

**METATECH (AP) INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2025 and 2024**

Address: 14 F.-3, No. 75, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221432,  
Taiwan (R.O.C.).

Telephone: (02)2698-3466

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	11~32
(7) Related-party transactions	33~34
(8) Assets pledged as security	34
(9) Significant Commitments and contingencies	35
(10) Losses Due to Major Disasters	36
(11) Subsequent Events	36
(12) Other	36
(13) Other disclosures	
(a) Information on significant transaction	37~38
(b) Information on Investees	38~39
(c) Information on investment in Mainland China	39
(14) Segment information	40



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

To the Board of Directors of METATECH (AP) INC.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of METATECH (AP) INC. and its subsidiaries as of June 30, 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2025, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of METATECH (AP) INC. and its subsidiaries as of June 30, 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2025, as well as its consolidated cash flows for the six months ended June 30, 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Other Matter**

The financial statements of METATECH (AP) INC. for the three months and six months ended June 30, 2024 were reviewed by other independent auditors and were issued on August 13, 2024.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo, Hsin-Yi and Ko, Hui-Chih.

KPMG

Taipei, Taiwan (Republic of China)

August 12, 2025

**Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**METATECH (AP) INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and six months ended June 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

	For the three months ended				For the six months ended			
	June 30,				June 30,			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	\$ 371,475	100	332,520	100	758,753	100	662,608	100
5000	323,438	87	286,741	86	664,268	88	584,870	88
	<u>48,037</u>	<u>13</u>	<u>45,779</u>	<u>14</u>	<u>94,485</u>	<u>12</u>	<u>77,738</u>	<u>12</u>
	<b>Operating expenses (notes 6(g), (h), (i), (l) and (r)):</b>							
6100	32,718	9	24,781	7	62,585	8	47,716	7
6200	48,394	13	42,309	13	87,234	11	86,959	13
6300	35,234	9	28,886	9	66,815	9	55,003	9
6450	(1)	-	5	-	-	-	5	-
	<u>116,345</u>	<u>31</u>	<u>95,981</u>	<u>29</u>	<u>216,634</u>	<u>28</u>	<u>189,683</u>	<u>29</u>
	<u>(68,308)</u>	<u>(18)</u>	<u>(50,202)</u>	<u>(15)</u>	<u>(122,149)</u>	<u>(16)</u>	<u>(111,945)</u>	<u>(17)</u>
	<b>Net operating loss</b>							
	<b>Non-operating income and expenses (notes 6(k) and (s)):</b>							
7100	7,031	2	11,826	3	15,127	2	23,364	4
7010	705	-	-	-	918	-	290	-
7020	(49,303)	(13)	2,416	1	(38,094)	(5)	19,261	3
7050	(2,338)	(1)	(1,999)	(1)	(4,705)	(1)	(4,080)	(1)
7375	(742)	-	(1,142)	-	(1,286)	-	(2,496)	-
	<u>(44,647)</u>	<u>(12)</u>	<u>11,101</u>	<u>3</u>	<u>(28,040)</u>	<u>(4)</u>	<u>36,339</u>	<u>6</u>
7900	(112,955)	(30)	(39,101)	(12)	(150,189)	(20)	(75,606)	(11)
7951	(7,541)	(2)	919	-	(6,699)	(1)	3,889	1
	<u>(105,414)</u>	<u>(28)</u>	<u>(40,020)</u>	<u>(12)</u>	<u>(143,490)</u>	<u>(19)</u>	<u>(79,495)</u>	<u>(12)</u>
8300	<b>Other comprehensive income (note 6(n))</b>							
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>							
8361	(61,781)	(17)	8,002	2	(55,012)	(7)	28,831	4
8399	(12,366)	(3)	1,600	-	(11,011)	(1)	5,766	1
	<u>(49,415)</u>	<u>(14)</u>	<u>6,402</u>	<u>2</u>	<u>(44,001)</u>	<u>(6)</u>	<u>23,065</u>	<u>3</u>
8300	<u>(49,415)</u>	<u>(14)</u>	<u>6,402</u>	<u>2</u>	<u>(44,001)</u>	<u>(6)</u>	<u>23,065</u>	<u>3</u>
	<u>\$ (154,829)</u>	<u>(42)</u>	<u>(33,618)</u>	<u>(10)</u>	<u>(187,491)</u>	<u>(25)</u>	<u>(56,430)</u>	<u>(9)</u>
	<b>Profit, attributable to:</b>							
8610	(42,220)	(11)	(9,895)	(3)	(55,692)	(7)	(35,236)	(5)
8620	(63,194)	(17)	(30,125)	(9)	(87,798)	(12)	(44,259)	(7)
	<u>\$ (105,414)</u>	<u>(28)</u>	<u>(40,020)</u>	<u>(12)</u>	<u>(143,490)</u>	<u>(19)</u>	<u>(79,495)</u>	<u>(12)</u>
	<b>Comprehensive income attributable to:</b>							
	(91,677)	(25)	(3,493)	(1)	(99,731)	(13)	(12,171)	(2)
	(63,152)	(17)	(30,125)	(9)	(87,760)	(12)	(44,259)	(7)
	<u>\$ (154,829)</u>	<u>(42)</u>	<u>(33,618)</u>	<u>(10)</u>	<u>(187,491)</u>	<u>(25)</u>	<u>(56,430)</u>	<u>(9)</u>
	<b>Loss per share (note 6(p))</b>							
9750	<u>\$ (0.62)</u>		<u>(0.15)</u>		<u>(0.82)</u>		<u>(0.52)</u>	
9850	<u>\$ (0.62)</u>		<u>(0.15)</u>		<u>(0.82)</u>		<u>(0.52)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Retained earnings</u>  <u>Unappropriated retained earnings</u>	<u>Other equity</u> <u>Exchange differences on translation of foreign financial statements</u>	<u>Treasury shares</u>	<u>Total equity attributable to owners of parent</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
<b>Balance at January 1, 2024</b>	\$ 681,726	677,168	(166,695)	(8,500)	(1,864)	1,181,835	1,551,944	2,733,779
Net loss for the six months ended June 30, 2024	-	-	(35,236)	-	-	(35,236)	(44,259)	(79,495)
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	23,065	-	23,065	-	23,065
Total comprehensive (loss) income for the six months ended June 30, 2024	-	-	(35,236)	23,065	-	(12,171)	(44,259)	(56,430)
Share-based payment transactions	-	776	-	-	-	776	4,395	5,171
<b>Balance at June 30, 2024</b>	<b>\$ 681,726</b>	<b>677,944</b>	<b>(201,931)</b>	<b>14,565</b>	<b>(1,864)</b>	<b>1,170,440</b>	<b>1,512,080</b>	<b>2,682,520</b>
<b>Balance at January 1, 2025</b>	\$ 681,726	678,639	(234,718)	19,278	(1,864)	1,143,061	1,464,215	2,607,276
Net loss for the six months ended June 30, 2025	-	-	(55,692)	-	-	(55,692)	(87,798)	(143,490)
Other comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	(44,039)	-	(44,039)	38	(44,001)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	(55,692)	(44,039)	-	(99,731)	(87,760)	(187,491)
Share-based payment transactions	-	755	-	-	-	755	4,282	5,037
Employee stock options exercised	-	8	-	-	-	8	223	231
<b>Balance at June 30, 2025</b>	<b>\$ 681,726</b>	<b>679,402</b>	<b>(290,410)</b>	<b>(24,761)</b>	<b>(1,864)</b>	<b>1,044,093</b>	<b>1,380,960</b>	<b>2,425,053</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**METATECH (AP) INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities:</b>		
Loss before tax	\$ (150,189)	(75,606)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expenses	26,656	22,763
Amortization expenses	5,433	4,452
Impairment loss determined in accordance with IFRS 9	-	5
Interest expenses	4,705	4,080
Interest income	(15,127)	(23,364)
Share-based payment transactions	5,037	5,171
Share of losses of associates and joint ventures accounted for using equity method	1,286	2,496
Loss on disposal of property, plant and equipment	-	14
Gains arising from lease modifications	(3)	(46)
<b>Total adjustments to reconcile profit</b>	<u>27,987</u>	<u>15,571</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes receivable	(42)	304
Accounts receivable	7,046	(99,191)
Other receivables	(15)	1,400
Inventories	(16,790)	13,194
Prepayments	(10,691)	(18,105)
Other current assets	371	(87)
Net defined benefit assets	(8)	8
<b>Total net changes used in operating assets</b>	<u>(20,129)</u>	<u>(102,477)</u>
<b>Changes in operating liabilities:</b>		
Contract liabilities	(1,814)	7,823
Notes payable	(17)	(1,656)
Accounts payable	962	38,207
Other payables	8,730	10,039
Other current liabilities	(672)	515
<b>Total net changes used in operating liabilities</b>	<u>7,189</u>	<u>54,928</u>
<b>Total net changes used in operating assets and liabilities</b>	<u>(12,940)</u>	<u>(47,549)</u>
<b>Total adjustments</b>	<u>15,047</u>	<u>(31,978)</u>
Cash outflow generated from operations	(135,142)	(107,584)
Interest received	15,127	23,364
Interest paid	(4,705)	(4,080)
Income taxes refunded (paid)	1,393	(1,663)
<b>Net cash flows used in operating activities</b>	<u>(123,327)</u>	<u>(89,963)</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	24,500	(223,100)
Acquisition of property, plant and equipment	(195,148)	(227,288)
Decrease in refundable deposits	217	2,160
Increase in other non-current assets	(20,817)	(7,400)
<b>Net cash flows used in investing activities</b>	<u>(191,248)</u>	<u>(455,628)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(19,000)	(1,000)
Payments of lease liabilities	(12,020)	(11,002)
Exercise of employee stock options	231	-
<b>Net cash flows used in financing activities</b>	<u>(30,789)</u>	<u>(12,002)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(55,010)</u>	<u>26,990</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(400,374)</u>	<u>(530,603)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,618,500</u>	<u>2,228,530</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,218,126</u>	<u>1,697,927</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**METATECH (AP) INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**June 30, 2025 and 2024**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

**(1) Company history**

METATECH (AP) INC. (the “Company”) was incorporated in September 1998 as a company limited by shares under the approval of the Ministry of Economic Affairs. Its registered address is on 14 F.-3, No. 75, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221432, Taiwan (R.O.C.). The Company and its subsidiaries (hereinafter referred to as the “Consolidated Company”) are mainly engaged in the wholesale and retail of electronic products and equipment, and the development and operation of biomedical related businesses.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements for the six months ended June 30, 2025 and 2024 were authorized for issuance by the Board of Directors on August 12, 2025.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

## METATECH (AP) INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

#### (4) Summary of material accounting policies:

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the financial statements for the year ended December 31, 2024.

##### (b) Basis of consolidation

##### (i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	MetaTech Investment Holding Co., Ltd. (MetaTech Investment)	Investment holding and reinvestment business	100 %	100 %	100 %	
"	Chienhwa Travel Service Co., Ltd.	Travel business	100 %	100 %	100 %	
"	LOCUS CELL CO., LTD.	Cell R&D and production business	15 %	15 %	15 %	Note 1
MetaTech Investment	MTI Holding Co., Ltd. (MTI Holding)	Investment holding and reinvestment business	100 %	100 %	100 %	
MTI Holding	MetaTech (S) Pte Ltd. (MetaTech(S))	Wholesale and retail of electronic materials	100 %	100 %	100 %	
"	MetaTech Ltd.	Wholesale and retail of electronic materials	100 %	100 %	100 %	
MetaTech Ltd.	MetaTech (Shenzhen) Ltd. (MetaTech (SZ))	Wholesale and retail of electronic materials	100 %	100 %	100 %	
LOCUS CELL CO., LTD.	Locus Ltd.	Sales of Regenerative Medicine Products	100 %	- %	- %	Note 2

Note 1: The Company has assessed that it has control over the company’s business and personnel, so it is included in the consolidated financial statements.

Note 2: Locus Ltd. was established and invested during 2025.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

The income tax expense for the period is best estimated by multiplying the pre-tax income for the interim reporting period by the management's forecast of the effective annual tax rate. This should be fully recognized as the tax expense for the period and allocated between current and deferred taxes based on the proportionate size.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Cash on hand and revolving funds	\$ 509	509	561
Checking accounts and demand deposits	764,208	393,153	392,551
Time deposits	453,409	1,224,838	1,272,365
Short-term notes	-	-	32,450
	<b><u>\$ 1,218,126</u></b>	<b><u>1,618,500</u></b>	<b><u>1,697,927</u></b>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Financial assets measured at amortized cost

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Time deposits maturing in excess of three months	\$ -	20,000	220,000
Reserved accounts for demand deposits	9,800	14,300	14,400
	<b><u>\$ 9,800</u></b>	<b><u>34,300</u></b>	<b><u>234,400</u></b>

The Group has assessed that the abovementioned financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

Credit risk information, please refer to note 6(t).

As of June 30, 2025, December 31 and June 30, 2024, the aforementioned financial assets measured at amortized cost of the Group had been pledged as collateral; please refer to note 8.

(c) Notes and accounts receivable, net

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Notes receivable	\$ 88	46	101
Accounts receivable	359,480	366,526	352,870
Less: Loss allowance	-	-	(5)
Accounts receivable, net	<b><u>\$ 359,568</u></b>	<b><u>366,572</u></b>	<b><u>352,966</u></b>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, Notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance provision were determined as follows:

	<b>June 30, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 324,447	0.03%	-
1 to 30 days past due	30,414	0.05%	-
31 to 90 days past due	4,639	0.07%	-
91 to 180 days past due	68	50~100%	-
	<b><u>\$ 359,568</u></b>		<b><u>-</u></b>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 335,378	0.03%	-
1 to 30 days past due	30,017	0.05%	-
31 to 90 days past due	1,017	0.07%	-
More than 91 days past due	160	50%~100%	-
	<b>\$ 366,572</b>		<b>-</b>
	<b>June 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 314,416	0.03%	-
1 to 30 days past due	35,484	0.05%	-
31 to 90 days past due	2,970	0.07%	-
More than 91 days past due	101	50%~100%	5
	<b>\$ 352,971</b>		<b>5</b>

The movements in the allowance for notes and accounts receivable were as follows:

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1, 2025 and 2024	\$ -	-
Impairment losses recognized	1	5
Impairment losses reversed	(1)	-
Balance at June 30, 2025 and 2024	<b>\$ -</b>	<b>5</b>

As of June 30, 2025, December 31 and June 30, 2024, the aforementioned notes and accounts receivable of the Group had not been pledged as collateral.

For further credit risk information, please refer to note 6(t).

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (d) Inventories

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Raw materials	\$ 13,569	10,619	7,552
Work in progress	2,308	1,616	395
Semi-finished goods	2,656	2,241	1,971
Finished goods	1,407	858	646
Merchandises	<u>74,247</u>	<u>62,063</u>	<u>46,317</u>
	<b><u>\$ 94,187</u></b>	<b><u>77,397</u></b>	<b><u>56,881</u></b>

Operating costs for inventory related expenses and losses recognized were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 323,383	289,257	666,248	587,157
Reversal of write-downs	(62)	(2,516)	(2,486)	(2,392)
Losses on inventory scrap	<u>117</u>	<u>-</u>	<u>506</u>	<u>105</u>
Operating costs	<b><u>\$ 323,438</u></b>	<b><u>286,741</u></b>	<b><u>664,268</u></b>	<b><u>584,870</u></b>

The Group reversed the previously recognized allowance for loss on decline in market value of inventories for the three months and six months ended June 30, April 1, 2025 and 2024, as a result of selling a portion of its inventories for which allowance for obsolescence and decline in market value had been recorded.

As of June 30, 2025, December 31 and June 30, 2024, the aforementioned inventory of the Group had not been pledged as collateral.

## (e) Investments accounted for using equity method

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Up Cell Biomedical Inc.	<b><u>\$ 9,447</u></b>	<b><u>10,733</u></b>	<b><u>12,385</u></b>

<u>Name of associate</u>	<u>Nature of relationship with the Group</u>	<u>Main operating location/ Registered country of the Company</u>	<u>Proportion of shareholding and voting rights</u>		
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Up Cell Biomedical Inc.	Cell sheet development and medical production	Taiwan	29.23 %	29.23 %	29.23 %

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group is the single largest shareholder of Up Cell Biomedical Inc., however, the Company does not have absolute voting power over the resolutions in the shareholders' meeting of the Up Cell Biomedical Inc.. Although the Company serves as a corporate director of Up Cell Biomedical Inc. and was elected as the chairman of the Board of Directors of Up Cell Biomedical Inc., the Company does not hold a majority of board seats, which shows that the Company does not have the actual ability to dominate the relevant activities. Thus, the Company has no control, but only has significant influence, over Up Cell Biomedical Inc..

The summarised financial information of the Up Cell Biomedical Inc. was as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current assets	\$ 19,307	22,154	22,299
Non-current assets	7,913	5,534	10,817
Current liabilities	(1,410)	(1,384)	(1,158)
Non-current liabilities	(4,104)	(202)	(202)
Net assets	<u>\$ 21,706</u>	<u>26,102</u>	<u>31,756</u>
Net assets attributable to controlling interests	<u>\$ 9,447</u>	<u>10,733</u>	<u>12,385</u>

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating revenues	<u>\$ 857</u>	<u>-</u>	<u>2,244</u>	<u>-</u>
Profit (loss) from continuing operations	\$ (2,219)	(3,630)	(4,080)	(8,263)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	<u>\$ (2,219)</u>	<u>(3,630)</u>	<u>(4,080)</u>	<u>(8,263)</u>
Comprehensive income (loss) attributable to controlling interests	<u>\$ (742)</u>	<u>(1,142)</u>	<u>(1,286)</u>	<u>(2,496)</u>

(f) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<b>Subsidiaries</b>	<b>Main operation place</b>	<b>Percentage of non-controlling interests</b>		
		<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
LOCUS CELL CO., LTD	Taiwan	85.00 %	85.00 %	85.00 %

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The following information on the aforementioned subsidiaries has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intra-group transactions were not eliminated in this information.

The summarised financial information of the LOCUS CELL CO., LTD was as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current assets	\$ 885,763	1,187,622	1,453,660
Non-current assets	836,381	631,382	472,751
Current liabilities	(39,238)	(38,299)	(88,118)
Non-current liabilities	(58,278)	(58,099)	(59,376)
Net assets	<u>\$ 1,624,628</u>	<u>1,722,606</u>	<u>1,778,917</u>
Non-controlling interests	<u>\$ 1,380,934</u>	<u>1,464,215</u>	<u>1,512,080</u>

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Sales revenue	<u>\$ 2,697</u>	<u>228</u>	<u>3,454</u>	<u>634</u>
Net income	\$ (74,345)	(35,442)	(103,291)	(52,070)
Other comprehensive income	50	-	45	-
Comprehensive income	<u>\$ (74,295)</u>	<u>(35,442)</u>	<u>(103,246)</u>	<u>(52,070)</u>
Comprehensive income, attributable to non- controlling interests	<u>\$ (63,152)</u>	<u>(30,125)</u>	<u>(87,760)</u>	<u>(44,259)</u>

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net cash flows from operating activities	\$ (86,091)	(48,137)
Net cash flows from investing activities	(194,912)	(453,142)
Net cash flows from financing activities	(7,589)	(7,441)
Effect of exchange rate changes on cash and cash equivalents	(7,456)	-
Decrease in cash and cash equivalents	<u>\$ (296,048)</u>	<u>(508,720)</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group for the six months ended June 30, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
<b>Cost:</b>							
Balance at January 1, 2025	\$ 17,209	150,504	128,786	46,010	30,478	497,441	870,428
Additions	-	-	9,174	2,405	128	174,827	186,534
Disposals	-	-	-	(129)	-	-	(129)
Reclassification	-	-	3,914	-	-	-	3,914
Effect of movements in exchange rates	-	-	-	(1,011)	(320)	-	(1,331)
Balance at June 30, 2025	<u>\$ 17,209</u>	<u>150,504</u>	<u>141,874</u>	<u>47,275</u>	<u>30,286</u>	<u>672,268</u>	<u>1,059,416</u>
Balance at January 1, 2024	\$ 17,209	150,504	111,089	44,259	26,354	61,888	411,303
Additions	-	-	2,582	844	284	282,934	286,644
Disposals	-	-	-	(57)	-	-	(57)
Reclassification	-	-	658	-	-	-	658
Effect of movements in exchange rates	-	-	-	474	143	-	617
Balance at June 30, 2024	<u>\$ 17,209</u>	<u>150,504</u>	<u>114,329</u>	<u>45,520</u>	<u>26,781</u>	<u>344,822</u>	<u>699,165</u>
<b>Depreciation:</b>							
Balance at January 1, 2025	\$ -	46,288	49,699	38,513	19,746	-	154,246
Depreciation for the year	-	3,043	8,339	1,684	1,670	-	14,736
Disposals	-	-	-	(129)	-	-	(129)
Effect of movements in exchange rates	-	-	-	(997)	(316)	-	(1,313)
Balance at June 30, 2025	<u>\$ -</u>	<u>49,331</u>	<u>58,038</u>	<u>39,071</u>	<u>21,100</u>	<u>-</u>	<u>167,540</u>
Balance at January 1, 2024	\$ -	40,203	36,882	36,663	16,563	-	130,311
Depreciation for the year	-	3,043	5,703	1,758	1,280	-	11,784
Disposals	-	-	-	(43)	-	-	(43)
Effect of movements in exchange rates	-	-	-	465	142	-	607
Balance at June 30, 2024	<u>\$ -</u>	<u>43,246</u>	<u>42,585</u>	<u>38,843</u>	<u>17,985</u>	<u>-</u>	<u>142,659</u>
<b>Carrying amounts:</b>							
Balance at June 30, 2025	<u>\$ 17,209</u>	<u>101,173</u>	<u>83,836</u>	<u>8,204</u>	<u>9,186</u>	<u>672,268</u>	<u>891,876</u>
Balance at December 31, 2024	<u>\$ 17,209</u>	<u>104,216</u>	<u>79,087</u>	<u>7,497</u>	<u>10,732</u>	<u>497,441</u>	<u>716,182</u>
Balance at June 30, 2024	<u>\$ 17,209</u>	<u>107,258</u>	<u>71,744</u>	<u>6,677</u>	<u>8,796</u>	<u>344,822</u>	<u>556,506</u>

As of June 30, 2025, December 31 and June 30, 2024, the property, plant and equipment of the Group had been pledged as collateral for loans and financing facilities. Please refer to note 8.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(h) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
<b>Carrying amount:</b>				
Balance at June 30, 2025	\$ <u>53,761</u>	<u>35,283</u>	<u>333</u>	<u>89,377</u>
Balance at December 31, 2024	\$ <u>55,754</u>	<u>45,968</u>	<u>515</u>	<u>102,237</u>
Balance at June 30, 2024	\$ <u>57,745</u>	<u>44,516</u>	<u>697</u>	<u>102,958</u>

The Group leases land, buildings and transportation equipment recognized as right-of-use assets which have no significant additions, impairment, or reversals for the six months ended June 30, 2025 and 2024. For other related information, please refer to note 6(g) of the consolidated financial statement for the year ended December 31, 2024.

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the six months ended June 30, 2024, were as follows:

	<u>Technical skills</u>
<b>Costs:</b>	
Balance at January 1, 2025 (Balance at June 30, 2025)	\$ <u>277,933</u>
Balance at January 1, 2024 (Balance at June 30, 2024)	\$ <u>277,933</u>
<b>Amortization and impairment losses:</b>	
Balance at January 1, 2025	\$ 87,470
Amortization for the year	<u>3,900</u>
Balance at June 30, 2025	\$ <u>91,370</u>
Balance at January 1, 2024	\$ 79,667
Amortization for the year	<u>3,901</u>
Balance at June 30, 2024	\$ <u>83,568</u>
<b>Carrying amount:</b>	
Balance at June 30, 2025	\$ <u>186,563</u>
Balance at December 31, 2024	\$ <u>190,463</u>
Balance at June 30, 2024	\$ <u>194,365</u>

The Group's technical skills-Esophagus are not yet available for use, and therefore are not amortised. It will be amortised on a straight-line basis over their estimated useful life upon being available for use. In accordance with IAS 36, the intangible assets that are not yet available for use should at least be tested for impairment annually by comparing its recoverable amount and the carrying amount.

The information about the intangible assets in terms of the capital expenditure contracted for at the balance sheet date but not yet incurred is provided in Note 9.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Unsecured Bank Borrowings	\$ 163,000	180,000	140,000
Secured Bank Borrowings	142,000	144,000	153,000
	<b>\$ 305,000</b>	<b>324,000</b>	<b>293,000</b>
Unused credit lines	<b>\$ 368,000</b>	<b>349,000</b>	<b>380,000</b>
Range of interest rates	<b>2.225%~2.5%</b>	<b>0.50%~2.35%</b>	<b>0.50%~2.35%</b>

(i) Issuance and payment of borrowings

For the six months ended June 30, 2025 and 2024, the Group had the additional short-term borrowings amounting to \$760,000 thousand and \$632,000 thousand, and the payments amounted to \$779,000 thousand and \$633,000 thousand.

(ii) Collateral of borrowings

For the collateral for short-term borrowings, please refer to Note 8.

(k) Lease liabilities

Group's lease liabilities were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current	\$ 22,639	24,107	20,628
Non-current	\$ 72,949	84,460	88,677

For the maturity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ 439	457	914	885
Expenses relating to short-term leases and Low-value Leases	\$ 739	595	1,370	1,035

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The amounts recognized in the statement of cash flows for lease were as follows:

	<b>For the six months ended</b>	
	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	<u>\$ 14,304</u>	<u>12,922</u>

(i) Leases of Land, Buildings, and Structures

The Group leases various assets including land, buildings and transportation equipment for business purposes. Rental contracts are typically made for periods ranging from 1 to 18 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not contain any other restrictions except that the leased assets may not be used as collateral for loans.

(i) Other leases

The Group leases parking space, warehouse and photocopiers, which are short-term leases or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating expenses	<u>\$ (4)</u>	<u>4</u>	<u>(8)</u>	<u>8</u>

(ii) Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance and relevant local authorities were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating cost	\$ 197	206	395	394
Operating expenses	<u>2,195</u>	<u>2,205</u>	<u>4,396</u>	<u>4,356</u>
Total	<u>\$ 2,392</u>	<u>2,411</u>	<u>4,791</u>	<u>4,750</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(m) Income taxes

(i) The components of income tax expense (benefit) were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current income tax expense	\$ 813	365	1,874	1,736
Deferred tax (benefit) expense	(8,354)	554	(8,573)	2,153
Income tax (benefit) expense	<u>\$ (7,541)</u>	<u>919</u>	<u>(6,699)</u>	<u>3,889</u>

(ii) The amounts of income tax recognized in other comprehensive income were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation	\$ <u>12,366</u>	<u>(1,600)</u>	<u>11,011</u>	<u>(5,766)</u>

(iii) Status of Corporate Income Tax Filing and Assessment for the Consolidated Entity

<u>Company Name</u>	<u>Assessed Fiscal Year</u>
The Company	2023
LOCUS CELL CO., LTD	2023
Chienhwa Travel Service Co.,Ltd.	2023

(n) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2025 and 2024. For the related information, please refer to Note 6(13) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Capital surplus

The balances of capital surplus as of June 30, 2025 and 2024, were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Share capital	\$ 617,151	617,151	617,151
Recognition of changes in ownership in subsidiaries	3,903	3,140	2,445
Employee share options	-		398
Share options	5,424	5,424	5,424
Lapsed share options	<u>52,924</u>	<u>52,924</u>	<u>52,526</u>
	<u>\$ 679,402</u>	<u>678,639</u>	<u>677,944</u>

(ii) Retained earnings

In accordance with the Company's Articles of Incorporation, if there is a surplus upon the completion of the annual final accounts, the Company shall first pay taxes and offset prior years' accumulated deficits. Thereafter, 10% of the remaining earnings shall be appropriated as legal reserve. The remainder, together with unappropriated earnings from previous years, shall be proposed by the Board of Directors for resolution at the shareholders' meeting to either be retained or distributed. Of the dividends distributed to shareholders, the portion distributed in cash shall not be less than 30%, with the remainder to be distributed in stock dividends.

The legal reserve may only be used to offset Company losses or be distributed as stock or cash dividends in proportion to shareholders' existing shareholdings. However, such distribution is limited to the portion of the legal reserve that exceeds; 25% of the Company's paid-in capital.

When distributing earnings, the Company is required by applicable laws and regulations to appropriate a special reserve equivalent to the debit balance of other equity items as of the balance sheet date. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in distributable earnings.

On June 24, 2025 and June 27, 2024, respectively, the Company resolved at its annual shareholders' meetings to offset the deficits for the years 2024 and 2023. As of those dates, there were no accumulated earnings available for distribution.

(iii) Treasury shares

In accordance with Article 167-1 of the Company Act, the Company repurchased a total of 40,000 thousand shares as treasury stock for the six months ended June 30, 2025 and 2024, for the purpose of transferring shares to employees. As of June 30, 2025, the repurchased shares which have not been canceled totaled 40,000 thousand shares.

In accordance with the Company Act, treasury shares held by the Company do not carry shareholders' rights prior to their transfer.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Other equity accounts, net of tax

	<b>Exchange differences on translation of foreign financial statements</b>
Balance at January 1, 2025	\$ 19,278
Exchange differences on translation of foreign financial statements, net of tax	<u>(44,039)</u>
Balance at June 30, 2025	<u><b>\$ (24,761)</b></u>
Balance at January 1, 2024	\$ (8,500)
Exchange differences on translation of foreign financial statements, net of tax	<u>23,065</u>
Balance at June 30, 2024	<u><b>\$ 14,565</b></u>

(o) Share-based payment

Employee stock option plans

There were no significant changes in share-based payment during the periods for the six months ended June 30, 2025 and 2024. For the related information, please refer to note 6(12) to the financial statements for the year ended December 31, 2024.

Relevant information of employee stock option plans

Details of the employee stock option were as follows:

The Company (No such situation on June 30, 2025)

	<b>For the six months ended June 30, 2024</b>	
	<b>Employee stock options</b>	
	<b>Weighted average exercise price</b>	<b>Number of options</b>
Outstanding at January 1	\$ 58.08	2,271
Forfeited during the year	(58.11)	(2,252)
Exercised during the year	-	-
Outstanding at June 30	54.50	<u><b>19</b></u>
Exercisable at June 30	-	<u><b>19</b></u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Subsidiaries

	<b>For the six months ended June 30, 2025</b>		<b>For the six months ended June 30, 2024</b>	
	<b>Employee stock options</b>		<b>Employee stock options</b>	
	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>
Outstanding at January 1	\$ 11.00	1,933	11.00	2,158
Forfeited during the year	(11.00)	(18)	11.00	(5)
Exercised during the year	(11.00)	(21)	-	-
Outstanding at June 30	11.00	<u>1,894</u>	11.00	<u>2,153</u>
Exercisable at June 30	11.00	<u>109</u>	-	<u>-</u>

Compensation cost

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Expenses resulting from granted employee stock options	\$ <u>5,037</u>	<u>5,171</u>

(p) Loss per share

The details on the calculation of basic and diluted loss per share were as follow :

(i) Basic and diluted loss per share

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Loss attributable to ordinary shareholders of the Company	\$ <u>(42,220)</u>	<u>(9,895)</u>	<u>(55,692)</u>	<u>(35,236)</u>

Weighted average number of ordinary shares outstanding

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Issued ordinary shares at 1 January	\$ 68,173	68,173	68,173	68,173
Effect of treasury shares	(40)	(40)	(40)	(40)
Weighted average number of ordinary shares at 30 June	<u>\$ 68,133</u>	<u>68,133</u>	<u>68,133</u>	<u>68,133</u>
Basic and diluted loss per share	<u>\$ (0.62)</u>	<u>(0.15)</u>	<u>(0.82)</u>	<u>(0.52)</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (q) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Primary geographical markets:				
Hong Kong and Mainland China	\$ 135,050	125,744	267,011	242,185
Southeast Asia	74,924	78,830	158,418	209,928
Taiwan	158,465	127,024	328,558	206,992
Japan	2,164		2,164	-
Others	872	922	2,602	3,503
<b>Total</b>	<b>\$ 371,475</b>	<b>332,520</b>	<b>758,753</b>	<b>662,608</b>
Major products lines:				
Electronics	\$ 362,274	329,437	739,842	658,071
Biomedicine	9,102	2,890	18,774	4,300
Others	99	193	137	237
<b>Total</b>	<b>\$ 371,475</b>	<b>332,520</b>	<b>758,753</b>	<b>662,608</b>

## (ii) Contract balances

	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Notes and accounts receivable	\$ 359,568	366,572	352,971
Less: allowance for impairment	-	-	(5)
<b>Total</b>	<b>\$ 359,568</b>	<b>366,572</b>	<b>352,966</b>
	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Contract liabilities	<b>\$ 23,049</b>	<b>24,863</b>	<b>21,428</b>

The contract liabilities primarily relate to the advance consideration received from product sales, which will be transferred to revenue when the related products are delivered to customers.

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

The amounts of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the periods were \$15,896 thousand and \$13,403 thousand, respectively.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(r) Employee and directors' compensation

The Company's Articles of Incorporation were amended on June 24, 2025 by a resolution of the shareholders' meeting. Under the amended Articles of Incorporation, the current year's earnings, if any, shall be distributed as employees' compensation at 1%- to 5% and as directors' compensation at not more than 5% of the total earnings. However, if the Company has accumulated losses, the Company should reserve an amount to cover such losses in advance.

At least 30% of the total amount of employee compensation shall be allocated to the entry-level rank-and-file employees. Employee compensation may be distributed in the form of shares or cash, and eligible recipients may include employees of the Company's subsidiaries who meet certain criteria, as determined by the Board of Directors. Employees of the Company's investee subsidiaries (or those of affiliated subsidiaries meeting specific conditions) may also be entitled to receive such compensation, with the eligibility and distribution method to be prescribed by the Board of Directors.

Prior to the amendment of the Articles of Incorporation, the Company was required to allocate 1% to 5% of annual profits as employee compensation, provided that any accumulated deficits must first be offset in advance.

As of six months ended June 30, 2025 and 2024, no employees' compensation and directors' compensation were accrued due to the accumulated deficit of the Company.

(s) Non-operating income and expenses

(i) Interest income

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	\$ 6,980	10,980	14,995	22,434
Interest income from financial assets measured at amortized cost	42	841	109	919
Other interest income	9	5	23	11
	<u>\$ 7,031</u>	<u>11,826</u>	<u>15,127</u>	<u>23,364</u>

(ii) Other income

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Other income	\$ <u>705</u>	<u>-</u>	<u>918</u>	<u>290</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (iii) Other gains and losses

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Losses on disposals of property, plant and equipment	\$ -	(14)	-	(14)
Gain from lease modifications	-	46	3	46
Foreign currency exchange (losses) gains	(49,240)	2,384	(38,034)	19,229
Others	(63)	-	(63)	-
	<u>\$ (49,303)</u>	<u>2,416</u>	<u>(38,094)</u>	<u>19,261</u>

## (iv) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ 1,899	1,542	3,791	3,195
Amortization interest of lease liabilities	439	457	914	885
	<u>\$ 2,338</u>	<u>1,999</u>	<u>4,705</u>	<u>4,080</u>

## (t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk and other price risk arising from financial instruments. For related information, please refer to note 12(2) to the consolidated financial statements for the year ended December 31, 2024.

## (i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>June 30, 2025</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 305,000	306,458	281,286	25,172	-	-	-
Notes payable	989	989	989	-	-	-	-
Accounts payable (including related parties)	138,309	138,309	138,309	-	-	-	-
Other payables (including related parties)	50,955	50,955	50,955	-	-	-	-
Lease liabilities (including current portion)	95,588	114,767	15,904	15,041	21,739	23,111	38,972
	<u>\$ 590,841</u>	<u>611,478</u>	<u>487,443</u>	<u>40,213</u>	<u>21,739</u>	<u>23,111</u>	<u>38,972</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>December 31, 2024</b>							
Short-term borrowings	\$ 324,000	325,870	325,870	-	-	-	-
Notes payable	1,006	1,006	1,006	-	-	-	-
Accounts payable (including related parties)	137,347	137,347	137,347	-	77,769	(77,769)	-
Other payables (including related parties)	50,839	50,839	50,839	-	67,521	(67,521)	-
Lease liabilities (including current portion)	<u>108,567</u>	<u>117,833</u>	<u>14,246</u>	<u>12,715</u>	<u>48,708</u>	<u>(50,187)</u>	<u>41,264</u>
	<u>\$ 621,759</u>	<u>632,895</u>	<u>529,308</u>	<u>12,715</u>	<u>193,998</u>	<u>(195,477)</u>	<u>41,264</u>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 293,000	294,913	219,904	30,009	-	-	-
Notes payable	801	801	801	-	-	-	-
Accounts payable (including related parties)	115,578	115,578	115,578	-	-	-	-
Other payables (including related parties)	101,843	101,843	101,843	-	-	-	-
Lease liabilities(including current portion)	<u>109,305</u>	<u>122,696</u>	<u>14,635</u>	<u>12,092</u>	<u>20,484</u>	<u>21,928</u>	<u>43,557</u>
	<u>\$ 620,527</u>	<u>635,831</u>	<u>452,761</u>	<u>42,101</u>	<u>20,484</u>	<u>21,928</u>	<u>43,557</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(ii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>June 30, 2025</u>			<u>December 31, 2024</u>			<u>June 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 18,652	29.30	546,504	25,422	32.785	833,460	24,441	32.450	793,110
JPY	336,002	0.230	68,343	348,224	0.2099	73,092	355,160	0.2017	71,636
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	5,970	29.300	174,920	4,587	32.785	150,384	3,488	32.450	113,185

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, loans and borrowings; and accounts and other payables that are denominated in foreign currency. A weakening of 1% of the NTD against the USD as of June 30, 2025 and 2024 would have increased the net income before tax by \$4,399 thousand and \$7,515 thousand, respectively. The analysis is performed on the same basis for prior year.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2025 and 2024, foreign exchange (loss) gain (including realized and unrealized portions) amounted to \$(38,034) thousand and \$19,229 thousand, respectively.

(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date is outstanding throughout the year. The rate of change is expressed as the interest rate increasing range of or decreasing by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible range of interest rate changes. An increase or decrease of 1% in interest rates mainly from loans with floating interest rates at the reporting date would have increased or decreased net income by \$3,050 and \$2,930 for the six months ended June 30, 2025 and 2024, respectively.

(iv) Fair value of financial statements

1) Fair value hierarchy

The financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and lease liabilities, disclosure of fair value information is not required:

	<b>June 30, 2025</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,218,126	-	-	-	-
Financial assets at amortized cost	9,800	-	-	-	-
Notes receivable	88	-	-	-	-
Accounts receivable	359,480	-	-	-	-
Other receivables	4,596	-	-	-	-
Refundable deposits (recognized as other non-current assets)	<u>7,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 1,599,781</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

(Continued)



**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2024</b>				
	<b>Book</b>	<b>Fair Value</b>			<b>Total</b>
	<b>Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,697,927	-	-	-	-
Financial assets at amortized cost	234,400	-	-	-	-
Notes receivable	101	-	-	-	-
Accounts receivable	352,865	-	-	-	-
Other receivables	758	-	-	-	-
Refundable deposits (recognized as other non-current assets)	<u>7,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>2,293,430</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 293,000	-	-	-	-
Notes payable	801	-	-	-	-
Accounts payable (including related parties)	115,578	-	-	-	-
Other payables (including related parties)	101,843	-	-	-	-
Lease liabilities (including current portion)	<u>109,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>\$ 620,527</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 12(2) to the consolidated financial statements for the year ended December 31, 2024.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 12(1) to the consolidated financial statements for the year ended December 31, 2024 for further details.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(w) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities, which did not affect the current cash flow in the six months ended June 30, 2025 and 2024, were as follows:

(i) Cash outflow for acquisition of property, plant and equipment was as follows:

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Acquisition of property, plant and equipment	\$ 186,534	286,644
Add: beginning equipment payables	17,606	1,762
Less: ending equipment payables	(8,992)	(61,118)
Cash outflow	<b>\$ 195,148</b>	<b>227,288</b>

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Non-cash changes</b>		<b>June 30, 2025</b>
			<b>Foreign exchange movement</b>	<b>Others</b>	
Short-term borrowings	\$ 324,000	(19,000)	-	-	305,000
Lease liabilities (including current portion)	108,567	(12,020)	(859)	(100)	95,588
Guarantee deposits (recognized as other non-current liabilities)	300	-	-	-	300
Total liabilities from financing activities	<b>\$ 432,867</b>	<b>(31,020)</b>	<b>(859)</b>	<b>(100)</b>	<b>400,888</b>

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>		<b>December 31, 2024</b>
			<b>Foreign exchange movement</b>	<b>Others</b>	
Short-term borrowings	\$ 294,000	(1,000)	-	-	293,000
Lease liabilities (including current portion)	107,319	(11,002)	278	12,710	109,305
Guarantee deposits (recognized as other non-current liabilities)	300	-	-	-	300
Total liabilities from financing activities	<b>\$ 401,619</b>	<b>(12,002)</b>	<b>278</b>	<b>12,710</b>	<b>402,605</b>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(7) Related-party transactions**

(a) Names of related parties and their relationships with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Up Cell Biomedical Inc.	Associates
SHAREHOPE MEDICINE CO., LTD.	Other related party

(b) Significant transactions with related parties

(i) Purchases

	<u>For the three months ended June 30, 2025</u>	<u>For the six months ended June 30, 2025</u>
Associates	\$ 590	1,846
Other related party	-	6
	<u>\$ 590</u>	<u>1,852</u>

The Group purchases goods from the abovementioned related parties. The prices and terms are determined in accordance with mutual agreement, and the payment term is 30~60 days after monthly billings.

(ii) Accounts payable

	<u>June 30, 2025</u>
Associates	\$ <u>20</u>

(iii) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Associates	\$ <u>115</u>	<u>360</u>	<u>105</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Operating cost

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	\$ <u>349</u>	<u>25</u>	<u>502</u>	<u>90</u>

It is mainly the rent and utilities expenses paid to the associates on a monthly basis.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits \$	8,578	8,198	17,479	16,663
Share-based payments	1,729	1,729	3,458	3,458
Post-employment benefits	<u>121</u>	<u>95</u>	<u>242</u>	<u>189</u>
	<u>\$ 10,428</u>	<u>10,022</u>	<u>21,179</u>	<u>20,310</u>

(8) Assets pledged as security:

The carrying amounts of assets pledged as security as follows:

Assets pledged as security	Liabilities secured by pledge	June 30, 2025	December 31, 2024	June 30, 2024
Current financial assets at amortized cost	Guarantee for customs, credit card, performance bond of lease agreements, limit on short-term borrowings and bank loans	\$ 9,800	14,300	14,400
Property, plant and equipment -Land	Bank loans	17,209	17,209	17,209
Property, plant and equipment -Buildings and structures	Bank loans	<u>23,519</u>	<u>23,914</u>	<u>24,309</u>
Total		<u>\$ 50,528</u>	<u>55,423</u>	<u>55,918</u>

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(9) Significant Commitments and contingencies:**

(a) Unrecognized contractual commitments

(i) The joint credit line of the Group and its third-tier subsidiary, MetaTech Ltd., for financial institution short-term secured borrowings was NTD 85 million as of June 30, 2025, December 31 and June 30, 2024. As of June 30, 2025, December 31 and June 30, 2024, the promissory notes amounting to NTD 85 million was issued to a bank as guarantee and the abovementioned joint credit line all amounting to NTD 85 million.

(ii) Unrecognized contractual commitments were as follows:

	<b>June 30,</b> <b>2025</b>	<b>December 31,</b> <b>2024</b>	<b>June 30,</b> <b>2024</b>
Acquisition of property , plant and equipment	\$ 337,352	528,659	720,940
Acquisition of intangible assets (Note)	29,279	29,449	16,980
Issued for subsidiaries borrowings	14,650	16,393	16,225
	<b>\$ 381,281</b>	<b>574,501</b>	<b>754,145</b>

Note: The Group entered into a start-up agreement of cell sheet regenerative medical cooperation with Japan CellSeed Inc. on December 21, 2016 with the consideration amounting to JPY 50 million for expanding biomedical research and development, business development, as well as promoting the Group's innovative transformation of regenerative medicine. The Board of Directors during its meeting on March 24, 2017 adopted a resolution to enter into a cooperation agreement of abovementioned cell sheet regenerative medicine with Japan CellSeed Inc., which was formally signed on April 24, 2017 with the consideration amounting to JPY 1.25 billion. As of June 30, 2025, the Group has paid JPY 1,246,727,004 in respect of the payment schedule for arrangement. For information on foregoing cooperation agreement, please refer to Note 9(b)(ii).

(b) Contingencies

(i) The former chairman of the Company and the former CEO of its subsidiary Locus Cell Co., Ltd. and the former employee of the information department were suspected of stealing, leaking or using the company's confidential information during their tenure. The Company and its subsidiary Locus Cell Co., Ltd. appointed a lawyer and filed a complaint. As of August 12, 2025, the investigation of the aforementioned case has been concluded, and is currently being indicted by the Taiwan Taipei District Prosecutors Office. The Company's assessment had no significant impact on the financial statements.

(ii) In 2023, the Group has received an attorney's letter from CellSeed Inc., a company based in Japan, claiming the termination of the cooperation contract signed by both parties due to the Group's alleged breach of contract. In order to protect the Group's own interests, the Group has appointed Japanese attorneys to file a lawsuit of confirming the contractual relationship to the Tokyo District Court. As of August 12, 2025, the aforementioned case is still on trial.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events:None**

**(12) Other:**

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, were as follows:

By item	By function	For the three months ended June 30,					
		2025			2024		
		Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits							
Salary		3,663	41,265	44,928	3,555	39,454	43,009
Labor and health insurance		409	3,215	3,624	403	3,001	3,404
Pension		197	2,191	2,388	206	2,209	2,415
Compensation of directors		-	2,420	2,420	-	1,888	1,888
Others		203	1,892	2,095	185	1,875	2,060
Depreciation		4,429	8,850	13,279	4,724	6,533	11,257
Amortization		1,993	734	2,727	1,957	255	2,212

By item	By function	For the six months ended June 30,					
		2025			2024		
		Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits							
Salary		7,543	86,265	93,808	7,276	82,953	90,229
Labor and health insurance		822	6,681	7,503	789	6,222	7,011
Pension		395	4,388	4,783	394	4,364	4,758
Compensation of directors		-	4,630	4,630	-	3,248	3,248
Others		394	3,715	4,109	363	3,395	3,758
Depreciation		9,164	17,492	26,656	9,398	13,365	22,763
Amortization		3,978	1,455	5,433	3,908	544	4,452

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(13) Other disclosures:**

(a) Information on significant transaction:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2025:

(i) Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 2)	Maximum limit of fund financing (note 2)	Notes
													Item	Value			
1	MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd. (Note 6)	Other receivables from related parties	Yes	66,410 (USD200)	58,600 (USD2,000)	-	6.77%	2	-	Operations	-	None	-	367,909	459,887	Note 4、5
1	MTI Holding Co., Ltd.	the Company (Note 6)	Other receivables from related parties	Yes	60,550 (USD200)	58,600 (USD200)	30,155	7.78%	2	-	Operations	-	None	-	367,909	459,887	Note 4、5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: According to the company’s “Regulations for Provision of Loans”, the interest rate of loans to others should be no less than the average interest rate of the Company’s short-term funds borrowed from financial institutions at that time.

Note 3: According to the Company’s “Regulations for Provision of Loans”, the Company’s celling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 40% of the creditor’s net assets.

C. The limit on total loans to the same party is 20% of the Company’s net assets.

Note 4: According to the subsidiary’s “Regulations for Provision of Loans”, the subsidiary’s celling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 100% of the creditor’s net assets.

C. The limit on total loans to the same party is 80% of the subsidiary’s net assets.

The subsidiary’s celling on total loans granted to related parties, which its 100% voting shares directly or indirectly held by the parent Company and to the same party is 100% and 80% of the subsidiary’s net assets, respectively.

Note 5: The exchange rate of New Taiwan dollars to US dollars as of June 30,2025 was 29.3 to 1.

Note 6: The transaction has been written off during the consolidation process.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 4)	Highest balance for guarantees and endorsements during the period (Note 5)	Balance of guarantees and endorsements as of reporting date (Note 6)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount) (Note 8)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 4)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 10)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (Note 10)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (Note 10)
		Name	Relationship with the Company (Note 3)										
0	Metatech (AP) Inc.	MetaTech Ltd.	2	522,047	16,603	-	14,650	14,650	1.40 %	1,044,093	Y	N	N

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

(Continued)

## METATECH (AP) INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 2: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on endorsements/guarantees provided for a single party is 50% of the Company's net assets.

Note 3: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on total endorsements/guarantees is 100% of the Company's net assets.

Note 4: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on endorsements/guarantees provided for a single party is 50% of the Subsidiary's net assets.

Note 5: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on total endorsements/guarantees is 100% of the Subsidiary's net assets.

Note 6: The exchange rate of New Taiwan dollars to US dollars as of June 30, 2025 was 29.3 to 1.

- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included): None
- (iv) Information regarding related-party purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital: None
- (v) Information regarding receivables from related parties exceeding 100 million or 20% of the Company's paid-in capital: None
- (vi) Significant transactions and business relationship between the parent company and its subsidiaries for the six months ended June 30, 2025:

No. (note1)	Name of company	Name of counter-party	Nature of relationship (note1)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	MetaTech Ltd.	MetaTech (Shenzhen) Ltd.	3	Advance sales receipts	9,732	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0.30%

Note 1: Assigned numbers represent the following:

1. 0 represents the parent company.
2. The subsidiaries are represented numerically starting from 1.

Note 2: The terms of transactions are defined as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are only disclosed sales and accounts receivable. The corresponding purchases and accounts payables are not disclosed.

Note 4: The transaction has already been written off in the consolidated financial statement.

(b) Information on Investees:

The followings are the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage	Carrying value			
Metatech (AP) Inc.	MetaTech Investment Holding Co., Ltd.	British Virgin Islands	Investment holding and reinvestment business	333,065	333,065	10,000,000	100.00 %	459,887	13,971	13,971	Note 1
Metatech (AP) Inc.	Chienhwa Travel Service Co., Ltd.	Taiwan	Travel business	4,900	4,900	1,050	100.00 %	2,429	(287)	(287)	Note 1
Metatech (AP) Inc.	Up Cell Biomedical Inc.	Taiwan	Cell sheet development and medical production	38,000	38,000	3,800,000	29.23 %	9,447	(4,080)	(1,286)	Note 2
Metatech (AP) Inc.	LOCUS CELL CO., LTD.	Taiwan	Cell therapy phase available product and commissioned to manufacturing services	300,000	300,000	30,000,000	15.00 %	243,696	(103,291)	(15,492)	Note 1
MetaTech Investment Holding Co., Ltd.	MTI Holding Co., Ltd.	Samoa	Investment holding and reinvestment business	333,065	333,065	10,000,000	100.00 %	459,887 (USD 15,696)	13,971 (USD 439)	13,971 (USD 439)	Note 1

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage	Carrying value			
MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Singapore	Wholesale and retail of electronic materials	82,259	82,259	3,800,000	100.00 %	125,908 (USD 4,297)	2,022 (USD 63)	2,022 (USD 63)	Note 1
MTI Holding Co., Ltd.	MetaTech Ltd.	Hong Kong	Wholesale and retail of electronic materials	199,170	199,170	46,000,000	100.00 %	264,085 (USD 9,013)	11,524 (USD 362)	11,524 (USD 362)	Note 1
LOCUS CELL CO., LTD.	Locus Ltd.	Japan	Sales of Regenerative Medicine Products	223	-	100	100.00 %	(977)	(1,245)	(1,245)	Note 1

Note 1: The transaction has already been written off in the consolidated financial statements.

Note 2: The Company is Associate.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025 (note 2)	Net income (losses) of the investee (note 2 and 3)	Percentage of ownership	Investment income (losses) (note 2 and 3)	Book value (note 2)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
MetaTech (Shenzhen) Ltd.	Wholesale and retail of electronic materials	76,781	- Note 1	76,781	-	-	76,781	187	100.00%	187	62,260	-

Note 1: Through investing in the subsidiary, MetaTech Investment Holding Co, Ltd in the third areas by cash and reinvesting by its second-tier subsidiary, MetaTech Ltd. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: The exchange rate of New Taiwan dollars to US dollars as of June 30, 2025 was 29.300 to 1. The average exchange rate of New Taiwan dollars to US dollars for the year ended June 30, 2025 was 31.859 to 1.

Note 3: Investment income (losses) is recognized according to the financial statements audited by the CPA of the parent company.

Note 4: The transaction has already been written off in the consolidated financial statement.

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
76,781	77,660	1,455,032

Note : Equivalent to 60% of net assets.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(Continued)

**METATECH (AP) INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment 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. The Group considers the business from a geographic perspective.

	For the three months ended June 30, 2025						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue :							
Revenue from external customers	104,678	78,276	178,668	9,754	99	-	371,475
Intersegment revenue	452	-	10,481	831	78	(11,842)	-
<b>Total revenue</b>	<b>\$ 105,130</b>	<b>78,276</b>	<b>189,149</b>	<b>10,585</b>	<b>177</b>	<b>(11,842)</b>	<b>371,475</b>
<b>Reportable segment profit or loss</b>	<b>\$ 3,377</b>	<b>2,101</b>	<b>9,686</b>	<b>(120,646)</b>	<b>(97)</b>	<b>(7,376)</b>	<b>(112,955)</b>

	For the three months ended June 30, 2024						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue							
Revenue from external customers	103,572	75,081	150,784	2,890	193	-	332,520
Intersegment revenue	478	-	294	-	50	(822)	-
<b>Total revenue</b>	<b>\$ 104,050</b>	<b>75,081</b>	<b>151,078</b>	<b>2,890</b>	<b>243</b>	<b>(822)</b>	<b>332,520</b>
<b>Reportable segment profit or loss</b>	<b>\$ 3,043</b>	<b>750</b>	<b>22,731</b>	<b>(66,592)</b>	<b>(74)</b>	<b>1,041</b>	<b>(39,101)</b>

	For the six months ended June 30, 2025						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue							
Revenue from external customers \$	206,024	157,752	376,066	18,774	137	-	758,753
Intersegment revenue	657	-	10,928	1,483	84	(13,152)	-
<b>Total revenue</b>	<b>\$ 206,681</b>	<b>157,752</b>	<b>386,994</b>	<b>20,257</b>	<b>221</b>	<b>(13,152)</b>	<b>758,753</b>
<b>Reportable segment profit or loss</b>	<b>\$ 12,967</b>	<b>2,454</b>	<b>31,020</b>	<b>(184,604)</b>	<b>(288)</b>	<b>(11,738)</b>	<b>(150,189)</b>

	For the six months ended June 30, 2024						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue							
Revenue from external customers \$	201,088	201,417	255,566	4,300	237	-	662,608
Intersegment revenue	1,135	-	2,163	-	101	(3,399)	-
<b>Total revenue</b>	<b>\$ 202,223</b>	<b>201,417</b>	<b>257,729</b>	<b>4,300</b>	<b>338</b>	<b>(3,399)</b>	<b>662,608</b>
<b>Reportable segment profit or loss</b>	<b>\$ 11,415</b>	<b>3,854</b>	<b>38,733</b>	<b>(122,095)</b>	<b>(243)</b>	<b>(7,270)</b>	<b>(75,606)</b>

The measured amounts of the Group's assets/liabilities of the reportable segments are not available for operational decision making, and therefore the measured amounts of assets/liabilities are not disclosed.