory	Testing service	-	-	-	Note 1/ Note 4

Note 1: Not an important subsidiary. The financial statements As at September 30, 2024 and 2023 have not been reviewed by CPA. The financial statements as of December 31, 2023 have been reviewed by CPA.

Note 2: The Company’s board of directors approved a cash reduction of \$22,000 on February 21, 2024. The reduction became effective on February 24, 2024 and the Company’s paid-in capital after the reduction is \$30,000.

The Company’s board of directors approved a cash reduction of \$15,000 on March 29, 2024. The reduction became effective on April 1, 2024 and the Company’s paid-in capital after the reduction is \$15,000.

Note 3: The Laboratory was established in June 2021. Although the Company does hold its shares, the Laboratory is incorporated into the consolidated entity as the Company has controlling power over its financial, operational and HR policies.

In March 2023, the Laboratory distributed earnings of \$307, resulting in a non-controlling interest impact of (\$307).

In March 2024, the Laboratory distributed earnings of \$304, resulting in a non-controlling interest impact of (\$304).

Note 4: The Laboratory was established in February 2022. Although the Company does hold its shares, the Laboratory is incorporated into the consolidated entity as the Company has controlling power over its financial, operational and HR policies.

In March 2023, the Laboratory distributed earnings of \$260, resulting in a non-controlling interest impact of (\$260).

In March 2024, the Laboratory distributed earnings of \$247, resulting in a non-controlling interest impact of (\$247).

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the company is "New Taiwan Dollar," while the functional currencies of the subsidiaries are "New Taiwan Dollar" and "Thai Baht". The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- a. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- b. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- c. All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'Other gains and losses'

B. Translation of foreign operations

The operating results and financial position of all group entities, associates and joint ventures that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;

- b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- c. All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - a. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - b. Assets held mainly for trading purposes;
 - c. Assets that are expected to be realized within twelve months from the balance sheet date;
 - d. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The Group has classified assets that do not comply with the aforesaid conditions as non-current assets.

- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - a. Liabilities that are expected to be paid off within the normal operating cycle;
 - b. Liabilities arising mainly from trading activities;
 - c. Liabilities that are to be paid off within twelve months from the balance sheet date;
 - d. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

The Group has classified assets that do not comply with the aforesaid conditions as non-current assets.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits and bills under repurchase agreements that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at amortized cost

- A. Financial assets at Amortized cost are those that meet all of the following criteria:
 - a. The objective of the Group's business model is achieved by collecting contractual cash flows.
 - b. The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at Amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

- (8) Accounts and notes receivable
- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
 - B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- (9) Impairment of financial assets
- For financial assets at Amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.
- (10) Derecognition of financial assets
- The Group derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire.
- (11) Inventories
- Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expense.
- (12) Investments accounted for under the equity method - associates
- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
 - B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
 - C. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
 - D. Unrealized gains or losses on 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 an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machine and equipment	1 to 5 years
Transportation equipment	5 years
Office equipment	3 to 5 years
Leasehold improvement	3 to 10 years
Others	1 to 5 years

(14) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at Amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - a. The amount of the initial measurement of lease liability;
 - b. Any lease payment made at or before the commencement date;
 - c. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of right-of use assets to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(15) Intangible assets

- 1. The separately acquired patent rights are recognized at cost. Patents are classified as intangible assets with finite useful lives and are amortized using the straight-line method over an estimated useful life of 15 years.
- 2. Computer software and website costs which are Amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or Amortized historical cost would have been if the impairment had not been recognized.

(17) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(19) Provisions

Contingent and decommissioning liabilities derived from the offering of testing/ inspection services refer to a legal or constructive obligation that has arisen as a result of a past event. The said obligation may be settled with an outflow of resources and the amount thereof can be recognized when it can be reliably estimated. Provisions are measured with the best-estimated present value of obligation settlement, which will be required to settle the obligations, on the balance sheet date.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pension – defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing market price at the previous day of the board meeting resolution.

(21) Employee share-based payment

The arrangements of Equity-Settled Share-based Payment refer to labor services acquired using the granted equity instruments, which is measured at fair value, on the grant day. The said payments are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of equity instruments reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

According to the Company's Articles of Incorporation, cash dividends distributed to the Company's shareholders shall, upon approval of the Company's board of directors, be recognized as liabilities in the financial statements. Stock dividends distributed to shareholders shall, on the other hand, be recognized as distributable stock dividends in the financial statements upon the passing of a resolution at the Company's shareholders meeting; and be reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

- A. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the service rendered up to the end of the reporting period as a proportion of total services to be provided.
- B. Payment terms between pre-payments and OA 90 days are usually offered to customers for the rendering of service. As the time interval between the provision of committed product/service and customers' payment schedule is less than 1 year, the trading price is not adjusted in order to reflect the time value of money.
- C. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payables, a contract asset is recognized. If the payables exceed the rendered services, a contract liability is recognized

(26) Operating segments

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of operating segments. The Group's chief operating decision maker is the board of directors.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

A. Critical judgments in applying the Group's accounting policies

No uncertainty has been revealed in the assessment of critical judgements adopted to apply the Group's accounting policy.

B. Critical accounting estimates and assumptions

a. Estimating of rendered services

The Group mainly engages in the provision of various pre-pregnancy, prenatal, and new born genetic testing and medical inspection services. Revenue generated therefrom is recognized based on the multiplier of the proportion of rendered service day in the total service day and the contract price. The estimation of total service day is set based on historical experience. Where the said estimation changes due to enhanced R&D and technical capabilities or equipment upgrade, it is a must to make corrections accordingly and appropriately.

b. Inventory valuation

As the inventory shall be valued at the lower of cost or net realizable value, the Group has exercised judgment and estimation to determine the net realizable value of the inventory on the balance sheet date. Due to the rapid changes in technology, the Group assesses the amount of inventory on the balance sheet date, considering normal wear and tear, obsolescence, or lack of marketable value, and writes down the inventory cost to its net realizable value. As this inventory valuation has primarily adopted recent sale prices and considered the demand for this product during a specific time in the future as the estimation basis, significant changes may result from.

6. Important Accounting Items

(1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 328	\$ 202	\$ 418
Checking accounts and demand deposits	59,355	52,104	55,163
Time deposits	42,400	44,400	44,400
	<u>\$ 102,083</u>	<u>\$ 96,806</u>	<u>\$ 99,981</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group does not pledge cash and cash equivalents to others.

C. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's time deposits maturing in excess of three months to 1 year were classified as current financial assets at Amortized cost in the amount are \$34,100, \$43,225 and \$43,225 respectively (the same amount). For interest income generated from time deposits for the quarters ended September 30, 2024 and 2023 and as at September 30, 2024 and 2023, please refer to Note 6(15). The Group does not pledge current financial assets at Amortized cost to others.

(2) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 3,109	\$ 6,910	\$ 6,068
Accounts receivable	\$ 54,992	\$ 60,196	\$ 52,107
Accounts receivable from related parties	2,814	4,700	4,855
	57,806	64,896	56,962
Less: loss allowance	(24)	(20)	(20)
	\$ 57,782	\$ 64,876	\$ 56,942

- A. Concerning the aging analysis of notes and accounts receivable (including those from related parties) and information related credit risks, please refer to Note 12(2).
- B. As of September 30, 2024, December 31, 2023, September 30, 2023 and January 1, 2023, the balance of notes and accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of notes and accounts receivables from contracts with customers amounted to \$65,573.
- C. The Group does not hold any collateral as security for abovementioned notes and accounts receivable.

(3) Inventories

	September 30, 2024		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 55,694	(\$ 4,333)	\$ 51,361
	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 45,051	(\$ 3,264)	\$ 41,787
	September 30, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 46,510	(\$ 2,886)	\$ 43,624

- A. Above inventories are not pledged as collateral.
- B. The cost of inventories recognized as expense for the period:

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Consumption of raw materials	\$ 37,914	\$ 41,373
Cost of conversion of raw materials	1,530	847
Loss on price decline in inventory (price recovery)	1,321	(536)
	\$ 40,765	\$ 41,684

	As of September 30, 2024	As of September 30, 2023
Consumption of raw materials	\$ 121,434	\$ 119,950
Cost of conversion of raw materials	6,079	6,305
Loss on price decline in inventory (price recovery)	1,069	(1,511)
	<u>\$ 128,582</u>	<u>\$ 124,744</u>

Due to the consumption of inventories with allowance for bad debts, the amount of loss on price decline was decreased and the Group was therefore benefited from price recovery.

(4) Investments accounted for under the equity method

	September 30, 2024		December 31, 2023		September 30, 2023	
	Book value	Shareholding ratio	Book value	Shareholding ratio	Book value	Shareholding ratio
Associate: DIANTHUS Company Limited	<u>\$361,553</u>	16.56%	<u>\$348,092</u>	16.56%	<u>\$344,014</u>	16.56%

For the quarters ended on September 30, 2024 and 2023 and as week as if September 30, 2024 and 2023, the Group's share of profit or loss of associates accounted for under equity method was \$6,573, \$6,447, \$19,391 and \$19,593, respectively. The valuation and recognition thereof were made based on the investee's self-prepared financial statements, which have not been audited or certified by a CPA.

1. Associate

A. The basic information of the Group's major associate

Associate :	Main business place	Shareholding ratio			Nature of relationship	Evaluation method
		September 30, 2024	December 31, 2023	September 30, 2023		
DIANTHUS Company Limited	Taiwan	16.56%	16.56%	16.56%	Associate	Equity method

B. The financial information of the Group's major associate is summarized

a. Balance sheets

	DIANTHUS Company Limited		
	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,016,060	\$ 544,221	\$ 1,262,798
Non-current assets	4,040,824	3,681,579	2,993,053
Current liabilities	(971,132)	(192,480)	(902,365)
Non-current liabilities	(1,902,462)	(1,931,313)	(1,276,105)
Total net assets	<u>\$ 2,183,290</u>	<u>\$ 2,102,007</u>	<u>\$ 2,077,381</u>
Share of net assets in the associate	\$ 361,553	\$ 348,092	\$ 344,014
Book value (associate)	<u>\$ 361,553</u>	<u>\$ 348,092</u>	<u>\$ 344,014</u>

b. Statement of comprehensive income

		DIANTHUS Company Limited	
		For the quarter ended	For the quarter ended
		September 30, 2024	September 30, 2023
Revenue		\$ 204,846	\$ 183,789
Profit (loss) from continuing operations for the period		\$ 39,692	\$ 38,920
Total comprehensive income (loss) for the period		\$ 39,692	\$ 38,920
Dividends received from related companies.		\$ -	\$ -

		DIANTHUS Company Limited	
		As at September 30,	As at September 30,
		2024	2023
Revenue		\$ 586,017	\$ 470,501
Profit (loss) from continuing operations for the period		\$ 117,084	\$ 118,302
Total comprehensive income (loss) for the period		\$ 117,084	\$ 118,302
Dividends received from related companies.		\$ 5,930	\$ 8,895

2. No information on the fair value is provided as the Group's associate does not have a public market quotation.

(5) Property, plant and equipment

		2024					
		Machine and equipment	Transportation equipment	Office equipment	Leasehold improvement	Others	Total
		(for self-use)	(for self-use)	(for self-use)	(for self-use)	(for self-use)	
At January 1							
Cost		\$ 123,771	\$ 8,508	\$ 25,150	\$ 28,333	\$ 21,669	\$ 207,431
Accumulated depreciation		(85,670)	(8,150)	(20,483)	(15,921)	(21,299)	(151,523)
		\$ 38,101	\$ 358	\$ 4,667	\$ 12,412	\$ 370	\$ 55,908
At January 1		\$ 38,101	\$ 358	\$ 4,667	\$ 12,412	\$ 370	\$ 55,908
Additions		16,204	-	114	-	378	16,696
Depreciation expense		(9,495)	(358)	(2,507)	(2,107)	(268)	(14,735)
At September 30		\$ 44,810	\$ -	\$ 2,274	\$ 10,305	\$ 480	\$ 57,869
At September 30							
Cost		\$ 136,397	\$ 8,508	\$ 25,329	\$ 28,240	\$ 21,468	\$ 219,942
Accumulated depreciation		(91,587)	(8,508)	(23,055)	(17,935)	(20,988)	(162,073)
		\$ 44,810	\$ -	\$ 2,274	\$ 10,305	\$ 480	\$ 57,869

2023

	Machine and equipment <small>(for self-use)</small>	Transportation equipment <small>(for self-use)</small>	Office equipment <small>(for self-use)</small>	Leasehold improvement <small>(for self-use)</small>	Others <small>(for self-use)</small>	Total
At January 1						
Cost	\$ 111,193	\$ 8,508	\$ 24,902	\$ 29,907	\$ 22,047	\$ 196,557
Accumulated depreciation	(81,695)	(6,866)	(15,634)	(14,502)	(20,393)	(139,090)
	<u>\$ 29,498</u>	<u>\$ 1,642</u>	<u>\$ 9,268</u>	<u>\$ 15,405</u>	<u>\$ 1,654</u>	<u>\$ 57,467</u>
At January 1	\$ 29,498	\$ 1,642	\$ 9,268	\$ 15,405	\$ 1,654	\$ 57,467
Additions	18,480	-	980	-	110	19,570
Depreciation expense	(7,174)	(1,014)	(4,314)	(2,287)	(1,316)	(16,105)
Net exchange differences	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
At September 30	<u>\$ 40,805</u>	<u>\$ 628</u>	<u>\$ 5,934</u>	<u>\$ 13,118</u>	<u>\$ 448</u>	<u>\$ 60,933</u>
At September 30						
Cost	\$ 129,644	\$ 8,508	\$ 25,688	\$ 29,886	\$ 22,061	\$ 215,787
Accumulated depreciation	(88,839)	(7,880)	(19,754)	(16,768)	(21,613)	(154,854)
	<u>\$ 40,805</u>	<u>\$ 628</u>	<u>\$ 5,934</u>	<u>\$ 13,118</u>	<u>\$ 448</u>	<u>\$ 60,933</u>

The Group does not pledge property, plant or equipment to others or capitalize the interest.

(6) Lease transactions – lessee

- A. The Group leases office and transportation equipment. The lease contract(s) thereof are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. The carrying amount of right-of-use assets and depreciation expense are as follows:

	2024		
	Office(s)	Transportation equipment	Total
At January 1	\$ 58,426	\$ 1,748	\$ 60,174
Additions for the period	5,606	-	5,606
Depreciation expense	(11,278)	(477)	(11,755)
At September 30	<u>\$ 52,754</u>	<u>\$ 1,271</u>	<u>\$ 54,025</u>
	2023		
	Office(s)	Transportation equipment	Total
At January 1	\$ 71,764	\$ -	\$ 71,764
Additions for the period	1,749	-	1,749
Depreciation expense	(11,316)	-	(11,316)
At September 30	<u>\$ 62,197</u>	<u>\$ -</u>	<u>\$ 62,197</u>

C. The information on profit and (loss) accounts relating to lease contract(s):

<u>Items affecting profit or (loss) for the period</u>	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Interest expense on lease liabilities	\$ 273	\$ 300
Expense on short-term leases or leases of low-value assets	142	552
	<u>\$ 415</u>	<u>\$ 852</u>

<u>Items affecting profit or (loss) for the period</u>	As at September 30, 2024	As at September 30, 2023
Interest expense on lease liabilities	\$ 812	\$ 952
Expense on short-term leases or leases of low-value assets	409	1,645
	<u>\$ 1,221</u>	<u>\$ 2,597</u>

D. As at September 30, 2024 and 2023, the Group had principal repayments on lease liabilities as detailed in Note 6(22), except for the profit and loss accounts related to the lease contract(s) mentioned in Note 6(6)C above.

(7) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Personnel expenses payable	\$ 24,883	\$ 28,710	\$ 25,529
Royalties payable	2,481	2,203	2,909
Labor fees payable	2,202	3,773	4,052
Payable on machinery and equipment	-	994	777
Others	7,097	9,502	8,341
	<u>\$ 36,663</u>	<u>\$ 45,182</u>	<u>\$ 41,608</u>

(8) Provisions

	2024		
	Decommissioning liabilities	Contingent liabilities	Total
At January 1	\$ 3,165	\$ 2,465	\$ 5,630
Provisions increased in the period	-	29	29
Provisions used in the period	-	(1,350)	(1,350)
Reversal of provisions for the period	(197)	-	(197)
Amortized interests	34	-	34
Net exchange differences	17	-	17
At September 30	<u>\$ 3,019</u>	<u>\$ 1,144</u>	<u>\$ 4,163</u>

	2023		
	Decommissioning liabilities	Contingent liabilities	Total
At January 1	\$ 3,117	\$ 1,878	\$ 4,995
Reversal of provisions for the period	-	(650)	(650)
Amortized interests	34	-	34
Net exchange differences	(1)	-	(1)
At September 30	\$ 3,150	\$ 1,228	\$ 4,378
	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 1,144	\$ 2,465	\$ 1,228
Non-current	3,019	3,165	3,150
	\$ 4,163	\$ 5,630	\$ 4,378

A. Reserve for compensation

Any liabilities related to or of testing services provided by the Company; and the said liabilities were estimated based on the Company's records of offering the services and related statistics.

B. Decommissioning liabilities

According to applicable contract requirements, the Group is obliged to disassemble, remove or restore facilities at the leased office building. Any expected costs related thereto shall therefore be recognized at the current price as provisions. The said provisions are expected to occurred upon termination of the lease period.

(9) Pensions

The Company has set up a defined benefit pension plan, which is applicable to our domestic employees, in accordance with the 'Labor Pension Act' (the Act). According to the labor pension system selected by employees as prescribed in the Act, the Company contributes monthly an amount of 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. Benefits accrued are paid monthly or in lump sum upon termination of employment. For the quarters ended September 30, 2024 and 2023 and as at September 30, 2024 and 2023, the pension cost recognized by the Company according to the said Act were \$1,236, \$1,185, \$3,631 and \$3,686, respectively.

(10) Share-based payment

A. The Company's share-based payment arrangements

Type of arrangement	Grant date	Grant quantity (No. of shares)	Contract period	Vesting Conditions	Settlement method
The 2nd Employee Stock Option Plan	May 13, 2020	770,000	5 years	Will be vested up to 20% over a 2-year period; 50% over a 3-year period; and 100% over a 4-year period.	Equity settlement
The 2nd Employee Stock Option Plan	March 24, 2021	230,000	5 years	Will be vested up to 20% over a 2-year period; and 50% over a 3-year period Will be vested up to 100% over a 4-year period.	Equity settlement

B. Details regarding the aforesaid share-based payment are as follows:

a. The 2nd Employee Stock Option Plan (granted on May 13, 2020)

	2024		2023	
	Quantity of stock option (number of shares)	Weighted average exercise price (in dollars) (Note)	Quantity of stock option (number of shares)	Weighted average exercise price (in dollars) (Note)
Outstanding stock options at beginning of period (at January 1)	605,000	52.8	635,000	54.1
Loss of stock warrants in the current period	(10,000)	52.8	-	-
Execution of stock options in this period	(217,000)	52.7		-
Outstanding stock options at end of period (at September 30)	<u>378,000</u>	52.6	<u>635,000</u>	52.8
Exercisable stock options at end of period (at September 30)	<u>378,000</u>	52.6	<u>317,500</u>	52.8

Note: The Company already adjusted the exercise price of employee stock option grants according to Regulations Governing the Subscription of Employee Stock Options.

b. The 2nd Employee Stock Option Plan (granted on March 24, 2021)

	2024		2023	
	Quantity of stock option (number of shares)	Weighted average exercise price (in dollars) (Note)	Quantity of stock option (number of shares)	Weighted average exercise price (in dollars) (Note)
Outstanding stock options at beginning of period (at January 1)	195,000	45.2	205,000	46.3
Loss of stock warrants in the current period	(150,000)	45.2	(10,000)	46.3
Execution of stock options in this period	(14,000)	45.2	-	-
Outstanding stock options at end of period (at September 30)	<u>31,000</u>	45.1	<u>195,000</u>	45.2
Exercisable stock options at end of period (at September 30)	<u>8,500</u>	45.1	<u>39,000</u>	45.2

Note: The Company already adjusted the exercise price of employee stock option grants according to Regulations Governing the Subscription of Employee Stock Options.

C. The stock options exercised during 2024 and 2023 had weighted average exercise prices of NT\$69.4 and NT\$0, respectively.

D. The maturity date and exercise price of outstanding employee stock options at the balance sheet date are as follows:

Type of arrangement	Approved issue / grant date	Maturity date	September 30, 2024		December 31, 2023		September 30, 2023	
			Number of shares (shares in thousands)	Exercise price	Number of shares (shares in thousands)	Exercise price (in dollars)	Number of shares (shares in thousands)	Exercise price (in dollars)
The 2nd Employee Stock Option Plan	May 13, 2020	May 12, 2025	378.0	52.6	605.0	52.8	635.0	52.8
The 2nd Employee Stock Option Plan	March 24, 2021	March 23, 2026	31.0	45.1	195.0	45.2	195.0	45.2

E. The fair value of stock options granted on grant date is measured by using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Share price (in dollars)	Exercise price (in dollars)	Expected volatility rate(Note)	Expected life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
The 2 nd Employee Stock Option Plan	May 13, 2020	60.50	60.50	30.51%	3.5 to 4.5 years	2.71%	0.35 %-0.36%	10.66 over a 2-year period; 11.14 over a 3-year period; 11.56 over a 4-year period.
The 2 nd Employee Stock Option Plan	March 24, 2021	49.80	49.80	33.64%	3.5 to 4.5 years	2.68%	0.25 %-0.28%	9.7 over a 2-year period; 10.2 over a 3-year period; 10.6 over a 4-year period.

Note: Expected volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

- F. For the quarters ended September 30, 2024 and 2023 and as at September 30, 2024 and 2023, the total of expense derived from the aforesaid share-based payment transaction was \$15, \$350, (\$742) and \$883, respectively.

(11) Share capital

- A. As of September 30, 2024, the Company's authorized capital was \$300,000 divided into 30,000 thousand shares (including 2,000 thousand shares that can be subscribed under the employee stock option), and the paid-in capital was \$215,934 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. Moreover, as of three months ended September 30, 2024 and 2023, the Company had issued and outstanding shares of 21,362 million and the actual number of shares in circulation is as follows:

	2024	2023
At January 1	21,362,400	21,362,400
Employee Stock Option	231,000	-
At September 30	21,593,400	21,362,400

- B. As at September 30, 2024 and 2023, the Company issued 231,000 shares and 0 shares, respectively, due to the exercise of employee stock options. The aforesaid ordinary shares issued from the exercise of employee stock options had not yet been registered for capital change as of September 30, 2024.

(12) Capital surplus

- A. Pursuant to the R.O.C. Company Act, any capital surplus arising from paid-in capital in excess of par value on issuance of ordinary shares and donations can be used to cover accumulated deficits or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficits. Furthermore, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above may not exceed 10% of the paid-in capital each year. The capital surplus may not be used to cover accumulated deficits unless the legal reserve is insufficient.
- B. With respect to changes to the Company's surplus, please refer to the Consolidated Statements of Change in Equity.

(13) Retained earnings

- A. Under the Company's Articles of Incorporation, no dividend and bonus shall be distributed if the Company does not have any surplus in the annual final accounts. The earnings of the current period, if any, shall be firstly used to pay all taxes and cover accumulated deficit; and then, 10% of the remaining earnings should be set aside as legal reserve. Next, the Company may appropriate or reserve a certain amount as special reserve for the current year according to relevant regulations or laws. After the distribution of earnings, the remaining earnings and prior years' unappropriated retained earnings may be appropriated according to the proposal by the board of directors and be submitted to shareholders' meeting for approval. Nevertheless, shareholders' dividends of the year shall not be lower than 30% of the current year's remaining earning. Where the accumulated unappropriated retained earnings are lower than 1% of share capital, the Company may retain the earnings. The distribution of earnings shall be made in cash or stock dividends. As the Company's operating status is currently quite stable, the earnings shall be distributed as cash dividends as the priority option; or be distributed as stock dividends. Nevertheless, of the amount to be distributed by the Company, the percentage of cash dividends shall not be less than 30% of dividends distributed. On the basis of Paragraph 5 of Article 240 of Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in legal reserve and capital surplus, as prescribed in Paragraph 1 of Article 241 of the Company Act, after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- B. Except for covering accumulated deficits or issuing new shares or cash to shareholders in proportion to their share ownership, the legal reserve may not be used for any other purpose. The use of the legal reserve for the issuance of shares or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company must set aside a special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.
- D. The appropriations of earnings
The Company approved the proposal for earnings distribution for the years ended in 2023 and 2022 in separate resolutions at the shareholder meetings held on May 29, 2024, and June 14, 2023, respectively. The details are as follows:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,153		\$ 4,278	
Special reserve	14		32	
Cash dividends	4,272	0.2	21,362	1.0
	<u>\$ 5,439</u>		<u>\$ 25,672</u>	

(14) Operating revenue

A. Disaggregation of revenue from contracts with customers

Details of the Group's revenue from the transfer of labor services at a point in time, which can be classified according to the primary product line and geographic area, are as follows:

For the quarter ended September 30, 2024	Testing services		Other services	Total
	Taiwan	Others	Others	
Revenue from contracts with customers	<u>\$ 101,635</u>	<u>\$ 4,583</u>	<u>\$ 31</u>	<u>\$ 106,249</u>

For the quarter ended September 30, 2023	Testing services		Other services	Total
	Taiwan	Others	Others	
Revenue from contracts with customers	<u>\$ 116,585</u>	<u>\$ 3,168</u>	<u>\$ 136</u>	<u>\$ 119,889</u>

As at September 30, 2024	Testing services		Other services	Total
	Taiwan	Others	Others	
Revenue from contracts with customers	<u>\$ 335,551</u>	<u>\$ 14,212</u>	<u>\$ 79</u>	<u>\$ 349,842</u>

As at September 30, 2023	Testing services		Other services	Total
	Taiwan	Others	Others	
Revenue from contracts with customers	<u>\$ 342,002</u>	<u>\$ 9,841</u>	<u>\$ 136</u>	<u>\$ 351,979</u>

B. Contract assets and liabilities

- a. The Group's contract assets and liabilities recognized in 'revenue from contracts with customers' are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Current contract assets:				
Contract assets – testing related services	<u>\$ 9,317</u>	<u>\$ 4,159</u>	<u>\$ 9,730</u>	<u>\$ 9,601</u>
Current contract liabilities:				
Contract liabilities – testing related services	<u>\$ 2,175</u>	<u>\$ 773</u>	<u>\$ 1,722</u>	<u>\$ 2,111</u>

- b. Contract liabilities at beginning of period that are recognized as revenue in the period

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Testing related services	<u>\$ -</u>	<u>\$ 96</u>
	As at September 30, 2024	As at September 30, 2023
Testing related services	<u>\$ 696</u>	<u>\$ 1,887</u>

(15) Interest income

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Interest income from bank deposits	\$ 242	\$ 229
Interest income from rent imputed interest	3	-
	<u>\$ 245</u>	<u>\$ 229</u>

	As at September 30, 2024	As at September 30, 2023
Interest income from bank deposits	\$ 916	\$ 962
Interest income from rent imputed interest	72	59
	<u>\$ 988</u>	<u>\$ 1,021</u>

(16) Finance costs

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Interest expense on lease liabilities	\$ 273	\$ 300
Interest expense on decommissioning liabilities	11	12
	<u>\$ 284</u>	<u>\$ 312</u>

	As at September 30, 2024	As at September 30, 2023
Interest expense on lease liabilities	\$ 812	\$ 952
Interest expense on decommissioning liabilities	34	34
	<u>\$ 846</u>	<u>\$ 986</u>

(17) Expenses by nature

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Employee benefit expense	\$ 33,790	\$ 32,251
Depreciation expense for property, plant and equipment and right-of-use assets	\$ 8,859	\$ 9,581
Amortized expense on intangible assets	\$ 1,761	\$ 1,174

	As at September 30, 2024	As at September 30, 2023
Employee benefit expense	\$ 95,884	\$ 100,330
Depreciation expense for property, plant and equipment and right-of-use assets	\$ 26,490	\$ 27,421
Amortized expense on intangible assets	\$ 4,646	\$ 3,573

(18) Employee benefit expense

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Salaries and wages	\$ 26,529	\$ 26,398
Share-based payments	15	305
Labor and health insurance expenses	2,663	2,621
Pension costs	1,236	1,185
Remuneration for directors	1,935	531
Others	1,412	1,166
	<u>\$ 33,790</u>	<u>\$ 32,251</u>
	As at September 30, 2024	As at September 30, 2023
Salaries and wages	\$ 74,855	\$ 82,252
Share-based payments	(742)	883
Labor and health insurance expenses	8,016	8,360
Pension costs	3,631	3,686
Remuneration for directors	5,976	1,577
Others	4,148	3,572
	<u>\$ 95,884</u>	<u>\$ 100,330</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current period, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1% to 10% for employees' compensation and not higher than 2% for directors' remuneration.

When distributing employees' compensation in shares or cash dividends, a resolution shall be reached by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and a report of such distribution shall be submitted to the shareholders' meeting. Those whom are distributed with shares or cash dividends shall include subordinate employees who comply with specific conditions.

Matters related to the distribution of employees' compensation and board directors remuneration shall be conducted according to relevant regulations, be resolved by the board of directors and be reported to shareholders in the shareholders' meeting.

- B. For the quarters ended September 30, 2024 and 2023 and As at September 30, 2024 and 2023, the Company's employees' compensation was accrued at (\$11), \$43, \$240 and \$93, respectively; while directors' remuneration was accrued at (\$11), \$43, \$240 and \$93, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized for the three months ended September 30, 2024 was accrued based on earnings of current period and the percentage of employees compensation and directors' remuneration were 1% and 1%, respectively. The employees' compensation and directors' remuneration for 2023 were \$180 and \$0, respectively, which are consistent with the amounts recognized in 2023 Financial Statements. As of September 30, 2024, the said compensation and remuneration for the year of 2023 have not been distributed.
- C. Information about the appropriation of employees' compensation and directors' remuneration of the Company as resolved by board of directors will be posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(19) Income tax

A. Income tax expense

a. Components of income tax expense

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Current tax: (profit)		
Current income tax liabilities (profit)	\$ 24	(\$ 838)
Current income tax assets	3,750	3,057
Income tax payable (refundable) of previous years	(4,892)	(4,589)
Provisional and withholding tax	1,106	1,534
An addition on unappropriated earnings	-	855
Prior year income tax under (over) estimate	50	7
Total income tax for the period	<u>38</u>	<u>26</u>
Deferred income tax:		
Origination and reversal of temporary differences	(796)	(833)
Total deferred income tax	<u>(796)</u>	<u>(833)</u>
Others:		
An addition on unappropriated earnings	-	(855)
Net exchange differences	36	(7)
Income tax expense (profit)	<u>(\$ 722)</u>	<u>(\$ 1,669)</u>

	As at September 30, 2024	As at September 30, 2023
Current tax:		
Current income tax liabilities	\$ 234	\$ 62
Current income tax assets	(4,506)	(7,620)
Income tax payable (refundable) of previous years	709	2,820
Provisional and withholding tax	3,766	4,807
An addition on unappropriated earnings	-	-
Prior year income tax under (over) estimate	(132)	(354)
Total income tax for the period	<u>71</u>	<u>(285)</u>
Deferred income tax:		
Origination and reversal of temporary differences	2,247	(1,354)
Total deferred income tax	<u>2,247</u>	<u>(1,354)</u>
Others:		
An addition on unappropriated earnings	-	-
Net exchange differences	31	8
Income tax expense (profit)	<u>\$ 2,349</u>	<u>(\$ 1,631)</u>

- b. For the quarters ended September 30, 2024 and 2023 and As at September 30, 2024 and 2023 , the Group does not have any income tax related to direct debit or credit of equity.

c. Amount of income tax related to other comprehensive income (loss)

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Translation differences of foreign operations	<u>(\$ 40)</u>	<u>\$ 2</u>
	As at September 30, 2024	As at September 30, 2023
Translation differences of foreign operations	<u>(\$ 30)</u>	<u>\$ 12</u>

B. The Company's income tax returns through 2022 have been assessed and approved by the tax authority. Besides, the income tax returns of the Company's subsidiary 'Phoebus Genetics Co., Ltd.' through 2022 have been assessed and approved by the tax authority.

(20) Earnings per share

	For the quarter ended September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	<u>\$ 1,746</u>	<u>21,579</u>	<u>0.08</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	\$ 1,746	21,579	
Assumed conversion of all dilutive potential ordinary shares			
-Employee exercise of stock options	-	63	
-Employees' compensation (Note)	<u>-</u>	<u>-</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,746</u>	<u>21,642</u>	<u>0.08</u>

Note: Employees' compensation is excluded due to anti-dilution effect.

	For the quarter ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	\$ 5,774	21,362	0.27
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	\$ 5,774	21,362	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,774	21,363	0.27

	As of September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	\$ 23,788	21,444	1.11
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent for the period	\$ 23,788	21,444	
Assumed conversion of all dilutive potential ordinary shares			
-Employee exercise of stock options	-	206	
-Employees' compensation	-	6	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,788	21,656	1.10

	As of September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent for the period	\$ 14,234	21,362	0.67
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent for the period	\$ 14,234	21,362	
Assumed conversion of all dilutive potential ordinary shares			
- Employees' compensation	-	6	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 14,234	21,368	0.67

(21) Supplemental cash flow information

Partial cash paid for investing activities :

	As of September 30, 2024	As of September 30, 2023
Acquisition of right-of-use assets	\$ 5,606	\$ 1,749
Less: Lease liabilities for the period	(5,606)	(1,749)
Cash paid during the period	\$ -	\$ -
	As of September 30, 2024	As of September 30, 2023
Acquisition of property, plant and equipment	\$ 16,696	\$ 19,570
Add: Accounts payable at beginning of period	105	1,441
Less: Accounts payable at end of period	-	(95)
Cash paid during the period	\$ 16,801	\$ 20,916
	As of September 30, 2024	As of September 30, 2023
Acquisition of intangible assets	\$ 6,360	\$ 3,378
Add: Accounts payable at beginning of period	889	-
Less: Accounts payable at end of period	-	(682)
Cash paid during the period	\$ 7,249	\$ 2,696

(22) Changes in liabilities from financing activities

	2024	
	Dividends payable	Current/ non-current lease liabilities
At January 1	\$ -	\$ 63,585
Declare the distribution of dividends	4,272	-
Cash dividends	(4,272)	-
Lease liabilities for the period	-	5,606
Lease liabilities principal repayment.	-	(11,757)
At September 30	\$ -	\$ 57,434

	2023	
	Dividends payable	Current/ non-current lease liabilities
At January 1	\$ -	\$ 74,670
Declare the distribution of dividends	21,362	-
Cash dividends	(21,362)	-
Lease liabilities for the period	-	1,749
Lease liabilities principal repayment.	-	(10,828)
At September 30	\$ -	\$ 65,591

7. Related-Party Disclosures

(1) Names of related parties and relationship

<u>Name</u>	<u>Relationship with the Group</u>
DIANTHUS Company Limited (DIANTHUS Company)	Associate
Heyun Company Limited (Heyun Co., Ltd.)	The Company's chairman is the director of that company
DIANTHUS MFM CENTER(DIANTHUS HUAINING)	The Company's chairman is in charge of the center
SOFIVA CLINICAL LABORATORY (SOFIVA LABORATORY)	Substantive Related parties
DIANTHUS CLINICAL LABORATORY (DIANTHUS LABORATORY)	Substantive Related parties
HOPING OBS/GYN Clinic (Hoping Obstetrics and Gynecology Clinic)	Substantive Related parties
All directors, general manager and management team	The Group's management team and governance units

(2) Significant related party transactions

A. Provision of testing services

a. Service income

Details of service income accrued from the provision of testing services to related parties are as follows:

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Other related parties	\$ 4,972	\$ 7,513

	As of September 30, 2024	As of September 30, 2023
Other related parties	\$ 17,519	\$ 23,521

The testing services provided by the Group to related parties and general customers are identical. Whilst the transaction price is based on agreements reached by both parties, no major difference in payment terms has been revealed between related parties and non-related parties. Payment terms ranging from prepayments and OA 90 days are offered to general customers, whereas abovementioned related parties are offered with OA 60 days.

b. Accounts receivable

The balances of accounts receivable accrued from abovementioned related-party disclosures are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Related parties	\$ 2,814	\$ 4,700	\$ 4,855

c. Contract assets

The balances of contract liabilities accrued from abovementioned related-party disclosures are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	\$ 432	\$ 258	\$ 743

B. Outsourced testing services

a. Service costs

Details of service costs accrued from the testing services provided by the Group to related parties are as follows:

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Other related parties –SOFIVA LABORATORY	\$ 5,371	\$ 6,846
Other related parties - Others	978	2,496
	\$ 6,349	\$ 9,342

	As at September 30, 2024	As at September 30, 2023
Other related parties –SOFIVA LABORATORY	\$ 19,565	\$ 21,499
Other related parties - Others	2,939	2,671
	<u>\$ 22,504</u>	<u>\$ 24,170</u>

The transaction price of testing services provided by related parties to the Group shall refer to agreements reached by both parties. No major difference in payment terms has been revealed between related and non-related parties. The payment term of OA 60 is offered to general supplier, whereas the same payment term (OA 60 days) is offered to above related parties.

b. Accounts payable

The balances of accounts payable accrued from the aforementioned related-party disclosures are as follows:

Accounts payable

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties –SOFIVA LABORATORY	\$ 3,304	\$ 4,173	\$ 4,223
Other related parties - others	681	597	701
	<u>\$ 3,985</u>	<u>\$ 4,770</u>	<u>\$ 4,924</u>

c. Investment transactions

(1) Dividend income (deducted from investments accounted for using equity method)

Please refer to Note 6(4) for detailed explanation of dividend income (deducted from investments accounted for using equity method) generated from investments in associates.

(2) Other accounts receivable

As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of other receivables resulting from related party transactions was \$0.

d. Other transactions – Operating expenses/ other payables

As of three months ended September 30, 2024 and 2023, the expenses incurred for consultancy services provided by associates for business planning were \$150, \$150, \$450 and \$450, respectively. As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of other payables were \$150, \$52 and \$52, respectively..

(3) Key management personnel compensation

	For the quarter ended September 30, 2024	For the quarter ended September 30, 2023
Short-term employee benefits	\$ 3,811	\$ 4,002
Post-employment compensation	50	51
Share-based payment	-	167
	<u>\$ 3,861</u>	<u>\$ 4,220</u>

	As at September 30, 2024	As at September 30, 2023
Short-term employee benefits	\$ 11,761	\$ 11,541
Post-employment compensation	152	147
Share-based payment	106	620
	<u>\$ 12,019</u>	<u>\$ 12,308</u>

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

A. Contingencies

On April 28, 2018, the plaintiff had a prenatal test at a clinic with which the Company cooperates for testing services. The test report issued by the clinic stated that no Williams syndrome was detected. Nevertheless, on February 18, 2019, the plaintiff's son was diagnosed to have Williams syndrome. Holding the belief that the Company was the contractual party and the Company's provided testing service was blemished, the plaintiff therefore filed a compensation claim of \$5,640 against the Company plus statutory prejudgment interest.

On October 11, 2022, the Taiwan Taipei District Court rendered a judgment declaring the Company's success in the second appeal. Subsequently, the plaintiff then filed an appeal to the Supreme Court. The Supreme Court has remanded the case to the High Court for retrial. As of January 12, 2024, the High Court has scheduled a mediation session, and the settlement amount of \$1,350,000 was agreed upon by the Company. The full payment was made on January 30, 2024.

B. Commitments

Being authorized to use the testing techniques, the Group shall pay the royalty based on the number of testing reports each quarter.

10. Significant Disaster Loss

None.

11. Significant Events After Reporting Period

None

12. Others

A. Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure, to reduce the cost of capital and to provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debts. The Group uses debt asset ratio to monitor the capital thereof and the ratio is calculated by dividing total liabilities by total assets.

The Group's strategy in 2024 remains the same as in 2023. In regard to the Group's debt asset ratio as of September 30, 2024, December 31, 2023 and September 30, 2023, please refer to the consolidated balance sheets.

B. Financial instruments

a. Financial instruments by category

Regarding information related to the Group's financial assets (cash and cash equivalents, current financial assets at amortized cost; current contract assets; notes receivable; accounts receivable, including those from related parties; other receivables; and guarantee deposits paid) and financial liabilities (accounts payable, including those from related parties; other payables; and current/non-current lease liabilities), please refer to explanations of Note 6 and consolidated balance sheets.

b. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the Group's finance division under policies approved by the board of directors. The division identifies, evaluates and hedges financial risks.

c. Significant financial risks and degree of financial risks

i. Market risk

(a) Foreign exchange risk

- (i) The Group's businesses involve some non-functional currency operations (the Group's functional currency is New Taiwan Dollar). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2024			
(Foreign currency: functional currency)	(Foreign currency (in thousands))	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
THB:NTD	10,980	0.987	\$ 10,837
USD:NTD	105	31.650	3,323
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	78	31.650	2,469

December 31, 2023			
(Foreign currency: functional currency)	(Foreign currency (in thousands))	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
THB:NTD	8,695	0.902	\$ 7,843
USD:NTD	44	30.705	1,351
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	107	30.705	3,285
THB:NTD	158	0.902	142

September 30, 2023			
(Foreign currency: functional currency)	(Foreign currency (in thousands))	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
HKD:NTD	324	4.123	\$ 1,336
RMB:NTD	245	4.415	1,082
THB:NTD	10,756	0.882	9,489
USD:NTD	115	32.270	3,711
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	90	32.270	2,904
THB:NTD	1,350	0.882	1,191

- (ii) The total exchange gain, including realized and unrealized gains arising from significant foreign exchange variations on monetary items held by the Group for the for the quarters ended September 30, 2024 and 2023 and As at September 30, 2024 and 2023, amounted to \$1,016, (\$131), \$785 and (\$528), respectively.
- (iii) Analysis of foreign current market risk arising from significant foreign exchange variations:

		As of September 30, 2024		
		Sensitivity analysis		
		Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	THB:NTD	1%	\$ 108	\$ -
	USD:NTD	1%	33	-
Financial liabilities				
Monetary items				
	USD:NTD	1%	(25)	-

		As of September 30, 2023		
		Sensitivity analysis		
		Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	HKD:NTD	1%	\$ 13	\$ -
	RMB:NTD	1%	11	-
	THB:NTD	1%	95	-
	USD:NTD	1%	37	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(29)	-
	THB:NTD	1%	(12)	-

(b) Price risk

No price risk is involved in the Group's transactions.

(c) Interest rate risk on cash flow and fair value

No significant interest rate risk is involved in the Company's transactions.

ii. Credit risk

- (a) Credit risk refers to the risk of financial loss to a Group arising from default by the customers on the contract obligations. According to internal credit policy, the Group shall manage each of their new customers before service terms and conditions are offered. Internal risk control assesses a customer's credit quality according to the financial status thereof, past experience and other factors. Individual risk limits are set by finance division based on internal or external ratings and individual's line of credit shall be regularly monitored. The primary credit risks come from deposits at banks and financial institutions, and unrealized contract assets, notes payable and accounts receivable from customers.
- (b) The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.
- (c) The Group adopts the following assumption after considering the past experience: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments are past due over 360 days based on agreed terms and conditions, it will be deemed as violating the contract.
- (d) With respect to customers' accounts receivable and contract assets, the Group adopts the simplified approach to estimate expected credit loss. Under the provision matrix basis.
- (e) Where contract violation occurs, the Group will take legal recourse for financial assets to preserve the Group's creditor's rights. After recourse proceedings, financial assets that cannot be taken back within reasonable expectations shall be written off.
- (f) The Group adjusts the loss rate based on historical and current information when assessing the future default possibility in order to estimate the loss allowance for contract assets, notes receivable and accounts receivable (including those from related parties). The provision matrix is as follows:

	Not past due	Due in 1 to 30 days	Due in 31 to 90 days	Due in 91 to 180 days	Due in 181 to 360 days	Due in more than 360 days	Total
September 30, 2024							
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100.00%	
Current contract assets	\$ 9,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,317
Notes payable	3,109	-	-	-	-	-	3,109
Accounts receivable	54,606	2,691	277	232	-	-	57,806
Total	\$ 67,032	\$ 2,691	\$ 277	\$ 232	\$ -	\$ -	\$ 70,232
Loss allowance	\$ 23	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 24

	Not past due	Due in 1 to 30 days	Due in 31 to 90 days	Due in 91 to 180 days	Due in 181 to 360 days	Due in more than 360 days	Total
December 31, 2023							
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100.00%	
Current contract assets	\$ 4,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,159
Notes payable	6,910	-	-	-	-	-	6,910
Accounts receivable	60,730	3,273	869	24	-	-	64,896
Total	<u>\$ 71,799</u>	<u>\$ 3,273</u>	<u>\$ 869</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,965</u>
Loss allowance	<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>
September 30, 2023							
Expected loss rate	0.03%	0.04%	0.04%	0.06%	0.11%	100.00%	
Current contract assets	\$ 9,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,730
Notes payable	6,068	-	-	-	-	-	6,068
Accounts receivable	43,273	10,018	3,541	130	-	-	56,962
Total	<u>\$ 59,071</u>	<u>\$ 10,018</u>	<u>\$ 3,541</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,760</u>
Loss allowance	<u>\$ 15</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>

Above is the aging analysis of accounts receivable based on the number of overdue day.

(g) Under the simplified approach, movements in relation to loss allowance for notes receivable, accounts receivable (including those from related parties) and contract assets are as follows:

	2024			
	Contract assets	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ -	\$ 20	\$ 20
Expected credit impairment loss (gain)	-	-	4	4
September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>
	2023			
	Contract assets	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ -	\$ 17	\$ 17
Expected credit impairment loss (gain)	-	-	3	3
September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>

iii. Liquidity risk

(a) Cash flow forecasting is performed by the Group's finance division. The division also monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. These forecasts take into account the company's debt financing plans, compliance with debt terms and compliance with the financial ratio targets specified in the internal balance sheet

- (b) Surplus cash held over and above balance required for working capital management are invested in interest bearing current accounts, choosing instruments with appropriate maturities to provide sufficient headroom as determined by the abovementioned forecasts.
- (c) Details of the Group's unused line of credit for September 30, 2024, December 31, 2023 and September 30, 2023: None
- (d) The Group does not have derivative financial liabilities. Non-derivative financial liabilities are classified into groups based on their respective maturity dates, and are due within one year, except for those listed in the table below. The amount thereof is reflected in the consolidated balance sheets; and the disclosed contractual cash flow amount is undiscounted.

<u>September 30, 2024</u>	<u>1 Within 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Current and non-current lease liabilities	\$ 17,238	\$ 16,551	\$ 25,553	\$ 59,342
<u>December 31, 2023</u>				
	<u>1 Within 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Current and non-current lease liabilities	\$ 15,441	\$ 14,379	\$ 36,351	\$ 66,171
<u>September 30, 2023</u>				
	<u>1 Within 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Current and non-current lease liabilities	\$ 15,398	\$ 13,710	\$ 39,293	\$ 68,401

C. Fair value information

None of the Group's major financial instruments is measured at fair value. The valuation techniques used to measure fair value do not result in any impact to the Group. Besides, financial instruments that are not measured at fair value include the carrying amounts of cash and cash equivalents, current financial assets at amortized cost, current contract assets, net notes receivable, net accounts receivable (including those from related parties), other receivables, guarantee deposits paid, accounts payable (including those from related parties), other payables and current/non-current lease liabilities. The carrying amount thereof are reasonable approximations of fair value.

13. Additional Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to Annex 1
- B. Provision of endorsement and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchase or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments:
- J. Significant inter-company transactions during the reporting periods: Please refer to Annex 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Annex 3.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to Annex IV.

14. Operating Segments

(1) General information

The Group's operations are limited to one industry only. Besides, the Group's management evaluate the Group's overall performance and allocate resources accordingly. The Group has been identified as having only one single reportable segment.

(2) Segment information

The profit or loss of operating segments within the Group is measured on a pre-tax basis and serves as the basis for performance evaluation.

(3) Disclosure of segment income (loss), assets and liabilities

The Group has only one reporting segment. The information regarding the segment's profit or loss, assets, and liabilities is consistently measured with the amounts reported in the consolidated statement of comprehensive income and consolidated balance sheets. The accounting policies and accounting estimates of the reporting segment are the same as those summarized in Notes 4 and 5, which describe the significant accounting policies and accounting estimates and assumptions.

(4) Reconciliation for segment income (loss)/ assets and other related information

A. As the Group has only one single reportable segment, external revenue and comprehensive income related information that is provided to the chief operating decision maker and the amounts of Consolidated Statements of Comprehensive Income shall be measured on the same basis. Besides, the reportable segment's income (loss) is the pre-tax income (loss), where no reconciliation is required.

- B. As the Group has only one single reportable segment, the Group's total assets and liabilities amounts that are provided to the chief operating decision maker and the assets on the Consolidated Balance Sheets shall be measured on the same basis. Besides, the reportable segment's assets is equivalent to the Group's total assets, where no reconciliation is required.

(The following blank)

Annex 1

No. (Note 1)	Financing company	Counterparty	Financial statement account	Related party	Maximum balance for the period	Ending balance	Drawn amount	Interest rate collars f
0	Sofiva Genomics Co. Ltd.	SOFIVA GENOMICS BANGKOK CO., LTD.	Receivables from related part	Y	\$ 10,855	\$ 10,855	\$ 6,908	2.303 %- 2.428% f
0	Sofiva Genomics Co. Ltd.	Sofiva Genomics Clinical Medical Laboratory	Receivables from related part	Y	2,000	2,000	1,000	2.303 %- 2.428% f
0	Sofiva Genomics Co. Ltd.	Sofiva Genomics Medical Laboratory	Receivables from related part	Y	24,000	24,000	10,000	2.303 %- 2.428% f

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

(1) Parent: 0.

(2) Subsidiaries: are numbered by company starting from 1.

Note 2: Where the Company is required to loan to other companies or institutions established that are established in
Company's operational needs, the total loan amount and the limit for loans to a single entity shall not exceed

Note 3: On November 2, 2023, the Board of Directors approved a loan of THB 7 million to SOFIVA GENOMICS BA
of THB:NTD=1:0.8868.

On August 14, 2024, the Board of Directors approved a loan of THB 4 million to SOFIVA GENOMICS BAN
THB:NTD=1:0.8868.

Note 4: On November 8, 2023, the Board of Directors approved a loan of 1 million NTD to Sofiva Genomics Clinical

On August 14, 2024, the Board of Directors approved a loan of 1 million NTD to Sofiva Genomics Clinical M

Note 5: On November 8, 2023, the Board of Directors approved a loan of 12 million NTD to Sofiva Genomics Medic

On August 14, 2024, the Board of Directors approved a loan of 12 million NTD to Sofiva Genomics Medical

Sofiva Genomics Co. Ltd. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
As at September 30, 2024

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Annex 2

No. (Note 1)	Investee company	Counterparty	Relationship	Transaction details			% of total sales or assets (Note 2)
				Financial statement accounts	Amount	Payment terms	
0	Sofiva Genomics Co. Ltd.	Sofiva Genomics Medical Laboratory	Subsidiary	Loan receivables - Other receivables	\$10,000	Note 3	1.29%
0	Sofiva Genomics Co. Ltd.	SOFIVA GENOMIC BANGKOK CO.,LTD.	Subsidiary	Revenue from testing services	4,889	Note 4	1.40%
1	Phoebus Genetics Co., Ltd.	Sofiva Genomics Co. Ltd.	Parent company	Revenue from testing services	7,954	Note 4	2.27%
2	Sofiva Genomics Medical Laboratory	Sofiva Genomics Co. Ltd.	Parent company	Service revenue	34,173	Note 4	9.77%
2	Sofiva Genomics Medical Laboratory	Sofiva Genomics Co. Ltd.	Parent company	Accounts receivable	8,268	OA60 days	1.06%

Note 1: Transactions between the parent company and subsidiaries shall be marked in the in the field of “No.”. The numbers that shall be filled in are as follow:

- (1) Parent company: “0”.
- (2) Subsidiaries: are numbered starting from “1”.

Note 2: With respect to the percentage of transaction amount in total revenue or total assets, those that are recognized as assets and liabilities shall be calculated by dividing the end balance with the total consolidated assets; those that are recognized as a profit or loss shall be calculated by dividing the amount accumulated in the current interim period by the total consolidated revenue.

Individual transactions with an amount below 1% of consolidated total revenue or total assets are not disclosed. Furthermore, relative transactions disclosed through the asset-side disclosure of each company are not separately disclosed as well.

Note 3: The loan is provided in accordance with the operating procedures of each company's lending activities. The transaction amounts represent the actual disbursements made in the funding process.

Note 4: For testing services, no major difference on the price offered to related parties and general customers.

Sofiva Genomics Co. Ltd. and Subsidiaries
Information of Investees (excluding those in Mainland China)
As at September 30, 2024

Annex 3 (Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Investor	Investee	Location	Main business activities	Original investment amount (Note)		Balance at the end of the period			Net income (loss) of the investee for the period	Investment profit or loss recognized in the period	Remarks
				At the end of current period	At the end of last year	Number of shares	Ownership (%)	Carrying amount			
The Company	Phoebus Genetics Co., Ltd.	Taiwan	Pre-pregnancy and prenatal testing services and medical inspection services	\$15,000	\$30,000	1,500,000	100.00	\$18,700	\$ 2,770	\$ 2,770	
The Company	Sofiva Genomics Bangkok Co.,Ltd.	Thailand	Pre-pregnancy and prenatal testing services and medical inspection services	12,677	12,677	13,500	90.00	(1,755)	1,439	1,295	
The Company	DIANTHUS Company Limited	Taiwan	Medical service management	148,250	148,250	14,825,000	16.56	361,553	117,084	19,391	

Note: Disclosed with historical exchange rates.

Sofiva Genomics Co. Ltd. and Subsidiaries
Information on Major Shareholders
September 30, 2024

Annex 4

Name of major shareholders	Shares		Shareholding ratio	Remarks
	No. of shares (ordinary shares)	No. of shares (special shares)		
PHOEBUS GENETECH CO., LTD.	2,428,500	-	11.24%	
Ya La Investment Co., Ltd.	1,598,000	-	7.40%	
Shih Wei Investment Co., Ltd.	1,348,200	-	6.24%	
Hua Rwei Investment Co., Ltd.	1,312,000	-	6.07%	

Note 1: The above table discloses the information on stockholders with over 5% ownership of the Corporation on the last business day as of the end of the reporting period. The percentage of ownership was calculated by the Taiwan Depository & Clearing Corporation (TDCC) based on the number of common stock and preferred stock, including treasury stock, registered by the Corporation through the delivering of non-physical securities to TDCC. The number of issued capital stock recorded in the consolidated financial statements may be different from the actual number of stocks registered by the Corporation through the delivering of non-physical securities to TDCC due to the difference in the calculation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.