BONRAYBIO CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

BONRAYBIO CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Herby declare,

Company: BONRAYBIO CO., LTD.

Representative: Brown Hsu

March 3, 2026

INDEPENDENT AUDITORS' REPORT

PWCR 25003869

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 consolidated financial statements* section of our report. We are independent of the Group 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 Group's 2025 consolidated financial statements are stated as follows:

Appropriateness of cut-off on sales revenue

<u>Description</u>

Please refer to Note 4(23) for accounting policy on revenue recognition, and Note 6(16) for details of operating revenue. For the year ended December 31, 2025, the Group's operating revenue amounted to NT$306,307 thousand.

The Group 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. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter

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.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of BONRAYBIO CO., LTD. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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.

2. 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 Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Group’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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion of the consolidated financial statements.

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 consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED 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)	$ 271,245	38	$ 410,169	66
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	3	18,215	3
1200	Other receivables		265	-	151	-
130X	Inventories	6(4)	41,637	6	27,618	4
1410	Prepayments		7,371	1	3,306	1
1470	Other current assets		2,951	-	439	-
11XX	**Current assets**		650,842	90	577,498	93
	Non-current assets					
1600	Property, plant and equipment	6(5)	11,859	2	7,627	1
1755	Right-of-use assets	6(6)	6,528	1	9,792	1
1780	Intangible assets	6(7)	23,981	3	16,191	3
1840	Deferred tax assets	6(22)	813	-	-	-
1900	Other non-current assets	6(8)	25,851	4	11,688	2
15XX	**Non-current assets**		69,032	10	45,298	7
1XXX	**Total assets**		$ 719,874	100	$ 622,796	100

(Continued)

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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(9)	$ 15,000	2	$ -	-
2130	Current contract liabilities	6(16)	6,301	1	5,377	1
2170	Accounts payable		2,058	-	4,234	1
2200	Other payables	6(10)	43,992	6	31,366	5
2230	Current tax liabilities	6(22)	2,547	-	-	-
2280	Current lease liabilities	6(6)	3,403	1	3,261	-
2300	Other current liabilities		1,431	-	255	-
21XX	**Current liabilities**		74,732	10	44,493	7
	Non-current liabilities					
2570	Deferred tax liabilities	6(22)	184	-	-	-
2580	Non-current lease liabilities	6(6)	3,551	1	6,954	1
25XX	**Non-current liabilities**		3,735	1	6,954	1
2XXX	**Total liabilities**		78,467	11	51,447	8
	Equity					
	Share capital	6(13)				
3110	Share capital - common stock		248,008	34	215,659	35
3150	Stock dividend to be distributed		-	-	-	-
	Capital surplus	6(14)				
3200	Capital surplus		269,742	38	280,525	45
	Retained earnings	6(15)				
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**		$ 719,874	100	$ 622,796	100

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

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

	Items	Notes	Year ended December 31 2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6(16)	$ 306,307	100	$ 222,878	100
5000	Operating costs	6(4)(20)(21)	(67,786)	(22)	(47,920)	(21)
5900	Gross profit from operations		238,521	78	174,958	79
	Operating expenses	6(20)(21)				
6100	Selling expenses		(34,252)	(11)	(29,805)	(13)
6200	Administrative expenses		(49,491)	(16)	(42,439)	(19)
6300	Research and development expenses		(54,827)	(18)	(41,763)	(19)
6000	Total operating expenses		(138,570)	(45)	(114,007)	(51)
6900	Net operating income		99,951	33	60,951	28
	Non-operating income and expenses					
7100	Interest income	6(17)	6,877	2	3,950	2
7010	Other income		324	-	122	-
7020	Other gains and losses	6(18)	(2,244)	(1)	3,543	1
7050	Finance costs	6(19)	(132)	-	(175)	-
7000	Total non-operating income and expenses		4,825	1	7,440	3
7900	**Profit before income tax**		104,776	34	68,391	31
7950	Income tax expense	6(22)	(2,271)	(1)	(26)	-
8200	**Profit for the year**		$ 102,505	33	$ 68,365	31
	Other comprehensive income					
	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	**Total other comprehensive (loss) income**		($ 98)	-	$ 217	-
8500	**Total comprehensive (loss) income for the year**		$ 102,407	33	$ 68,582	31
	Profit, attributable to:					
8610	Owners of parent		$ 102,505	33	$ 68,365	31
8620	Non-controlling interests		-	-	-	-
	Total Profit		$ 102,505	33	$ 68,365	31
	Comprehensive income, attributable to:					
8710	Owners of parent		$ 102,407	33	$ 68,582	31
8720	Non-controlling interests		-	-	-	-
	Total Comprehensive Income		$ 102,407	33	$ 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 consolidated financial statements.

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

		Equity attributable to owners of the parent						
				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
Stock dividends of capital surplus	6(14)	8,543	(8,543)	-	-	-	-	-
Appropriation and distribution of 2023 earnings:	6(15)							
Legal reserve appropriated		-	-	2,573	-	(2,573)	-	-
Cash dividends of ordinary share		-	-	-	-	(3,417)	-	(3,417)
Stock dividends of ordinary share		17,086	-	-	-	(17,086)	-	-
Cash capital increase	6(13)	19,170	208,523	-	-	-	-	227,693
Cost of share-based payment payable	6(12)	-	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 for the year		-	-	-	-	-	(98)	(98)
Total comprehensive (loss) income		-	-	-	-	102,505	(98)	102,407
Stock dividends of capital surplus	6(14)	10,783	(10,783)	-	-	-	-	-
Appropriation and distribution of 2024 earnings:	6(15)							
Legal reserve appropriated		-	-	6,836	-	(6,836)	-	-
Cash dividends of ordinary share		-	-	-	-	(32,349)	-	(32,349)
Stock dividends of ordinary share	6(13)	21,566	-	-	-	(21,566)	-	-
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 consolidated financial statements.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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		$ 104,776	$ 68,391
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(5)(20)	5,590	5,560
Right-of-use assets depreciation	6(6)(20)	3,264	3,264
Amortization expense	6(7)(20)	4,591	3,000
Interest expense	6(19)	132	175
Interest income	6(17)	(6,877)	(3,950)
Cost of share-based payment payable	6(13)	-	34
Unrealized foreign exchange (gain) loss		(912)	(2,962)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(800)	-
Accounts receivable		(6,199)	(5,141)
Other receivables		(6)	8
Inventories		(15,823)	(8,331)
Prepayments		(4,070)	1,310
Other current assets		(2,513)	(187)
Other operating assets		(326)	(342)
Changes in operating liabilities			
Contract liabilities		923	4,128
Accounts payable		(2,162)	1,492
Other payables		12,945	9,985
Other current liabilities		1,175	(58)
Cash inflow generated from operations		93,708	76,376
Interest received		6,769	3,960
Interest paid		(132)	(175)
Income taxes paid		(353)	(26)
Net cash flows from operating activities		99,992	80,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets measured at amortized cost		(184,400)	-
Acquisition of property and equipment	6(24)	(18,572)	(2,173)
Acquisition of intangible assets	6(24)	(15,670)	(8,854)
Decrease in refundable deposits		(19)	(421)
Net cash flows used in investing activities		(218,661)	(11,448)
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(13)	-	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 equivalents		355	3,406
Net (decrease) increase in cash and cash equivalents		(138,924)	293,295
Cash and cash equivalents at beginning of year		410,169	116,874
Cash and cash equivalents at end of year		$ 271,245	$ 410,169

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

BONRAYBIO CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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 and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the manufacturing of general and optical instruments and medical devices, as well as the wholesale and retail of precision instruments. The Company's shares were listed on the Taiwan Stock Exchange starting from December 6, 2024.

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

These consolidated 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 Group's financial condition and financial performance based on the Group'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 Group

New standards, interpretations and amendments endorsed by the FSC 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 Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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 Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

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 consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", 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").

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

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

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture.

Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2025	December 31, 2024	Description
The Company	BONRAYBIO USA CORP. (BONRAYBIO USA)	Sales of sperm testing instruments	100%	100%	Note 1
The Company	BONRAYBIO HOLDING (SAMOA) CO., LTD.	Holding company	100%	100%	Note 2
SAMOA	BONRAYBIO (SICHUAN) CO., LTD.	Production and sales of testing equipment	100%	100%	Note 2

Note 1: 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.

Note 2: 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.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions:

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

None.

(4) Foreign currency translation

The Company determines the functional currency based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are 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.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets 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.

(6) 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.

(7) 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 Group’s business model is achieved by collecting contractual cash flows.

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

(11) 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.

(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 Group 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. Land is not depreciated. Other 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 ~ 5 years
Molding equipment	3 years
Office equipment	3 years
Leasehold improvements	5 years
Other equipment	3 ~ 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 Group. 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 Group 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 ~ 19 years
Trademarks	10 years
Computer software	3 ~ 10 years
Other intangible assets	5 ~ 10 years

(15) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is 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 Group 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 tax

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 and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders' meeting 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 Group 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. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. 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) <u>Share capital</u>

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 Group 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 Group has objective evidence that all criteria for acceptance have been satisfied.

B. Rendering services

The Group 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 Group 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 Group recognises expenses for the related costs for which the grants are intended to compensate.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. 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 and revolving funds	$ 213	$ 228
Time deposits	22,001	26,228
Demand deposits	249,031	383,713
	$ 271,245	$ 410,169

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

B. The Group 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 Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

	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 Group was $302,000 and $117,600 thousand, respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

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

(3) Accounts receivable

	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		-
91 to 180 days		-		-
Over 181 days		-		-
	$	24,573	$	18,215

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable was 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 Group'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	$	25,375	($	2,312)	$	23,063
Work in progress		14,098	(	375)		13,723
Finished goods		5,450	(	599)		4,851
	$	44,923	($	3,286)	$	41,637

	December 31, 2024					
	Cost		Allowance to reduce inventory to market		Book value	
Raw materials	$	17,307	($	1,744)	$	15,563
Work in progress		8,673	(	387)		8,286
Finished goods		4,167	(	398)		3,769
	$	30,147	($	2,529)	$	27,618

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	$ 65,187	$ 45,053
Unamortised manufacturing expenses	1,108	1,323
Loss for market price decline	753	242
Inventory retirement losses	738	1,302
	$ 67,786	$ 47,920

(5) Property, plant and equipment

	2025					
Cost	Beginning balance	Addition	Decrease	Transfer	Effect of foreign exchange	Ending balance
Machinery and equipment	$ 6,679	$ 3,132	($ 3,828)	$ 1,781	($ 53)	$ 7,711
Molding equipment	7,489	-	(1,895)	-	-	5,594
Office equipment	486	-	(14)	-	-	472
Leasehold improvements	4,025	3,624	(3,125)	304	(68)	4,760
Other equipment	1,330	918	(9)	65	(1)	2,303
	$ 20,009	$ 7,674	($ 8,871)	$ 2,150	($ 122)	$ 20,840
Accumulated depreciation						
Machinery and equipment	($ 4,523)	($ 1,626)	$ 3,828	$ -	$ 51	($ 2,270)
Molding equipment	(3,617)	(2,401)	1,895	-	-	(4,123)
Office equipment	(282)	(157)	14	-	-	(425)
Leasehold improvements	(3,498)	(941)	3,125	-	68	(1,246)
Other equipment	(462)	(465)	9	-	1	(917)
	($ 12,382)	($ 5,590)	$ 8,871	$ -	$ 120	($ 8,981)
	$ 7,627					$ 11,859

	2024					
Cost	Beginning balance	Addition	Decrease	Transfer	Effect of foreign exchange	Ending balance
Machinery and equipment	$ 8,941	$ 361	($ 2,711)	$ -	$ 88	$ 6,679
Molding equipment	7,222	693	(1,500)	1,074	-	7,489
Office equipment	567	-	(84)	-	3	486
Leasehold improvements	3,991	-	(36)	-	70	4,025
Other equipment	1,243	443	(361)	-	5	1,330
	$ 21,964	$ 1,497	($ 4,692)	$ 1,074	$ 166	$ 20,009
Accumulated depreciation						
Machinery and equipment	($ 5,398)	($ 1,789)	$ 2,711	$ -	($ 47)	($ 4,523)
Molding equipment	(2,319)	(2,798)	1,500	-	-	(3,617)
Office equipment	(206)	(159)	84	-	(1)	(282)
Leasehold improvements	(2,939)	(527)	36	-	(68)	(3,498)
Other equipment	(532)	(287)	361	-	(4)	(462)
	($ 11,394)	($ 5,560)	$ 4,692	$ -	($ 120)	($ 12,382)
	$ 10,570					$ 7,627

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 Group has no property, plant and equipment pledged to others as collateral.

(6) Lease transactions－lessee

A. The Group leases various assets including offices and parking lots. 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 factories and employees' dorms. Low-value assets comprise multifunction printers.

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

(a) Carrying amount:

	December 31, 2025	December 31, 2024
Buildings and parking lots	$ 6,528	$ 9,792

(b) Depreciation charge:

	Year ended December 31	
	2025	2024
Buildings and parking lots	$ 3,264	$ 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	1,102	607
Expense on leases of low-value assets	113	80

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were $4,603 thousand and $3,935 thousand, respectively.

(7) 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

	2024				
Cost	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

(8) 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	3,021
Guarantee deposits paid	1,140	1,121
Prepayments for trademarks	778	-
Others	712	386
	$ 25,851	$ 11,688

(9) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 15,000	2.50%	Non.

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

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

(10) Other payables

	December 31, 2025	December 31, 2024
Bonus payable	$ 25,210	$ 18,834
Wages and salaries payable	6,722	5,416
Labour and health insurance and pension payable	2,767	2,106
Directors' remuneration payable	2,440	1,560
Service fees payable	2,085	1,486
Others	4,768	1,964
	$ 43,992	$ 31,366

(11) Pensions

A. 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.

B. BONRAYBIO (SICHUAN) CO., LTD. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. For the years ended December 31, 2025 and 2024, other than the monthly contributions, the Group has no further obligations.

C. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were $4,118 thousand and $3,368 thousand, respectively.

(12) 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 Group'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 option-pricing 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

(13) 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):

	December 31, 2025	December 31, 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(14).

(14) 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' meeting, 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. The Company's shareholders' meeting on May 27, 2025 resolved 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.

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 proposed by the Board of Directors, and the capitalisation of capital surplus is still pending for the approval from the shareholders' meeting.

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve 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 by 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' and supervisors' 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' meeting 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	$ 1.50	3,417	$ 0.20
Stock dividends – capitalisation of earnings	21,566	1.00	17,086	1.00
	$ 60,751		$ 23,076	

The abovementioned appropriations of earnings as resolved by the shareholders' meeting 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		

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

(16) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 306,307	$ 222,878

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in 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	$163,517	$ 78,329	$ 5,307	$ 349	$306,307
Timing of revenue						
At a point in time	$ 58,805	$163,517	$ 78,329	$ 5,307	$ 349	$306,307

(a) Europe area: BONRAYBIO CO., LTD $58,821 thousand.

(b) Asia area: BONRAYBIO CO., LTD $162,218 thousand, BONRAYBIO (SICHUAN) $1,505 thousand.

(c) America area: BONRAYBIO CO., LTD $78,456 thousand, BONRAYBIO USA $0 thousand.

(d) Other areas: BONRAYBIO CO., LTD $5,307 thousand.

	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	$112,810	$ 53,032	$ 3,361	$ 147	$222,878
Timing of revenue						
At a point in time	$ 53,528	$112,810	$ 53,032	$ 3,361	$ 147	$222,878

(a) Europe area: BONRAYBIO CO., LTD $53,595 thousand.

(b) Asia area: BONRAYBIO CO., LTD $111,757 thousand, BONRAYBIO (SICHUAN) $1,110 thousand.

(c) America area: BONRAYBIO CO., LTD $52,843 thousand, BONRAYBIO USA $212 thousand.

(d) Other areas: BONRAYBIO CO., LTD $3,361 thousand.

B. Contract liabilities

The Group 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	$ 5,377	$ 1,249

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

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 4,737	$ 993

(17) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	$ 2,302	$ 2,089
Interest income from financial assets measured at amortised cost	4,567	1,853
Other interest income	8	8
	$ 6,877	$ 3,950

(18) Other gains and losses

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

(19) Finance costs

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

(20) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	$ 117,545	$ 92,797
Depreciation expense - property, plant and equipment	5,590	5,560
Depreciation expense - right-of-use assets	3,264	3,264
Amortization expense	4,591	3,000
	$ 130,990	$ 104,621

(21) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	$ 96,515	$ 76,481
Labour and health insurance fees	8,215	6,451
Pension costs	4,118	3,368
Directors' remuneration	3,812	2,543
Other personnel expenses	4,885	3,954
	$ 117,545	$ 92,797

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

(a) 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.

(b) 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.

(c) 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 tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	$ 2,900	$ 26
Total current tax	2,900	26
Deferred tax:		
Origination and reversal of temporary differences	(629)	-
Income tax expense	$ 2,271	$ 26

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	$ 20,119	$ 12,536
Temporary differences not recognised as deferred tax assets	535	359
Taxable loss not recognised as deferred tax assets	824	1,142
Effect from investment tax credits	(1,232)	-
Change in assessment of realisation of deferred tax assets	(18,001)	(14,037)
Effect from Alternative Minimum Tax	26	26
Income tax expense	$ 2,271	$ 26

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

	2025			
	January 1, 2025	Recognised in profit or loss	Recognised in other comprehensive income	December 31, 2025
Deferred tax assets：				
-Temporary differences：				
Allowance for inventory valuation losses	$ -	506	-	506
Unused compensated absence	-	156	-	156
Unrealised profit from sales	-	151	-	151
Subtotal	$ -	$ 813	$ -	$ 813
Deferred tax liabilities：				
Unrealised exchange gain	$ -	($ 184)	$ -	($ 184)
Subtotal	$ -	($ 184)	$ -	($ 184)
Total	$ -	$ 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:

(a) The Company:

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	

(b) BONRAYBIO (SICHUAN) CO., LTD.:

December 31, 2025				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2025	Amount expected to be filed	$ 2,367	$ 2,367	2035
2024	Actual amount filed	4,812	4,812	2034
2023	Actual amount filed	5,682	5,682	2033
2022	Actual amount filed	4,698	4,698	2032
2021	Actual amount filed	3,865	3,865	2031
2020	Actual amount filed	2,235	2,235	2030
2019	Actual amount filed	111	111	2029
		$ 23,770	$ 23,770	

December 31, 2024				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2024	Amount expected to be filed	$ 4,812	$ 4,812	2034
2023	Actual amount filed	5,682	5,682	2033
2022	Actual amount filed	4,698	4,698	2032
2021	Actual amount filed	3,865	3,865	2031
2020	Actual amount filed	2,235	2,235	2030
2019	Actual amount filed	111	111	2029
		$ 21,403	$ 21,403	

(c) As of December 31, 2025 and 2024, BONRAYBIO USA CORP.'s loss carryforward that had not been recognised as deferred tax assets was $2,445 thousand and $1,943 thousand, respectively. In accordance with the local tax law, there is still no limit on the utilisation period for these loss carryforwards.

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	$ 28,035	$ 25,348

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

G. Applicable tax rates are as follows:

Name of subsidiary	Applicable Income Tax Act	Applicable tax rate
BONRAYBIO USA	State tax: The Tax Law of the State of California, United States	Applicable tax rate: 8.48%
	Federal tax: The Tax Law of the Federal Government of the United States	Applicable tax rate: 21%
BONRAYBIO (SICHUAN)	The Income Tax Law of the People's Republic of China on Enterprises	Applicable tax rate: 25%

(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 attributable to ordinary shareholders of the Company	$ 102,505	24,801	$ 4.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	102,505	24,801	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	88	
Profit attributable to ordinary shareholders of the parent 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 attributable to ordinary shareholders of the Company	$ 68,365	22,762	$ 3.00
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	68,365	22,762	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	56	
Profit attributable to ordinary shareholders of the parent 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	$ 9,824	$ 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	(1,781)	-
Cash paid during the year	$ 18,572	$ 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	1,500	(3,261)	(32,349)
Addition	-	-	32,349
At December 31	$ 1,500	$ 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

Key management compensation

	Year ended December 31	
	2025	2024
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

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

There were no such transactions as of 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(14) and 6(15).

12. Others

(1) Capital management

The Group'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 arise 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	$	271,245	$	410,169
Current financial assets at amortised cost		302,000		117,600
Notes receivable		800		-
Accounts receivable		24,573		18,215
Other receivables		265		151
Guarantee deposits paid		1,140		1,121
	$	600,023	$	547,256

	December 31, 2025		December 31, 2024	
Financial liabilities				
Financial liabilities at amortised cost				
Short-term borrowings	$	15,000	$	-
Accounts payable		2,058		4,234
Other payables		43,992		31,366
	$	61,050	$	35,600
Lease liability (including current and non-current)	$	6,954	$	10,215

B. Financial risk management policies

(a) The Group'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 Group treasury to identify, evaluate and hedge financial risks in close co-operation with the Group'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 Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group 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 Group’s businesses involve some non-functional currency operations (the Group’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

	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

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	$ -

	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	$ -

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

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group 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 Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Group 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 Group 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. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.

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

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

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

ix. The Group 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 Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group'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 Group'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	Book value
Short-term borrowings	$ 15,005	$ -	$ -	$ -	$ -	$ 15,005
Accounts payable	2,058	-	-	-	-	2,058
Other payables	27,705	16,287	-	-	-	43,992
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	Book value
Accounts payable	$ 4,234	$ -	$ -	$ -	$ -	$ 4,234
Other payables	9,049	22,317	-	-	-	31,366
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. Significant inter-company transactions during the reporting periods: 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. Basic information: Please refer to table 2.

B. Significant transactions, either directly or indirectly through a third area: None.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organisation is divided into Taiwan, China, US and other areas based on the operating areas.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on segment revenue and income (loss) before tax.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2025				
	Taiwan	China	US	Write-offs	Total
External-segment revenue	$ 304,802	$ 1,505	$ -	$ -	$ 306,307
Inter-segment revenue	13	-	-	(13)	-
Total revenue	$ 304,815	$ 1,505	$ -	($ 13)	$ 306,307
Segment income (loss) before tax	$ 107,382	($ 2,401)	($ 205)	$ -	$ 104,776

	Year ended December 31, 2024				
	Taiwan	China	US	Write-offs	Total
External-segment revenue	$ 221,556	$ 1,110	$ 212	$ -	$ 222,878
Inter-segment revenue	864	-	-	(864)	-
Total revenue	$ 222,420	$ 1,110	$ 212	($ 864)	$ 222,878
Segment income (loss) before tax	$ 72,971	($ 4,393)	($ 187)	$ -	$ 68,391

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2025 and 2024 is provided as follows:

	Year ended December 31	
	2025	2024
Reportable segments adjusted income before tax	$ 102,145	$ 63,785
Inter-segment income	2,631	4,606
Consolidated income before tax	$ 104,776	$ 68,391

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
US	$ 63,636	$ -	$ 41,591	$ -
India	46,893	-	26,018	-
Germany	18,725	-	19,206	-
Italy	15,399	-	15,392	-
Japan	18,292	-	14,790	-
Thailand	15,893	-	12,968	-
Taiwan	11,608	66,640	9,696	43,611
Others	115,861	439	83,217	566
	$ 306,307	$ 67,079	$ 222,878	$ 44,177

The Group's geographic revenue is calculated based on countries where sales incur. Non-current assets consists of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, and deferred tax assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31					
	2025			2024		
	Revenue	Percentage	Segment	Revenue	Percentage	Segment
Company A	$ 63,636	21	Taiwan	$ 41,434	19	Taiwan
Company B	46,893	15	Taiwan	25,802	12	Taiwan
	$ 110,529	36		$ 67,236	31	

BONRAYBIO CO., LTD.

Information on investees

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2025 (Note 2)	Initial investment amount: Balance as at December 31, 2024	Shares held as at December 31, 2025: Nunber of shares (in thousand shares)	Shares held as at December 31, 2025: Ownership (%)	Shares held as at December 31, 2025: 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 — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025 — Remitted back to Taiwan	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
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 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: The Company has approved by Chairman according to the approval authority to increase capital amounting to CNY 1,134 thousand to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on December 27, 2023. 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 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.