BONRAYBIO CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT

PWCR 25003356

To the Board of Directors and Shareholders of BONRAYBIO CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of BONRAYBIO CO., LTD. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Timing of recognising sales revenue

<u>Description</u>

Please refer to Note 4(24) for accounting policy on sales revenue, and Note 6(17) for details of operating revenue.

The Company is primarily engaged in manufacturing and trading general and optical instruments. Sale revenue is recognised when the control over the goods was transferred under the transaction terms. The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate. As the above matters also exist in the subsidiaries' investments accounted for using equity method. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

A. Understood and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognizing sales revenue.

B. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wang, Yu-Chuan	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 3, 2026

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 267,870	37	$ 402,150	65
1136	Current financial assets at amortised cost	6(2)	302,000	42	117,600	19
1150	Notes receivable, net		800	-	-	-
1170	Accounts receivable, net	6(3)	24,573	4	18,215	3
1180	Accounts receivable due from related parties, net	7(2)	165	-	583	-
1200	Other receivables		265	-	151	-
1210	Other receivables due from related parties	7(2)	-	-	6,429	1
130X	Inventories	6(4)	40,959	6	26,195	4
1410	Prepayments		7,249	1	3,054	-
1470	Other current assets		2,938	-	425	-
11XX	**Total current assets**		646,819	90	574,802	92
	Non-current assets					
1550	Investments accounted for using equity method	6(5)	3,936	-	3,013	-
1600	Property, plant and equipment	6(6)	11,420	2	7,062	1
1755	Right-of-use assets	6(7)	6,528	1	9,792	2
1780	Intangible assets	6(8)	23,981	3	16,191	3
1840	Deferred tax assets	6(22)	813	-	-	-
1900	Other non-current assets	6(9)	25,830	4	11,656	2
15XX	**Total non-current assets**		72,508	10	47,714	8
1XXX	**Total assets**		$ 719,327	100	$ 622,516	100

(Continued)

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(10)	$ 15,000	2	$ -	-
2130	Current contract liabilities	6(17)	6,301	1	5,371	1
2170	Accounts payable		2,058	-	4,234	1
2200	Other payables	6(11)	43,445	6	31,093	5
2230	Current tax liabilities		2,547	-	-	-
2280	Current lease liabilities	6(7)	3,403	1	3,261	-
2300	Other current liabilities		1,431	-	254	-
21XX	**Total current liabilities**		74,185	10	44,213	7
	Non-current liabilities					
2570	Deferred tax liabilities	6(22)	184	-	-	-
2580	Non-current lease liabilities	6(7)	3,551	1	6,954	1
25XX	**Total non-current liabilities**		3,735	1	6,954	1
2XXX	**Total liabilities**		77,920	11	51,167	8
	Equity					
	Share capital					
3110	Share capital - common stock	6(14)	248,008	34	215,659	35
	Capital surplus					
3200	Capital surplus	6(15)	269,742	38	280,525	45
	Retained earnings	6(16)				
3310	Legal reserve		9,578	1	2,742	1
3320	Special reserve		1,520	-	1,520	-
3350	Unappropriated retained earnings		112,768	16	71,014	11
	Other equity interest					
3400	Other equity interest		(209)	-	(111)	-
3XXX	**Total Equity**		641,407	89	571,349	92
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 719,327	100	$ 622,516	100

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7(2)	$ 304,815	100	$ 222,420	100
5000	Operating costs	6(4)(21)	(65,931)	(21)	(46,542)	(21)
5900	Gross profit from operations		238,884	79	175,878	79
5920	Realized profit (loss) on from sales	6(5)	87	-	(19)	-
5950	Gross profit from operations		238,971	79	175,859	79
	Operating expenses	6(21)				
6100	Selling expenses		(33,438)	(11)	(28,449)	(13)
6200	Administrative expenses		(47,970)	(16)	(40,098)	(18)
6300	Research and development expenses		(54,827)	(18)	(41,763)	(18)
6000	Total operating expenses		(136,235)	(45)	(110,310)	(49)
6900	Net operating income		102,736	34	65,549	30
	Non-operating income and expenses					
7100	Interest income	6(18)	6,875	3	3,944	2
7010	Other income		148	-	110	-
7020	Other gains and losses	6(19)	(2,244)	(1)	3,543	1
7050	Finance costs	6(20)	(132)	-	(175)	-
7070	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(2,632)	(1)	(4,606)	(2)
7000	Total non-operating income and expenses		2,015	1	2,816	1
7900	**Profit before income tax**		104,751	35	68,365	31
7950	Income tax expense	6(22)	(2,246)	(1)	-	-
8200	**Profit for the year**		$ 102,505	34	$ 68,365	31
	Other comprehensive income(loss)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		($ 98)	-	$ 217	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(98)	-	217	-
8300	**Other comprehensive (loss) income**		($ 98)	-	$ 217	-
8500	**Total comprehensive income**		$ 102,407	34	$ 68,582	31
	Basic earnings per share					
9750	Basic earnings per share	6(23)	$ 4.13		$ 3.00	
	Diluted earnings per share					
9850	Diluted earnings per share	6(23)	$ 4.12		$ 3.00	

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings				
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2024								
Balance at January 1, 2024		$ 170,860	$ 80,511	$ 169	$ 1,520	$ 25,725	($ 328)	$ 278,457
Profit for the year		-	-	-	-	68,365	-	68,365
Other comprehensive income for the year		-	-	-	-	-	217	217
Total comprehensive income		-	-	-	-	68,365	217	68,582
Appropriation and distribution of 2023 earnings:	6(16)							
Legal reserve appropriated		-	-	2,573	-	(2,573)	-	-
Cash dividends of ordinary share		-	-	-	-	(3,417)	-	(3,417)
Stock dividends of ordinary share	6(14)	17,086	-	-	-	(17,086)	-	-
Stock dividends of capital surplus	6(15)	8,543	(8,543)	-	-	-	-	-
Cash capital increase	6(14)	19,170	208,523	-	-	-	-	227,693
Cost of share-based payment payable	6(13)	-	34	-	-	-	-	34
Balance at December 31, 2024		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Year ended December 31, 2025								
Balance at January 1, 2025		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Profit for the year		-	-	-	-	102,505	-	102,505
Other comprehensive loss		-	-	-	-	-	(98)	(98)
Total comprehensive income (loss)		-	-	-	-	102,505	(98)	102,407
Appropriation and distribution of 2024 earnings:	6(16)							
Legal reserve appropriated		-	-	6,836	-	(6,836)	-	-
Cash dividends of ordinary share		-	-	-	-	(32,349)	-	(32,349)
Stock dividends of ordinary share		21,566	-	-	-	(21,566)	-	-
Cost of share-based payment payable	6(15)	10,783	(10,783)	-	-	-	-	-
Balance at December 31, 2025		$ 248,008	$ 269,742	$ 9,578	$ 1,520	$ 112,768	($ 209)	$ 641,407

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 104,751	$ 68,365
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(21)	5,045	4,641
Depreciation expense – right-of-use assets		3,264	3,264
Amortization expense	6(8)(21)	4,591	3,000
Interest expense	6(20)	132	175
Interest income	6(18)	(6,875)	(3,944)
Cost of share-based payment payable	6(13)	-	34
Share of loss of associates and joint ventures accounted for using equity method	6(5)	2,632	4,606
Realized gain from sale	6(5)	(87)	19
Unrealized foreign exchange (gain) loss		(921)	(3,021)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(800)	-
Accounts receivable(Include related parties)		(5,771)	(5,107)
Other receivables(Include related parties)		6,424	(6,357)
Inventories		(16,125)	(7,804)
prepayments		(4,195)	1,424
Other current assets		(2,513)	(191)
Other operating assets		(327)	(341)
Changes in operating liabilities			
Contract liabilities		930	4,154
Accounts payable(Include related parties)		(2,176)	1,502
Other payables		12,354	10,704
Other current liabilities		1,175	(57)
Cash inflow generated from operations		101,508	75,066
Interest received		6,767	3,954
Interest paid		(132)	(175)
Income tax paid		(328)	-
Net cash flows from operating activities		107,815	78,845
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets measured at amortized cost		(184,400)	-
Acquisition of investments accounted for using equity method	6(5)	(3,566)	(4,961)
Acquisition of property and equipment	6(24)	(18,571)	(2,173)
Acquisition of intangible assets	6(24)	(15,670)	(8,854)
Decrease (increase) in refundable deposits		(28)	(420)
Net cash flows used in investing activities		(222,235)	(16,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	15,000	-
Payments of lease liabilities	6(25)	(3,261)	(3,074)
Proceeds from issuance of common stock for cash	6(14)	-	227,693
Cash dividends paid	6(25)	(32,349)	(3,417)
Net cash flows (used in) from financing activities		(20,610)	221,202
Effect of exchange rate changes on cash and cash		750	2,793
Net (decrease) increase in cash and cash equivalents		(134,280)	286,432
Cash and cash equivalents at beginning of year		402,150	115,718
Cash and cash equivalents at end of year		$ 267,870	$ 402,150

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

BONRAYBIO CO., LTD. (the "Company") was incorporated on January 12, 2016. The Company is primarily engaged in the manufacturing of general and optical instruments and medical devices, as well as the wholesale and retail of precision instruments.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 3, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 - comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) <u>IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC</u>

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. The parent company only 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 that came into effect as endorsed 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The Company determines the functional currency based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional 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 recognised 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 re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented 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 recognised in other comprehensive income.

(4) 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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

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 settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

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

(6) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company’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 amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company 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 recognised in profit or loss when the asset is derecognised or impaired.

D. The Company'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.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company 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.

(8) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises 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 that does not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

B. Unrealised gains or losses on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. 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 financial year-end. 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:

Machinery and equipment	3 years ~ 5 years
Molding equipment	3 years
Office equipment	3 years
Leasehold improvements	5 years
Other equipment	5 years

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

A. Leases are recognised 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 Company. For short-term leases or leases of low-value assets, lease payments are recognised 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 fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use 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 amount of the initial measurement of lease liability.

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 recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

A. Intangible assets are stated at cost and measured at cost, less accumulated amortisation.

B. Intangible assets with a finite useful life are amortised on a straight-line basis. The useful lives are as follows:

Patents	10 years ~ 19 years
Trademarks	10 years
Computer software	3 years ~ 10 years
Other intangible assets	5 years ~ 10 years

(15) Impairment of non-financial assets

The Company 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 recognised 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 amortised historical cost would have been if the impairment had not been recognised.

(16) Borrowings

A. Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(17) Notes and accounts 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 derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) 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 recognised as expense in that period when the employees render service.

B. Pensions

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

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, 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 employee compensation is paid by shares, the Company calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(20) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-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 recognised is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment agreements, the employee services received are recognized as compensation cost and liabilities at the fair value of the liability assumed during the vesting period and are measured at the fair value of the equity instruments granted on each balance sheet date and settlement date. Any changes are recognised in profit or loss for the period.

(21) Income taxes

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised 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 Company operates and generates 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 tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(22) 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.

(23) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements on the date of the Board of Directors' resolution. Stock dividends are recorded as stock dividends to be distributed on the date of the shareholders' meeting and are reclassified as common stock on the new share issuance record date.

(24) Revenue recognition

A. Sales of goods

The Company manufactures and sells the products related to Semen Quality Analyzer and product Semen test slide. Sales are recognised when control of the products has transferred.

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Rendering services

The Company provides evidence collection, warranty and repair services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

(25) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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. There have been no significant accounting judgements, estimations and assumption uncertainty for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025		December 31, 2024	
Cash on hand	$	194	$	210
Demand deposits		22,001		375,712
Time deposits		245,675		26,228
	$	267,870	$	402,150

A. The Company 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 Company classified time deposits maturing in excess of three months which do not meet short-term cash commitments as "Current financial assets at amortised cost". Please refer to Note 6(2).

C. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

Items	December 31, 2025		December 31, 2024	
Current items:				
Time deposits maturing in excess of three months	$	302,000	$	117,600

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2025	2024
Interest income	$ 4,567	$ 1,853

B. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $302,000 thousand and $117,600 thousand.

D. The Company has no financial assets at amortised cost pledged to others as collateral.

E. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Accounts receivable, net

	December 31, 2025	December 31, 2024
Accounts receivable	$ 24,573	$ 18,215

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 21,878	$ 18,215
Up to 30 days	624	-
31 to 90 days	2,071	-
	$ 24,573	$ 18,215

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to $13,245 thousand.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was $24,573 thousand and $18,215 thousand, respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2025		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 24,229	($ 1,620)	$ 22,609
Work in progress	14,048	(370)	13,678
Finished goods	5,213	(541)	4,672
	$ 43,490	($ 2,531)	$ 40,959

	December 31, 2024		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 15,932	($ 1,476)	$ 14,456
Work in progress	8,409	(185)	8,224
Finished goods	3,665	(150)	3,515
	$ 28,006	($ 1,811)	$ 26,195

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	$ 64,473	$ 44,982
Retirement losses	738	1,302
Loss for market price decline	720	258
	$ 65,931	$ 46,542

(5) Investments accounted for using equity method

	2025	2024
At January 1	$ 3,013	$ 2,460
Addition of investments accounted for using equity method	3,566	4,961
Share of profit or loss of investments accounted for using equity method	(2,632)	(4,606)
Realized profit (loss) from sales	87	(19)
Changes in other equity items	(98)	217
At December 31	$ 3,936	$ 3,013

	December 31, 2025	December 31, 2024
BONRAYBIO HOLDING (SAMOA) CO., LTD.	$ 3,470	$ 2,939
BONRAYBIO USA CORP.	466	74
	$ 3,936	$ 3,013

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025 for the information regarding the Company’s subsidiaries.

B. The Company has received approval from its Chairman, in accordance with the established approval authority, to increase capital amounting to CNY 650 thousand (NT$2,961 thousand) to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on February 24, 2025. BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed and submitted to the Investment Review Office of the Ministry of Economic Affairs on April 25, 2025.

C. The Company has received approval from its Chairman, in accordance with the established approval authority, to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed and submitted to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

D. Details of share of profit (loss) of subsidiaries accounted for using equity method are as follows:

	Year ended December 31	
	2025	2024
BONRAYBIO HOLDING (SAMOA) CO., LTD.	($ 2,401)	($ 4,393)
BONRAYBIO USA CORP.	(231)	(213)
	($ 2,632)	($ 4,606)

The Company's share of profit or loss of investments accounted for using equity method was valued based on the investees' financial statements audited by the independent auditors for the same period.

(6) Property, plant and equipment

	2025				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Machinery and equipment	$ 4,527	$ 3,132	($ 1,804)	$ 1,361	$ 7,216
Molding equipment	7,487	-	(1,895)	-	5,592
Office equipment	472	-	-	-	472
Leasehold improvements	1,974	3,624	(1,143)	304	4,759
Other equipment	1,322	917	-	65	2,304
	$ 15,782	$ 7,673	($ 4,842)	$ 1,730	$ 20,343
Accumulated depreciation					
Machinery and equipment	($ 2,928)	($ 1,090)	$ 1,804	$ -	($ 2,214)
Molding equipment	(3,615)	(2,401)	1,895	-	(4,121)
Office equipment	(268)	(157)	-	-	(425)
Leasehold improvements	(1,457)	(932)	1,143	-	(1,246)
Other equipment	(452)	(465)	-	-	(917)
	($ 8,720)	($ 5,045)	$ 4,842	$ -	($ 8,923)
	$ 7,062				$ 11,420

Cost	2024 Beginning balance	Addition	Decrease	Transfer	Ending balance
Machinery and equipment	$ 6,329	$ 361	($ 2,163)	$ -	$ 4,527
Molding equipment	7,220	693	(1,500)	1,074	7,487
Office equipment	472	-	-	-	472
Leasehold improvements	1,974	-	-	-	1,974
Other equipment	1,088	443	(209)	-	1,322
	$ 17,083	$ 1,497	($ 3,872)	$ 1,074	$ 15,782
Accumulated depreciation					
Machinery and equipment	($ 4,080)	($ 1,011)	$ 2,163	$ -	($ 2,928)
Molding equipment	(2,317)	(2,798)	1,500	-	(3,615)
Office equipment	(111)	(157)	-	-	(268)
Leasehold improvements	(1,062)	(395)	-	-	(1,457)
Other equipment	(381)	(280)	209	-	(452)
	($ 7,951)	($ 4,641)	$ 3,872	$ -	($ 8,720)
	$ 9,132				$ 7,062

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.

B. The Company has no property, plant and equipment pledged to others as collateral.

(7) Lease transactions－lessee

A. The Company leases various assets including offices. Rental contracts are typically made for periods of 5 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, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise parking lots. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	Year ended December 31, 2025	December 31, 2024	Year ended December 31, 2024
	Carrying amount	Depreciation charge	Carrying amount	Depreciation charge
Buildings and parking lots	$ 6,528	$ 3,264	$ 9,792	$ 3,264

D. For the years ended December 31, 2025 and 2024, there were no additions to right-of-use assets.

E. The information on profit or loss accounts relation to lease contracts is as follows:

	Year ended December 31	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 127	$ 174
Expense on short-term lease contracts	815	296
Expense on leases of low-value assets	98	64

F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were $4,301 thousand and $3,608 thousand, respectively.

(8) Intangible assets

	2025				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 5,000	$ 1,639	$ -	$ -	$ 6,639
Patents	13,324	921	-	2,604	16,849
Computer software	3,272	1,254	-	-	4,526
Others	6,045	3,380	(184)	2,583	11,824
	$ 27,641	$ 7,194	($ 184)	$ 5,187	$ 39,838
Accumulated amortisation					
Trademarks	($ 2,882)	($ 574)	$ -	$ -	($ 3,456)
Patents	(4,523)	(1,299)	-	-	(5,822)
Computer software	(1,674)	(1,184)	-	-	(2,858)
Others	(2,371)	(1,534)	184	-	(3,721)
	($ 11,450)	($ 4,591)	$ 184	$ -	(15,857)
	$ 16,191				$ 23,981

Cost	2024 Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 4,852	$ -	$ -	$ 148	$ 5,000
Patents	10,576	738	-	2,010	13,324
Computer software	2,619	200	(95)	548	3,272
Others	4,869	143	(460)	1,493	6,045
	$ 22,916	$ 1,081	($ 555)	$ 4,199	$ 27,641
Accumulated amortisation					
Trademarks	($ 2,386)	($ 496)	$ -	$ -	($ 2,882)
Patents	(3,385)	(1,138)	-	-	(4,523)
Computer software	(1,093)	(676)	95	-	(1,674)
Others	(2,141)	(690)	460	-	(2,371)
	($ 9,005)	($ 3,000)	$ 555	$ -	(11,450)
	$ 13,911				$ 16,191

Details of amortisation on intangible assets are as follows:

	Year ended December 31 2025	2024
Operating costs	$ 668	$ 600
Selling expenses	36	35
Administrative expenses	371	287
Research and development expenses	3,516	2,078
	$ 4,591	$ 3,000

(9) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	$ 11,249	$ 720
Prepayments for patents	8,149	6,440
Prepayments for other intangible assets	3,823	3,019
Guarantee deposits paid	1,118	1,090
Prepayments for trademarks	778	-
Others	713	387
	$ 25,830	$ 11,656

(10) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 15,000	2.50%	None

There were no such transactions as of December 31, 2024.

Interest expense recognised in profit or loss amounted to $5,000 and $1,000 for the years ended December 31, 2025 and 2024, respectively.

(11) Other payables

	December 31, 2025	December 31, 2024
Bonus payable	$ 25,130	$ 18,754
Wages and salaries payable	6,619	5,314
Labour and health insurance and pension payable	2,766	2,106
Directors' remuneration payable	2,440	1,560
Service fees payable	2,041	1,483
Others	4,449	1,876
	$ 43,445	$ 31,093

(12) Pensions

The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were $3,959 thousand and $3,165 thousand, respectively.

(13) Share-based payment

A. There were no such transactions for the year ended December 31, 2025.

B. For the year ended December 31, 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.11.27	192 units	0.0164 year	Vested immediately

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

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.11.27	104.98	108	21.14%	0.0164 year	-	1.38%	0.2227

Expected price volatility rate was estimated by using the average of the annualised standard deviation of daily returns of stock prices over the past year as the volatility parameter.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2025	2024
Equity-settled	$ -	$ 34

(14) Share capital

A. As of December 31, 2025, the Company's authorised capital was $500,000 thousand, consisting of 50,000 thousand shares of ordinary share, and the paid-in capital was $248,008 thousand, consisting of 24,801 thousand shares of ordinary share, with a par value of $10 (in NT dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: share in thousands):

	2025	2024
At January 1	$ 21,566	$ 17,086
Add: Stock dividends from undistributed surplus earnings	2,157	1,709
Stock dividends from capital surplus	1,078	854
Cash capital increase	-	1,917
At December 31	$ 24,801	$ 21,566

B. The Company's shareholders' meeting on June 24, 2024 resolved to issue 1,709 thousand new shares from undistributed surplus earnings of NT$17,086 thousand, and to issue 854 thousand new shares NT$8,543 thousand from capital reserves with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 28, 2024. On July 4, 2024, the Board of Directors resolved to use July 28, 2024 as the record date for this capital increase, and completed the change registration on August 7 of the same year.

C. In order to cooperate with the public underwriting before the Company initially listing on the Taiwan Innovation Board, the Board of Directors resolved to conduct a cash capital increase by issuing 1,917 thousand common shares with a par value of NT$10 per share on October 2, 2024. The total amount raised is NT$230,693 thousand (including issuance costs of NT$3,000 thousand), and the record date for the capital increase is December 4, 2024. The change registration for this capital increase has been completed.

D. The Company's shareholders' meeting on May 27, 2025 resolved to issue 2,157 thousand new shares from undistributed surplus earnings of NT$21,566 thousand, and to issue 1,078 thousand new shares from capital reserves of NT$10,783 thousand with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 4, 2025. On August 6, 2025, the Board of Directors resolved to use August

31, 2025 as the record date for this capital increase, and completed the change registration on September 9 of the same year.

E. The share adjustment due to distribution of stock dividends from capital surplus is provided in Note 6(15).

(15) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On June 24, 2024, the Company increased its capital through capitalisation of capital surplus amounting to $8,543 thousand by issuing 854 thousand new shares with a par value of $10 (in NT dollars) per share as resolved by the shareholders, and the capital increase has been approved by the Financial Supervisory Committee on June 28, 2024. On July 4, 2024, the Board of Directors resolved to set the record date of capital increase on July 28, 2024, and completed the registration for the change on August 7, 2024.

C. On May 27, 2025, the Company increased its capital through capitalisation of capital surplus amounting to $10,783 thousand by issuing 1,078 thousand new shares with a par value of $10 (in NT dollars) per share as resolved by the shareholders' meeting, and the capital increase has been approved by the Financial Supervisory Committee on June 4, 2024. On August 6, 2025, the Board of Directors resolved to set the record date of capital increase on August 31, 2025, and completed the registration for the change on September 9, 2025.

D. On March 3, 2026, the Company increased its capital through capitalisation of capital surplus amounting to $18,601 thousand ($0.75 (in NT dollars) per share) by issuing 1,860 thousand new shares with a par value of $10 (in NT dollars) per share as approved by the Board of Directors, and the capitalisation of capital surplus is still pending for the approval from the shareholders.

(16) Retained earnings

A. Under the Company's Articles of Incorporation, when the Company's annual final accounts show a surplus, the taxes and dues to be paid and the accumulated losses to be covered shall be reserved first. Thereafter, 10% of the remaining surplus shall be allocated as legal reserve. Nevertheless, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The remaining amount shall then be allocated or reversed as a special reserve in accordance with legal requirements. Any remaining balance, together with undistributed earnings, shall be used by the Board of Directors to draft a profit distribution proposal, which shall be submitted to the Shareholders' Meeting for approval to distribute dividends and bonuses to shareholders.

B. If dividends and bonuses are distributed in the form of new shares using legal reserve (limited to the portion exceeding 25% of paid-in capital) or capital reserves that meet the requirements of the Company Act, the distribution shall be handled in accordance with Article 240 of the

Company Act and approved at the shareholders' meeting. If distributed in cash, the Board of Directors is authorized to approve the distribution with at least two-thirds of the directors in attendance and a majority of the attending directors in agreement, and the distribution shall be reported to the Shareholders' Meeting.

C. If the Company generates profits in the current year, 8%~12% of the profits shall be allocated as employees’ compensation, which shall be allocated 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and no more than 3% shall be allocated as directors’ compensation. However, the Company’s accumulated losses shall have been covered. The employees’ compensation may be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. The directors’ compensation may be distributed in cash. The preceding two items shall be resolved by a majority vote at a meeting of 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.

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks 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.

E. In accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

F. The appropriations of 2024 and 2023 earnings as resolved by the shareholders on May 27, 2025 and June 24, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 6,836		$ 2,573	
Cash dividends	32,349	$ 1.5	3,417	$ 0.2
Stock dividends – capitalisation of earnings	21,566	1.0	17,086	1.0
	$ 60,751		$ 23,076	

The abovementioned appropriations of earnings as resolved by the shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

G. The appropriation of 2025 earnings as proposed by the Board of Directors on March 3, 2026 are as follows:

	2025			
	Amount		Dividends per share (in NT dollars)	
Legal reserve	$	10,251		
Cash dividends		37,201	$	1.50
Stock dividends – capitalisation of earnings		37,201	$	1.50
	$	84,653		

Aside from the cash dividends which have been resolved by the Board of Directors on March 3, 2026, the remaining appropriations of earnings have not yet been resolved by the shareholders.

H. The information of employees' compensation and directors' and supervisors' remuneration is provided in Note 6(21).

(17) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 304,815	$ 222,420

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time and services over time in the following major product lines and geographical regions:

	Year ended December 31, 2025					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 58,805	$ 162,026	$ 78,329	$ 5,307	$ 348	$ 304,815
Timing of revenue						
At a point in time	58,805	162,026	78,329	5,307	348	304,815
	$ 58,805	$ 162,026	$ 78,329	$ 5,307	$ 348	$ 304,815

	Year ended December 31, 2024					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 53,528	$ 112,564	$ 52,820	$ 3,361	$ 147	$ 222,420
Timing of revenue						
At a point in time	53,528	112,564	52,820	3,361	147	222,420
	$ 53,528	$ 112,564	$ 52,820	$ 3,361	$ 147	$ 222,420

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:			
Contract liabilities –advance sales receipts	$ 6,301	$ 5,371	$ 1,217

Revenue recognised that was included in the contract liability balance at the beginning of the period

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ 4,731	$ 993

(18) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	$ 2,300	$ 2,083
Interest income from financial assets measured at amortised cost	4,567	1,853
Other interest income	8	8
	$ 6,875	$ 3,944

(19) Other gains and losses

	Year ended December 31	
	2025	2024
Net currency exchange gains	($ 2,244)	$ 3,543

(20) Finance costs

	Year ended December 31	
	2025	2024
Interest expenses:		
Lease liability	$ 127	$ 174
Bank loan	5	1
	$ 132	$ 175

(21) Expenses by nature

	Year ended December 31, 2025		
Employee benefit expense	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 19,731	$ 75,550	$ 95,281
Labour and health insurance fees	2,197	5,913	8,110
Pension costs	990	2,969	3,959
Director remuneration	-	3,812	3,812
Other personnel expenses	1,486	3,177	4,663
	$ 24,404	$ 91,421	$ 115,825
Depreciation expense	$ 4,200	$ 4,109	$ 8,309
Amortization expense	$ 668	$ 3,923	$ 4,591

	Year ended December 31, 2024		
Employee benefit expense	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 14,450	$ 60,504	$ 74,954
Labour and health insurance fees	1,592	4,733	6,325
Pension costs	747	2,418	3,165
Director remuneration	-	2,543	2,543
Other personnel expenses	1,115	2,578	3,693
	$ 17,904	$ 72,776	$ 90,680
Depreciation expense	$ 4,559	$ 3,346	$ 7,905
Amortization expense	$ 600	$ 2,400	$ 3,000

As at December 31, 2025 and 2024, the Company had 112 and 94 employees, respectively. There were 8 non-employee directors for both years.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 8%~12% for employees' compensation, which shall be distributed 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and shall not be higher than 3% for directors' remuneration.

B. The Group's employees' compensation and directors' remuneration were estimated and accrued as follows:

	Year ended December 31	
	2025	2024
Employees' compensation	$ 11,903	$ 7,700
Directors' remuneration	2,380	1,560
	$ 14,283	$ 9,260

(1) For the years ended December 31, 2025 and 2024, employees' compensation was accrued at $10,707 thousand and $7,700 thousand, respectively; while directors' remuneration was accrued at $2,380 thousand and $1,560 thousand, respectively. For the year ended December 31, 2025, the Company started to recognise non-managerial employees' compensation amounting to $1,196 thousand. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2025 and 2024, the employees' compensation was estimated and accrued based on 8.99% and 9.92% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the non-managerial employees' compensation was estimated and accrued based on 1% and 0% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the directors' remuneration was estimated and accrued based on 2% and 2.01% of distributable profit of current year as of the end of reporting period

(2) Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

(3) Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income taxes

A. Components of income tax expense

	Year ended December 31	
	2025	2024
Current tax :		
Current tax on profits for the year	$ 2,875	$ 14,037
Total current tax	2,875	14,037
Deferred tax :		
Origination and reversal of temporary differences	(629)	(14,037)
Income tax expense	$ 2,246	$ -

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	$ 20,950	$ 13,673
Temporary differences not recognised as deferred tax assets	529	364
Effect from investment tax credits	(1,232)	-
Change in assessment of realisation of deferred tax assets	(18,001)	(14,037)
Income tax expense	$ 2,246	$ -

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2025			
	Beginning balance	Recognised inprofit or loss	Recognised in other comprehensive income	Ending balance
– Deferred tax assets:				
Temporary differences:				
Allowance for inventory valuation losses	$ -	$ 506	$ -	$ 506
Unused compensated absence	-	156	-	156
Unrealised profit from sales	-	151	-	151
	$ -	$ 813	$ -	$ 813
– Deferred tax liabilities:				
Unrealised exchange gain	$ -	($ 184)	$ -	($ 184)
	$ -	($ 184)	$ -	($ 184)
	$ -	$ 629	$ -	$ 629

There were no such transactions for the year ended December 31, 2024.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

There were no such transactions as of December 31, 2025.

		December 31, 2024		
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	Amount assessed	$ 35,038	$ 35,038	2031
2020	Amount assessed	49,623	49,623	2030
2019	Amount assessed	5,344	5,344	2029
		$ 90,005	$ 90,005	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 27,280	$ 24,631

F. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit	$ 102,505	24,801	$ 4.13
Diluted earnings per share			
Profit attributable to ordinary shareholders	102,505	24,801	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	88	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 102,505	24,889	$ 4.12

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit	$ 68,365	22,762	$ 3.00
Diluted earnings per share			
Profit attributable to ordinary shareholders	68,365	22,762	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	56	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 68,365	22,818	$ 3.00

A. The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be distributed in the form of shares.

B. For the distribution of stock dividends as resolved by the Company' shareholders' meeting during their meeting on May 27, 2025, the effective date of the capital increase was set as August 31, 2025 by the Board of Directors. The weighted average number of ordinary shares outstanding was retrospectively adjusted due to the above distribution of stock dividends in order to calculate the earnings per share for the years ended December 31, 2025 and 2024.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	$ 9,403	$ 2,571
Add: Opening balance of payable on equipment	-	-
Ending balance of prepayments for equipment	11,249	720
Less: Opening balance of prepayments for equipment	(720)	(1,118)
Inventories transferred to machinery and equipment	(1,361)	-
Cash paid during the year	$ 18,571	$ 2,173

	Year ended December 31	
	2025	2024
Purchase of intangible assets	$ 12,381	$ 5,280
Add: Ending balance of prepayments	12,750	9,461
Less: Opening balance of prepayments	(9,461)	(5,887)
Cash paid during the year	$ 15,670	$ 8,854

(25) Changes in liabilities from financing activities

	2025		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 10,215	$ -
Changes in cash flow from financing activities	15,000	(3,261)	(32,349)
Addition	-	-	32,349
At December 31	$ 15,000	$ 6,954	$ -

	2024		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 13,289	$ -
Changes in cash flow from financing activities		(3,074)	(3,417)
Addition	-	-	3,417
At December 31	$ -	$ 10,215	$ -

7. Related Party Transactions

(1) Names related parties and relationship

Names of related parties	Relationship with the Company
BONRAYBIO HOLDING (SAMOA) CO., LTD.	Subsidiary
BONRAYBIO USA CORP.	Subsidiary
BONRAYBIO (SICHUAN) CO., LTD.	Subsidiary

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2025	2024
Sales of raw materials and goods:		
BONRAYBIO (SICHUAN)	$ 357	$ 1,556
BONRAYBIO USA	-	152
	$ 357	$ 1,708

The Company sold raw materials to subsidiaries, and the selling price was determined based on mutual agreement. The credit term was 180 days after monthly billings. As similar raw materials were not sold to non-related parties, there were no non-related parties for comparison. The

Company sold finished goods to subsidiaries, and the price was determined based on the profitability of different finished goods. The credit term was 180 days after monthly billings. However, the credit term of third parties was prepayments or 30 days after monthly billings.

B. Accounts receivable due from related parties

	December 31, 2025	December 31, 2024
Subsidiary		
BONRAYBIO (SICHUAN)	$ 163	$ 583

C. Other receivables due from related parties

	December 31, 2025	December 31, 2024
Subsidiary		
BONRAYBIO USA	$ -	$ 6,429

The other receivables listed above are payments for goods collected by the subsidiary on behalf of the Company.

(3) Key management compensation

	Year ended December 31	
	2025	2024
Salaries and other short-term employee benefits	$ 21,809	$ 17,738
Post-employment benefits	368	423
	$ 22,177	$ 18,161

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025
Property, plant and equipment	$ 2,089

B.There were no such transactions for the year ended December 31, 2024.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the distribution of dividends from capital surplus and the proposed distribution of earnings as resolved by the Board of Directors of the Company on March 3, 2026 is provided in Notes 6(15) and 6(16).

12. Others

(1) Capital management

The Company’s objectives when managing capital are based on the industrial scale, considering industrial future growth and product development, and setting appropriate market share, as well as plan on corresponding capital expenditure, calculation of operating capital needed for financial operations, and considering operating profits and cash inflows arising from product competitiveness, to determine appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 267,870	$ 402,150
Current financial assets at amortised cost	302,000	117,600
Notes receivable	800	-
Accounts receivable (including related parties)	24,738	18,798
Other receivables (including related parties)	265	6,580
Guarantee deposits paid	1,118	1,090
	$ 596,791	$ 546,218

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 15,000	$ -
Accounts payable (including related parties)	2,058	4,234
Other payables	43,445	31,093
	$ 45,503	$ 35,327
Lease liability	$ 6,954	$ 10,215

B. Financial risk management policies

(a) The Company’s activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.

(b) Risk management is carried out by Company treasury to identify, evaluate and hedge financial risks in close co-operation with the Company’s operating units, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,727	31.430	$ 54,280
Non-monetary items			
CNY:NTD	$ 772	4.496	$ 3,470

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,874	32.785	$ 61,439
Non-monetary items			
CNY:NTD	$ 844	4.478	$ 3,779

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 543	$ -
Non-monetary items			
CNY:NTD	1%	-	Inapplicable

	December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 614	$ -
Non-monetary items			
CNY:NTD	1%	-	Inapplicable

iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to a net loss of $2,244 thousand and gain of $3,543 thousand, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of time deposits stated at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients 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. Additionally, the Company uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to decrease the credit risk of certain customers and to assess their credit risk.

iii. Company treasury manages credit risk of cash in banks and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Company applies the modified approach using a provision matrix to estimate expected credit loss of customer's accounts receivable under the provision matrix basis.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. The expected loss rate of the Company was 0.02%~0.63%, therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

ix. The Company assessed that the expected loss rates of its financial assets at amortised cost, other receivables and guarantee deposits paid were small. Therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

(c) Liquidity risk

i. Cash flow forecasting is performed in the units of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025

Non-derivative financial liabilities	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 15,005	$ -	$ -	$ -	$ -	$ 15,005
Accounts payable	2,058	-	-	-	-	2,058
Other payables	27,200	16,245	-	-	-	43,445
Lease liability	870	2,611	3,579	-	-	7,060

December 31, 2024

Non-derivative financial liabilities	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 4,234	$ -	$ -	$ -	$ -	$ 4,234
Other payables	8,943	22,150	-	-	-	31,093
Lease liability	847	2,541	3,482	3,579	-	10,449

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

F. Trading in derivative instruments undertaken during the reporting period: None.

G. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 1.

(3) Information on investments in Mainland China

A. Information of investment in Mainland China: Please refer to table 2.

B. Significant events generated from direct and indirect transactions between the Company and its investees in Mainland China through existing companies in a third area: None.

14. Operating Segment Information

Not applicable.

BONRAYBIO CO., LTD.

Information on investees

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

				Initial investment amount		Shares held as at December 31, 2025					
Investor	Investee (Note 1)	Location	Main business activities	Balance as at December 31, 2025 (Note 2)	Balance as at December 31, 2024	Nunber of shares (in thousand shares)	Ownership (%)	Book value	Net loss of the investee for the year ended December 31, 2025 (Note 3)	Investment loss recognised by the Company for the year ended December 31, 2025 (Note 3)	Footnote
BONRAYBIO CO., LTD.	BONRAYBIO HOLDING (SAMOA) CO., LTD.	Samoa	Holding company	$ 29,376	$ 26,415	996	100	$ 3,470	($ 2,401)	($ 2,401)	The Company's subsidiary (Notes 3, 4, 5 and 6)
BONRAYBIO CO., LTD.	BONRAYBIO USA CORP.	USA	Sales of Semen Quality Analyzer and Semen Test Slide	2,804	2,199	92	100	466	(231)	(231)	The Company's subsidiary (Notes 3, 4, and 7)

Note 1: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 2: It's the investment amount as of December 31, 2025.

Note 3: Recognize investment gains and losses through each subsidiary.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Note 5: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on December 27, 2023, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 1,134 thousand (approximately to NT$4,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO., LTD, with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on March 7, 2024.

Note 6: The Company has approved by Chairman according to the approval authority to increase capital amounting to CNY 650 thousand (NT$2,961 thousand) to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on February 24, 2025.BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on April 25, 2025.

Note 7: The Company has approved by Chairman according to the approval authority to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

BONRAYBIO CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net loss of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment loss recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
BONRAYBIO (SICHUAN) CO., LTD.	Production and sales of Semen Quality Analyzer and Semen Test Slide	$ 29,898	2	$ 18,353	$ 2,961	$ -	$ 21,314	($ 2,401)	100.00	($ 2,401)	$ 3,470	$ -	Notes 2, 3, 4, 5, 6 and 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: BONRAYBIO (SICHUAN) CO., LTD. ("BONRAYBIO (SICHUAN)")'s paid-in capital was CNY 6,650 thousand, and accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 was CNY 4,784 thousand.

Note 3: To increase BONRAYBIO (SICHUAN)'s working capital, on March 30, 2021 and October 27, 2021, the Company remitted the investment amounting to CNY 500 thousand and CNY 1,000 thousand, respectively, to increase capital of BONRAYBIO HOLDING (SAMOA) CO., LTD. (the "BONRAYBIO (SAMOA)"), and BONRAYBIO (SAMOA) increased the capital of BONRAYBIO (SICHUAN) in the amount of CNY 500 thousand and CNY 1,000 thousand, respectively.

Note 4: Due to the insufficient funding capacity of BONRAYBIO (SICHUAN) and the improvement of the Company's loans to BONRAYBIO (SICHUAN), on April 25, 2022, the Board of Directors of the Company resolved to capitalise the loans as share capital. As of December 31, 2021, the accounts receivable after three months under normal credit terms amounting to CNY 1,866 thousand (approximately NT$8,057 thousand) was fully transferred to BONRAYBIO (SAMOA). Subsequently, BONRAYBIO (SAMOA) used the debt as the capital to reinvest in BONRAYBIO (SICHUAN), without any funds being remitted by the Company.

Note 5: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on December 27, 2023, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 1,134 thousand (approximately to NT$4,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO.,LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on March 7, 2024.

Note 6: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on February 24, 2025, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 650 thousand (approximately to NT$2,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO.,LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on April 25, 2025.

Note 7: Paid-in capital was translated at the exchange rate of NTD 4.496:CNY 1 prevailing on December 31, 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 8)
BONRAYBIO CO., LTD.	$ 21,314	$ 29,898	$ 384,844

Note 8: Ceiling on public companys' investments in Mainland China, the limitation of the Company's accumulated investment amount in Mainland China is 60% of the net equity of the Company.

BONRAYBIO CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description		Amount
Cash on hand			$ 194
Demand deposits			236,936
Time deposits	USD 700 thousand	Exchange rate 31.430	22,001
Foreign currency deposits	USD 248 thousand	Exchange rate 31.430	7,804
	CNY 136 thousand	Exchange rate 4.496	613
	EUR 9 thousand	Exchange rate 36.900	322
			$ 267,870

BONRAYBIO CO., LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Item	Description	Contract Period	Rate	Amount	Note
Financial assets at amortised cost					
Time deposits maturing in excess of three months	NT$302,000 thousand	May 27,2025~September 9, 2026	1.64%	$ 302,000	

BONRAYBIO CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Description	Amount: Cost	Amount: Market Value	Note: Method Used in Determining The Net Realisable Value
Raw materials		$ 24,229	$ 25,059	Replacement cost
Work in progress		14,048	69,910	Net realisable value of inventory
Finished goods		5,213	28,200	Net realisable value of inventory
		$ 43,490	$ 123,169	
Less: Allowance to reduce inventory to market		(2,531)		
		$ 40,959		

BONRAYBIO CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Opening Balance		Addition		Decrease		Ending Balance			Net Assets Value				
Investee	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Percentage of Ownership	Amount	Unit Price	Total Amount	Valuation Basis	Collateral or Pledge	Note
BONRAYBIO HOLDING (SAMOA) CO., LTD.	906	$ 2,939	90	$ 2,961	-	($ 2,430)	996	100%	$ 3,470	$ 3	$ 3,470	Equity method	None	
BONRAYBIO USA CORP.	72	74	20	605	-	(213)	92	100%	466	5	466	Equity method	None	
		$ 3,013		$ 3,566		($ 2,643)			$ 3,936		$ 3,936			

BONRAYBIO CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	Unit	Quantity	Amount	Note
Semen Quality Analyzer	Sets	497	$ 112,365	
Semen test slide	PCS	689,225	103,608	
Sperm Separation Device	PCS	89,275	53,517	
Sperm DNA Fragmentation Test Kit	PCS	33,300	23,879	
Others			11,446	Balance of each product has not exceeded 5% of total account balance.
			$ 304,815	

BONRAYBIO CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Amount
Beginning raw materials	$ 15,932
Add: Net purchased for the year	47,234
Less: Raw materials sold	(229)
Ending raw materials	(39)
Transfer to miscellaneous expenses	(24,229)
Raw materials transferred out	(1,278)
Inventory scrap	(540)
Raw materials used for the year	36,851
Direct labor	11,913
Manufacturing expense	24,032
Manufacturing cost	72,796
Add: Beginning work in progress	8,409
Raw materials transferred into semi-finished goods	2,545
Raw materials purchased for outsourcing	(16)
Less: Work in progress sold	(14,048)
Ending work in progress	(1,158)
Transfer to miscellaneous expenses	(2,146)
Inventory scrap	(198)
Cost of finished goods	66,184
Add: Beginning finished goods	3,665
Less: Ending finished goods	(5,213)
Transfer to miscellaneous expenses	(164)
Inventory scrap	(244)
Cost of products sold	64,228
Cost of raw materials sold	229
Cost of work in process sold	16
Lose for inventory scrap	720
Loss for market price decline	738
Operating costs	$ 65,931

BONRAYBIO CO., LTD.
STATEMENT OF MANUFACTURING EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Description	Amount	Note
Wages and salaries		$ 10,659	
Depreciation expense		4,200	
Consumables		2,803	
Other expenses		6,370	Balance of individual accounts has not exceeded 5% of total account balance.
		$ 24,032	

BONRAYBIO CO., LTD.
OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Items	Selling expenses	Administrative expenses	Research and development expenses	Total	Note
Wages and salaries	$ 17,523	$ 32,438	$ 32,369	$ 82,330	
Service fees	47	4,502	2,327	6,876	
Insurance expense	1,357	2,251	2,799	6,407	
Advertisement expense	6,369	4	-	6,373	
Traveling expense	3,595	1,824	706	6,125	
Depreciation	262	1,100	2,747	4,109	Balance of each account has not exceeded 5% of total account balance.
Other expenses	4,285	5,851	13,879	24,015	
	$ 33,438	$ 47,970	$ 54,827	$ 136,235	

BONRAYBIO CO., LTD.
INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Description	Amount	Note

The related information of interest income is provided in Note 6(19).

BONRAYBIO CO., LTD.
OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Description	Amount	Note

The related information of other income is provided in Note 6(20).

BONRAYBIO CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Function / Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Salary expenses	$ 19,731	$ 75,550	$ 95,281	$ 14,450	$ 60,504	$ 74,954
Labour and health insurance fees	2,197	5,913	8,110	1,592	4,733	6,325
Pension costs	990	2,969	3,959	747	2,418	3,165
Directors' remuneration	-	3,812	3,812	-	2,543	2,543
Other personnel expenses	1,486	3,177	4,663	1,115	2,578	3,693
Depreciation expense	4,200	4,109	8,309	4,559	3,346	7,905
Amortisation charge	668	3,923	4,591	600	2,400	3,000

Note:

A. As at December 31, 2025 and 2024, the Company had 112 and 94 employees, including 8 non-employee directors.

B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(a) The average employee benefit expense of current year was $ 1,077 thousands (in NT dollars) ((Total employee benefit expense of current year-Total directors' compensation of current year)/(Number of employees of current year-Number of non-employee directors of current year)).

The average employee benefit expense of prior year was $1,025 thousands (in NT dollars) ((Total employee benefit expense of prior year-Total directors' compensation of prior year)/(Number of employees of prior year-Number of non-employee directors of prior year)).

BONRAYBIO CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

(b) The average wages and salaries of current year were $916 thousands (in NT dollars) ((Total wages and salaries of current year)/(Number of employees of current year-Number of non-employee directors of current year)).

The average wages and salaries of prior year were $872 thousands (in NT dollars) ((Total wages and salaries of prior year)/(Number of employees of prior year-Number of non-employee directors of prior year)).

(c) The adjustment on the average salary expenses in 2025 is approximately (_%) ((Average wages and salaries of current year-Average wages and salaries of prior year)/Average wages and salaries of prior year).

(d) The Company set up an audit committee and therefore, it has no supervisors.

(e) The Company's Salary and Compensation Policy (including directors, managers and employees) is as follows:

i. The Company set up an audit committee and therefore, it has no supervisors.

ii. Reward, remuneration and transportation allowance of directors (including independent directors), functional committee members and managers are paid in accordance with reward and remuneration payments regulations for directors, independent directors, functional committee members and managers.

iii. Reward of Chairman and managers includes salary and bonus, etc., of which salary is made based on their participation in the operation and contribution, referring to the general pay levels of the industry, and takes into consideration education and work experience, professional skill and job responsibility. In addition, bonus is made based on individual performance achievements and degree of contribution.

iv. Compensation of employees includes salary and bonus, of which salary is referred by market quotes taking into consideration personal work experience, performance and prior salary conditions, and considers employees' position and job responsibility. In addition, bonus is made based on individual performance assessment.

v. Annual salary adjustment of employees is implemented based on the Company's operating conditions, referring Economic Growth Rate in Taiwan, Consumer Price Index and salary adjustments in industry, accordingly, to determine the adjustment degree of employees' salary based on personal working performance and performance assessment.

vi. In accordance with the Company's Articles of Incorporation, employees' compensation is contributed based on annual profit. Profit to managers is accrued based on operating performance and profit to employee is accrued according to personal performance assessment.

vii. Year-end bonus is distributed to managers and employees based on personal performance assessment at end of year.