Stock Code:3224

METATECH (AP) INC.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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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.

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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, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 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.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 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.

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 11, 2026

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 Balance Sheets

June 30, 2026, December 31, 2025, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

	Assets	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current assets:						
1100	Cash and cash equivalents (notes 6(a) and (v))	$ 1,390,873	37	1,220,787	37	1,218,126	40
1110	Current financial assets at fair value through profit or loss (note 6(v))	-	-	1,035	-	-	-
1136	Current financial assets at amortised cost, net (notes 6(b), (v) and 8)	12,800	-	10,800	-	9,800	1
1150	Notes receivable, net (notes 6(c), (s) and (v))	86	-	39	-	88	-
1170	Accounts receivable, net (notes 6(c), (s) and (v))	409,636	11	362,760	11	359,480	12
1200	Other receivables (Including related parties) (notes 6(v) and 7)	3,335	-	4,427	-	4,596	-
1220	Current income tax assets	3,790	-	5,855	-	6,200	-
130X	Inventories (note 6(d))	118,624	3	90,463	3	94,187	3
1410	Prepayments	116,083	3	79,691	3	61,987	2
1470	Other current assets	741	-	1,146	-	568	-
	Total current assets	2,055,968	54	1,777,003	54	1,755,032	58
	Non-current assets:						
1550	Investments accounted for using equity method (note 6(e))	8,494	-	8,719	-	9,447	-
1600	Property, plant and equipment (notes 6(g) and 8)	1,391,637	37	1,130,611	34	891,876	29
1755	Right-of-use assets (note 6(h))	76,746	2	84,244	3	89,377	3
1780	Intangible assets (note 6(i))	178,760	5	182,661	6	186,563	6
1840	Deferred tax assets	49,802	1	49,802	2	77,545	3
1900	Other non-current assets	50,505	1	33,877	1	40,180	1
	Total non-current assets	1,755,944	46	1,489,914	46	1,294,988	42
	Total assets	**$ 3,811,912**	**100**	**3,266,917**	**100**	**3,050,020**	**100**

	Liabilities and equity	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current liabilities:						
2100	Short-term borrowings (notes 6(j), (v) and 8)	$ 323,000	9	358,000	11	305,000	10
2130	Current contract liabilities (note 6(s))	41,789	1	28,144	1	23,049	1
2150	Notes payable (note 6(v))	140	-	570	-	989	-
2170	Accounts payable (Including related parties) (notes 6(v) and 7)	200,376	5	126,767	4	138,309	4
2200	Other payables (Including related parties) (notes 6(m), (v) and 7)	53,032	1	70,008	2	50,955	2
2230	Current income tax liabilities	1,082	-	263	-	774	-
2280	Current lease liabilities (notes 6(l) and (v))	19,067	1	21,497	1	22,639	1
2300	Other current liabilities	2,618	-	1,725	-	1,209	-
	Total current liabilities	641,104	17	606,974	19	542,924	18
	Non-current liabilities:						
2540	Long-term borrowings (notes 6(k), (v) and 8)	436,450	11	231,980	7	-	-
2570	Deferred tax liabilities	14,821	-	13,406	-	8,794	-
2580	Non-current lease liabilities (notes 6(l) and (v))	63,116	2	68,615	2	72,949	3
2600	Other non-current liabilities	300	-	300	-	300	-
	Total non-current liabilities	514,687	13	314,301	9	82,043	3
	Total liabilities	1,155,791	30	921,275	28	624,967	21
	Equity attributable to owners of parent (notes 6(f), (p) and (q)):						
3110	Ordinary shares	781,726	21	681,726	21	681,726	23
3200	Capital surplus	945,740	25	680,039	21	679,402	22
3350	Accumulated deficit	(343,560)	(9)	(337,381)	(10)	(290,410)	(10)
3400	Other equity	10,495	-	4,854	-	(24,761)	(1)
3500	Treasury shares	(1,864)	-	(1,864)	-	(1,864)	-
	Total equity attributable to owners of parent	1,392,537	37	1,027,374	32	1,044,093	34
36XX	Non-controlling interests	1,263,584	33	1,318,268	40	1,380,960	45
	Total equity	2,656,121	70	2,345,642	72	2,425,053	79
	Total liabilities and equity	**$ 3,811,912**	**100**	**3,266,917**	**100**	**3,050,020**	**100**

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 Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended June 30,				For the six months ended June 30,			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues (note 6(s))**	$ 416,977	100	371,475	100	827,191	100	758,753	100
5000	**Operating costs (notes 6(d), (g), (h) and (n))**	360,409	87	323,438	87	704,360	85	664,268	88
	Gross profit from operations	56,568	13	48,037	13	122,831	15	94,485	12
	Operating expenses (notes 6(g), (h), (i), (n) and (t)):								
6100	Selling expenses	26,137	6	32,718	9	53,525	6	62,585	8
6200	Administrative expenses	46,259	11	48,394	13	85,976	10	87,234	11
6300	Research and development expenses	32,726	8	35,234	9	65,517	8	66,815	9
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	4	-	(1)	-	4	-	-	-
	Total operating expenses	105,126	25	116,345	31	205,022	24	216,634	28
	Net operating loss	(48,558)	(12)	(68,308)	(18)	(82,191)	(9)	(122,149)	(16)
	Non-operating income and expenses (notes 6(e), (l) and (u))**:**								
7100	Interest income	7,008	2	7,031	2	12,363	1	15,127	2
7010	Other income	114	-	705	-	732	-	918	-
7020	Other gains and losses, net	(1,781)	-	(49,303)	(13)	6,495	1	(38,094)	(5)
7050	Finance costs	(2,442)	(1)	(2,338)	(1)	(4,943)	(1)	(4,705)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(e))	147	-	(742)	-	(225)	-	(1,286)	-
	Total non-operating income and expenses	3,046	1	(44,647)	(12)	14,422	1	(28,040)	(4)
7900	**Loss before income tax**	(45,512)	(11)	(112,955)	(30)	(67,769)	(8)	(150,189)	(20)
7950	**Less: Income tax expenses (note 6(o))**	728	-	(7,541)	(2)	1,592	-	(6,699)	(1)
	Loss	(46,240)	(11)	(105,414)	(28)	(69,361)	(8)	(143,490)	(19)
8300	**Other comprehensive income (note 6(p))**								
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**								
8361	Exchange differences on translation	(1,332)	-	(61,781)	(17)	6,962	1	(55,012)	(7)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(245)	-	(12,366)	(3)	1,414	-	(11,011)	1
	Total items that may be reclassified subsequently to profit or loss	(1,087)	-	(49,415)	(14)	5,548	1	(44,001)	(6)
8300	**Other comprehensive income**	(1,087)	-	(49,415)	(14)	5,548	1	(44,001)	(6)
	Total comprehensive loss	**$ (47,327)**	**(11)**	**(154,829)**	**(42)**	**(63,813)**	**(7)**	**(187,491)**	**(25)**
	Profit, attributable to:								
8610	Owners of parent	$ (8,426)	(2)	(42,220)	(11)	(6,179)	-	(55,692)	(7)
8620	Non-controlling interests	(37,814)	(9)	(63,194)	(17)	(63,182)	(8)	(87,798)	(12)
		$ (46,240)	**(11)**	**(105,414)**	**(28)**	**(69,361)**	**(8)**	**(143,490)**	**(19)**
	Comprehensive income attributable to:								
8710	Owners of parent	$ (9,423)	(2)	(91,677)	(25)	(538)	-	(99,731)	(13)
8720	Non-controlling interests	(37,904)	(9)	(63,152)	(17)	(63,275)	(7)	(87,760)	(12)
		$ (47,327)	**(11)**	**(154,829)**	**(42)**	**(63,813)**	**(7)**	**(187,491)**	**(25)**
	Loss per share (NT Dollars) (note 6(r))								
9750	**Basic loss per share**	**$ (0.11)**		**(0.62)**		**(0.08)**		**(0.82)**	
9850	**Diluted loss per share**	**$ (0.11)**		**(0.62)**		**(0.08)**		**(0.82)**	

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, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings	Other equity				
	Ordinary shares	Capital surplus	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 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 (loss) income for the six months ended June 30, 2025	-	-	-	(44,039)	-	(44,039)	38	(44,001)
Total comprehensive 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
Balance at June 30, 2025	**$ 681,726**	**679,402**	**(290,410)**	**(24,761)**	**(1,864)**	**1,044,093**	**1,380,960**	**2,425,053**
Balance at January 1,2026	$ 681,726	680,039	(337,381)	4,854	(1,864)	1,027,374	1,318,268	2,345,642
Net loss for the six months ended June 30, 2026	-	-	(6,179)	-	-	(6,179)	(63,182)	(69,361)
Other comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	5,641	-	5,641	(93)	5,548
Total comprehensive (loss) income for the six months ended June 30, 2026	-	-	(6,179)	5,641	-	(538)	(63,275)	(63,813)
Capital increase by cash	100,000	265,000	-	-	-	365,000	-	365,000
Share-based payment transactions	-	432	-	-	-	432	2,454	2,886
Employee stock options exercised	-	269	-	-	-	269	6,137	6,406
Balance at June 30, 2026	**$ 781,726**	**945,740**	**(343,560)**	**10,495**	**(1,864)**	**1,392,537**	**1,263,584**	**2,656,121**

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, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	**2025**
Cash flows from (used in) operating activities:		
Loss before tax	$ (67,769)	(150,189)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	28,756	26,656
Amortization expenses	5,946	5,433
Impairment loss determined in accordance with IFRS 9	4	-
Net gain on financial assets at fair value through profit or loss	(39)	-
Interest expenses	4,943	4,705
Interest income	(12,363)	(15,127)
Share-based payment transactions	2,886	5,037
Share of losses of associates and joint ventures accounted for using equity method	225	1,286
Gain on disposal of property, plant and equipment	(493)	-
Gains arising from lease modifications	(12)	(3)
Total adjustments to reconcile profit	29,853	27,987
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(47)	(42)
Accounts receivable	(46,880)	7,046
Other receivables	1,092	(15)
Inventories	(28,161)	(16,790)
Prepayments	(36,392)	(10,691)
Other current assets	405	371
Net defined benefit assets	(6)	(8)
Total net changes used in operating assets	(109,989)	(20,129)
Changes in operating liabilities:		
Contract liabilities	13,645	(1,814)
Notes payable	(430)	(17)
Accounts payable	73,610	962
Other payables	5,219	8,730
Other current liabilities	893	(672)
Total net changes used in operating liabilities	92,937	7,189
Total net changes used in operating assets and liabilities	(17,052)	(12,940)
Total adjustments	12,801	15,047
Cash outflow generated from operations	(54,968)	(135,142)
Interest received	12,363	15,127
Interest paid	(4,754)	(4,705)
Income taxes refunded	1,292	1,393
Net cash flows used in operating activities	(46,067)	(123,327)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(2,000)	-
Proceeds from disposal of financial assets at amortised cost	-	24,500
Acquisition of financial assets designated at fair value through profit or loss	(1,000)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	2,074	-
Acquisition of property, plant and equipment	(299,257)	(195,148)
Proceeds from disposal of property, plant and equipment	600	-
Decrease in refundable deposits	498	217
Increase in other non-current assets	(20,292)	(20,817)
Net cash flows used in investing activities	(319,377)	(191,248)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(35,000)	(19,000)
Raise long-term loans	204,470	-
Payments of lease liabilities	(12,310)	(12,020)
Capital increase by cash	365,000	-
Exercise of employee stock options	6,406	231
Net cash flows from financing activities	528,566	(30,789)
Effect of exchange rate changes on cash and cash equivalents	6,964	(55,010)
Net increase (decrease) in cash and cash equivalents	170,086	(400,374)
Cash and cash equivalents at beginning of period	1,220,787	1,618,500
Cash and cash equivalents at end of period	**$ 1,390,873**	**1,218,126**

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, 2026 and 2025

(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.The shares of the Company were officially listed on the Taipei Exchange on June 3, 2004 as approved by the Financial Supervisory Commission.

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

The consolidated financial statements for the three months ended June 30, 2026 were authorized for issuance by the board of directors on August 11, 2026.

(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, 2026:

- 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"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(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, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

(Continued)

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 "Presentation and Disclosure in Financial Statements"

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.

- 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.

- 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.

- 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.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 " The Fair Value Option for Investments in Associates and Joint Ventures"

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

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 Group does not expect the following 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 20 "Regulatory Assets and Regulatory Liabilities"

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements 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 (altogether 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, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(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, 2026	December 31, 2025	June 30, 2025	
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 BIOTECHNOLOGY (MY) SDN. BHD	Sales of Regenerative Medicine Products	100 %	100 %	- %	Note 2

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2026	December 31, 2025	June 30, 2025	
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 %	100 %	100 %	

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: BIORECHNOLOGY (MY) SDN. BHD. was established and invested on September 17, 2025, so it is included in 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 Internation 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.

Except for the following, 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, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

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

(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 2025 consolidated financial statements. Please refer to note 6 to the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	$ 627	632	509
Checking accounts and demand deposits	562,879	300,531	764,208
Time deposits	827,367	919,624	453,409
	$ 1,390,873	**1,220,787**	**1,218,126**

(b) Financial assets measured at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Reserved accounts for demand deposits	**$ 12,800**	**10,800**	**9,800**

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(v).

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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 86	39	88
Accounts receivable	409,640	362,760	359,480
Less: Loss allowance	(4)	-	-
Accounts receivable, net	**$ 409,722**	**362,799**	**359,568**

(Continued)

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

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:

	June 30, 2026		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 378,798	0%	-
1 to 30 days past due	30,683	0%	-
31 to 90 days past due	164	0%	-
91 to 120 days past due	1	0%	-
More than 121 days past due	80	5%	4
	$ 409,726		**4**

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 325,207	0%	-
1 to 30 days past due	33,496	0%	-
31 to 90 days past due	4,001	0%	-
More than 91 days past due	95	0%	-
	$ 362,799		**-**

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 324,447	0%	-
1 to 30 days past due	30,414	0%	-
31 to 90 days past due	4,639	0%	-
More than 91 days past due	68	0%	-
	$ 359,568		**-**

(Continued)

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

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

	For the six months ended June 30,	
	2026	**2025**
Balance at January 1, 2026 and 2025	$ -	-
Impairment losses recognized	4	1
Impairment losses reversed	-	(1)
Balance at June 30, 2026 and 2025	**$ 4**	**-**

As of June 30, 2026, December 31 and June 30, 2025, 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(v).

(d) Inventories

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Raw materials	$ 11,751	11,447	13,569
Work in progress	3,781	4,435	2,308
Semi-finished goods	951	1,183	2,656
Finished goods	5,301	3,147	1,407
Merchandises	96,840	70,251	74,247
	$ 118,624	**90,463**	**94,187**

Inventory costs recognized as expenses in the current period were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Cost of goods sold	$ 360,261	323,383	709,065	666,248
Write-down of inventories (Reversal of write-downs)	138	(62)	(4,715)	(2,486)
Losses on inventory scrap	10	117	10	506
Operating costs	**$ 360,409**	**323,438**	**704,360**	**664,268**

The Group reversed its previously recognized allowance for loss on decline in market value of inventories for the three months ended June 30, 2025 and six months ended June 30, 2026 and 2025 as a result of selling a portion of its inventories for which allowance for obsolescence and decline in market value had been recorded.

(Continued)

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

As of June 30, 2026, December 31 and June 30, 2025, the aforementioned inventory of the Group had not been pledged as collateral.

(e) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Up Cell Biomedical Inc.	**$ 8,494**	**8,719**	**9,447**

Associates which are material to the Group consisted of the followings:

Name of associate	Nature of relationship with the Group	Main operating location/ Registered country of the Company	Proportion of shareholding and voting rights		
			June 30, 2026	December 31, 2025	June 30, 2025
Up Cell Biomedical Inc.	Cell sheet development and medical production	Taiwan	29.23 %	29.23 %	29.23 %

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 20,437	20,464	19,307
Non-current assets	4,159	5,562	7,913
Current liabilities	(3,066)	(2,710)	(1,410)
Non-current liabilities	(3,086)	(4,104)	(4,104)
Net assets	**$ 18,444**	**19,212**	**21,706**
Carrying amount of investments in related parties	**$ 8,494**	**8,719**	**9,447**

(Continued)

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating revenues	**$ 3,071**	**857**	**4,645**	**2,244**
Profit (loss) from continuing operations	$ 504	(2,219)	(470)	(4,080)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	**$ 504**	**(2,219)**	**(470)**	**(4,080)**
Comprehensive income (loss) attributable to controlling interests	**$ 147**	**(742)**	**(225)**	**(1,286)**

As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(f) Material non-controlling interests of subsidiaries

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

		Percentage of non-controlling interests		
Subsidiaries	Main operation place	June 30, 2026	December 31, 2025	June 30, 2025
LOCUS CELL CO., LTD	Taiwan	85.00 %	85.00 %	85.00 %

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 668,100	835,922	885,763
Non-current assets	1,337,784	1,060,198	836,381
Current liabilities	(33,940)	(61,557)	(39,238)
Non-current liabilities	(486,214)	(283,723)	(58,278)
Net assets	**$ 1,485,730**	**1,550,840**	**1,624,628**
Non-controlling interests	**$ 1,263,584**	**1,318,268**	**1,380,934**

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating revenues	$ 355	2,697	10,111	3,454
Loss from continuing operations	$ (44,463)	(74,345)	(74,292)	(103,291)
Other comprehensive income (loss)	(106)	50	(110)	45
Comprehensive income (loss)	$ (44,569)	(74,295)	(74,402)	(103,246)
Comprehensive income, attributable to non-controlling interests	$ (37,904)	(63,152)	(63,275)	(87,760)

	For the six months ended June 30,	
	2026	2025
Net cash flows from operating activities	$ (59,538)	(86,091)
Net cash flows from investing activities	(315,650)	(194,912)
Net cash flows from financing activities	202,514	(7,589)
Effect of exchange rate changes on cash and cash equivalents	(2,833)	(7,456)
Decrease in cash and cash equivalents	$ (175,507)	(296,048)

(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, 2026 and 2025, were as follows:

	Land	Buildings and structures	Machinery	Office equipment	Other equipment	Construction in progress	Total
Cost:							
Balance at January 1, 2026	$ 17,209	150,504	169,170	51,724	32,420	893,187	1,314,214
Additions	-	-	-	5,778	1,052	269,621	276,451
Disposals	-	-	(1,286)	-	-	-	(1,286)
Reclassification	-	-	-	1,548	-	-	1,548
Effect of movements in exchange rates	-	-	-	92	65	-	157
Balance at June 30, 2026	$ 17,209	150,504	167,884	59,142	33,537	1,162,808	1,591,084
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	$ 17,209	150,504	141,874	47,275	30,286	672,268	1,059,416

(Continued)

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

	Land	Buildings and structures	Machinery	Office equipment	Other equipment	Construction in progress	Total
Depreciation:							
Balance at January 1, 2026	$ -	52,373	67,064	41,189	22,977	-	183,603
Depreciation for the year	-	3,043	9,940	2,158	1,729	-	16,870
Disposals	-	-	(1,179)	-	-	-	(1,179)
Effect of movements in exchange rates	-	-	90	63	-	-	153
Balance at June 30, 2026	**$ -**	**55,416**	**75,915**	**43,410**	**24,706**	**-**	**199,447**
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	**$ -**	**49,331**	**58,038**	**39,071**	**21,100**	**-**	**167,540**
Carrying amounts:							
Balance at June 30, 2026	**$ 17,209**	**95,088**	**91,969**	**15,732**	**8,831**	**1,162,808**	**1,391,637**
Balance at December 31, 2025	**$ 17,209**	**98,131**	**102,106**	**10,535**	**9,443**	**893,187**	**1,130,611**
Balance at June 30, 2025	**$ 17,209**	**101,173**	**83,836**	**8,204**	**9,186**	**672,268**	**891,876**

As of June 30, 2026, December 31 and June 30, 2025, the property, plant and equipment of the Group had been pledged as collateral for loans and financing facilities. Please refer to note 8.

(h) Right-of-use assets

	Land	Buildings	Transportation equipment	Total
Carrying amount:				
Balance at June 30, 2026	**$ 51,530**	**23,558**	**1,658**	**76,746**
Balance at December 31, 2025	**$ 51,772**	**30,446**	**2,026**	**84,244**
Balance at June 30, 2025	**$ 53,761**	**35,283**	**333**	**89,377**

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, 2026 and 2025. For other related information, please refer to note 6(g) of the consolidated financial statement for the year ended December 31, 2025.

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

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the six months ended June 30, 2026 and 2025, were as follows:

	Technical skills
Costs:	
Balance at January 1, 2026 (Balance at June 30, 2026)	**$ 277,933**
Balance at January 1, 2025 (Balance at June 30, 2025)	**$ 277,933**
Amortization and impairment losses:	
Balance at January 1, 2026	$ 95,272
Amortization for the year	3,901
Balance at June 30, 2026	**$ 99,173**
Balance at January 1, 2025	$ 87,470
Amortization for the year	3,900
Balance at June 30, 2025	**$ 91,370**
Carrying amount:	
Balance at June 30, 2026	**$ 178,760**
Balance at December 31, 2025	**$ 182,661**
Balance at June 30, 2025	**$ 186,563**

The carrying amount of the proprietary technology – esophageal cell sheet acquired by the Company amounted to $89,029 thousand. As the asset has not yet reached the necessary condition for its intended use, no amortization has been recognized. Upon becoming available for use, the Company will assess its useful life and amortize the asset on a straight-line basis. In accordance with IAS 36 Impairment of Assets, intangible assets not yet available for use are subject to impairment testing, at least annually, by comparing their recoverable amount with their 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.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured Bank Borrowings	$ 167,000	202,000	163,000
Secured Bank Borrowings	156,000	156,000	142,000
	$ 323,000	**358,000**	**305,000**
Unused credit lines	**$ 320,000**	**285,000**	**368,000**
Range of interest rates	**2.225%~2.50%**	**2.225%~2.50%**	**2.225%~2.50%**

(Continued)

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

(i) Issuance and payment of borrowings

For the six months ended June 30, 2026 and 2025, the Group had the additional short-term borrowings amounting to $496,000 thousand and $760,000 thousand, interest rates range from 2.225% to 2.50%, and the payments amounted to $531,000 thousand and $779,000 thousand.

(ii) Collateral of borrowings

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

(k) Long-term borrowings

	June 30, 2026	December 31, 2025
Secured bank borrowings	$ 436,450	231,980
Less : current portion	-	-
Total	**$ 436,450**	**231,980**
Unused long-term credit lines	**$ 373,550**	**578,020**
Range of interest rates	**2.22%**	**2.22%**

(i) Issuance and repayment of borrowings

For the six months ended June 30, 2026, the Group had the additional long-term borrowings amounting to $204,470 thousand, with an interest rates of 2.22%, and maturing in July 2035. Moreover, there were no significant issuances, repurchases, or repayments for the three months ended June 30, 2025. Please refer to Note 6(u) for interest expenses.

(ii) Collateral of borrowings

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

(l) Lease liabilities

Group's lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	**$ 19,067**	**21,497**	**22,639**
Non-current	**$ 63,116**	**68,615**	**72,949**

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	$ 387	439	767	914
Expenses relating to short-term leases and Low-value Leases	$ 628	739	1,319	1,370

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

	For the six months ended June 30,	
	2026	2025
Total cash outflow for leases	$ 14,396	14,304

(i) Leases of Land and Buildings

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.

(ii) 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.

(m) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Payables on construction and equipment	$ 10,332	32,147	8,992
Salary and bonus payable	22,523	19,146	23,468
Labor and health insurance payable	2,234	2,225	2,684
Pension liability payable	2,550	2,630	2,153
Service fee payable	7,187	3,956	3,060
Repair and maintenance expense payable	1,096	1,509	1,423
Others	7,110	8,395	9,175
	$ 53,032	70,008	50,955

(Continued)

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

(n) 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, 2025 and 2024.

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating expenses	**$ (3)**	**(4)**	**(6)**	**(8)**

(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:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating cost	$ 226	197	400	395
Operating expenses	2,202	2,195	4,486	4,396
Total	**$ 2,428**	**2,392**	**4,886**	**4,791**

(o) Income taxes

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Current income tax expense	$ 728	813	1,592	1,874
Deferred tax profit	-	(8,354)	-	(8,573)
Income tax expense (profit)	**$ 728**	**(7,541)**	**1,592**	**(6,699)**

(ii) Reconciliation of income tax and profit before tax for 2026 and 2025 is as follows.

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation	**$ (245)**	**(12,366)**	**1,414**	**(11,011)**

(Continued)

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

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

Company Name	Assessed Fiscal Year
The Company	2024
LOCUS CELL CO., LTD	2024
Chienhwa Travel Service Co.,Ltd.	2024

(p) 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, 2026 and 2025. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2025.

(i) Ordinary shares

To increase its operating capital, the Company conducted a cash capital increase through a private placement, at a maximum number of 10,000 thousand shares and a par value of NT$10 per share, on January 13. 2026, with the approval of its shareholders on June 24, 2025. The rights and obligations of the privately placed common shares are the same as those of the Company's outstanding common shares, except that, pursuant to the Securities and Exchange Act, such shares are subject to transfer restrictions and may not be traded freely until three years from the delivery date. The Board of Directors is authorized, subject to applicable regulations, to apply to the competent authority for approval to list and trade the privately placed securities after the expiration of the transfer restriction period. All the registration procedures for the above transaction had since been completed.

(ii) Capital surplus

The balances of capital surplus as of June 30, 2026, December 31 and June 30, 2025, were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Share capital	$ 882,151	617,151	617,151
Recognition of changes in ownership in subsidiaries	5,241	4,540	3,903
Share options	5,424	5,424	5,424
Lapsed share options	52,924	52,924	52,924
	$ 945,740	**680,039**	**679,402**

(Continued)

(iii) Retained earnings

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. The remaining earnings along with unappropriated earnings of prior years will be retained or distributed as proposed by the Board of Directors and resolved by the shareholders. Regarding the bonus distributed to the shareholders, cash dividends shall account for at least 30% of the total distribution and the remainder is distributed in shares.

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.

In accordance with the regulations, 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.

On June 26, 2026 and June 24, 2025, respectively, the Company resolved at its annual shareholders' meetings to offset the deficits for the years 2025 and 2024. As of those dates, there were no accumulated earnings available for distribution.

(iv) Treasury shares

For the six months ended June 30, 2026 and 2025, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 40 thousand shares as treasury shares in order to protect the Company' s integrity and shareholders' equity.The carrying amount of such treasury shares was $1,864 thousand. As of June 30, 2026, a total of 40 thousand shares were not yet cancelled.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

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

(v) Other equity accounts, net of tax

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2026	$ 4,854
Exchange differences on translation of foreign financial statements, net of tax	5,641
Balance at June 30, 2026	**$ 10,495**
Balance at January 1, 2025	$ 19,278
Exchange differences on translation of foreign financial statements, net of tax	(44,039)
Balance at June 30, 2025	**$ (24,761)**

(q) 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, 2026 and 2025. For the related information, please refer to note 6(q) to the financial statements for the year ended December 31, 2025.

Details of the employee stock options are as follows:

Subsidiaries

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Employee stock options		Employee stock options	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at January 1	$ 11.00	1,766	11.00	1,933
Forfeited during the year	-	-	(11.00)	(18)
Exercised during the year	(11.00)	(582)	(11.00)	(21)
Outstanding at June 30	11.00	**1,184**	11.00	**1,894**
Exercisable at June 30	11.00	**75**	11.00	**109**

Compensation cost

	For the six months ended June 30,	
	2026	2025
Expenses resulting from granted employee stock options	**$ 2,886**	**5,037**

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(r) Loss per share

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

Basic and diluted loss per share

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Net loss attributable to equity of the Company	$ (8,426)	(42,220)	(6,179)	(55,692)
Weighted-average number of ordinary shares (in thousands of shares)	78,133	68,133	77,470	68,133
Basic loss per share (NT Dollars)	$ (0.11)	(0.62)	(0.08)	(0.82)

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026					
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedine	Others	Total
Major regional markets :						
Hong Kong and Mainland China	$ 93,414	16,703	37,241	-	-	147,358
Southeast Asia	-	108,460	22,526	-	-	130,986
Taiwan	-	-	131,468	5,131	29	136,628
Other	-	-	2,005	-	-	2,005
Total	$ 93,414	125,163	193,240	5,131	29	416,977
Major product and service categories：						
Electronics	$ 93,414	125,163	193,240	-	-	411,817
Biomedicine	-	-	-	5,131	-	5,131
Others	-	-	-	-	29	29
Total	$ 93,414	125,163	193,240	5,131	29	416,977

	For the three months ended June 30, 2025					
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedine	Others	Total
Major regional markets：						
Hong Kong and Mainland China	$ 104,678	7,862	22,354	-	-	134,894
Southeast Asia	-	70,414	4,665	-	-	75,079
Taiwan	-	-	150,777	7,590	99	158,466
Japan	-	-	-	2,164	-	2,164
Other	-	-	872	-	-	872
Total	$ 104,678	78,276	178,668	9,754	99	371,475
Major product and service categories：						
Electronics	$ 104,678	78,276	178,668	-	-	361,622
Biomedicine	-	-	-	9,754	-	9,754
Others	-	-	-	-	99	99
Total	$ 104,678	78,276	178,668	9,754	99	371,475

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	For the six months ended June 30, 2026					
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedine	Others	Total
Major regional markets：						
Hong Kong and Mainland China	$ 192,596	32,841	74,948	-	-	300,385
Southeast Asia	-	196,429	45,545	-	-	241,974
Taiwan	-	-	259,769	14,697	107	274,573
Japan	-	-	-	7,554	-	7,554
Other	-	-	2,705	-	-	2,705
Total	**$ 192,596**	**229,270**	**382,967**	**22,251**	**107**	**827,191**
Major product and service categories：						
Electronics	$ 192,596	229,270	382,967	-	-	804,833
Biomedicine	-	-	-	22,251	-	22,251
Others	-	-	-	-	107	107
Total	**$ 192,596**	**229,270**	**382,967**	**22,251**	**107**	**827,191**

	For the six months ended June 30, 2025					
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedine	Others	Total
Major regional markets：						
Hong Kong and Mainland China	$ 206,024	9,964	51,023	-	-	267,011
Southeast Asia	-	147,788	10,630	-	-	158,418
Taiwan	-	-	311,811	16,610	137	328,558
Japan	-	-	-	2,164	-	2,164
Other	-	-	2,602	-	-	2,602
Total	**$ 206,024**	**157,752**	**376,066**	**18,774**	**137**	**758,753**
Major product and service categories：						
Electronics	$ 206,024	157,752	376,066	-	-	739,842
Biomedicine	-	-	-	18,774	-	18,774
Others	-	-	-	-	137	137
Total	**$ 206,024**	**157,752**	**376,066**	**18,774**	**137**	**758,753**

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes and accounts receivable	$ 409,726	362,799	359,568
Less: allowance for impairment	(4)	-	-
Total	**$ 409,722**	**362,799**	**359,568**

	June 30, 2026	December 31, 2025	June 30, 2025
Contract liabilities	**$ 41,789**	**28,144**	**23,049**

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, 2026 and 2025 that were included in the contract liability balance at the beginning of the periods were $18,618 thousand and $15,896 thousand, respectively.

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METATECH (AP) INC. AND SUBSIDIARIES
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(t) 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, 2026 and 2025, no employees' compensation and directors' compensation were accrued due to the accumulated deficit of the Company.

(u) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest income from bank deposits	$ 6,958	6,980	12,260	14,995
Interest income from financial assets measured at amortized cost	41	42	82	109
Other interest income	9	9	21	23
	$ 7,008	**7,031**	**12,363**	**15,127**

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METATECH (AP) INC. AND SUBSIDIARIES
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(ii) Other income

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Other income	**$ 114**	**705**	**732**	**918**

(iii) Other gains and losses

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Foreign currency exchange (loss) gains	$ (1,788)	(49,240)	5,951	(38,034)
Gains on disposals of property, plant and equipment	-	-	493	-
Gain from lease modifications	12	-	12	3
(Losses) Gains on financial assets at fair value through profit or loss	(5)	-	39	-
Others	-	(63)	-	(63)
	$ (1,781)	**(49,303)**	**6,495**	**(38,094)**

(iv) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest expense	$ 2,055	1,899	4,176	3,791
Amortization interest of lease liabilities	387	439	767	914
	$ 2,442	**2,338**	**4,943**	**4,705**

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

(v) 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 6(v) to the consolidated financial statements for the year ended December 31, 2025.

(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
June 30, 2026							
Non-derivative financial liabilities							
Short-term borrowings	$ 323,000	325,062	299,890	25,172	-	-	-
Long-term borrowings	436,450	506,369	4,845	4,845	32,961	102,025	361,693
Notes payable	140	140	140	-	-	-	-
Accounts payable (including related parties)	200,376	200,376	200,376	-	-	-	-
Other payables (including related parties)	53,032	53,032	53,032	-	-	-	-
Lease liabilities (including current portion)	82,183	88,309	10,399	9,908	16,366	16,085	35,551
	$ 1,095,181	**1,173,288**	**568,682**	**39,925**	**49,327**	**118,110**	**397,244**
December 31, 2025							
Short-term borrowings	$ 358,000	359,955	359,955	-	-	-	-
Long-term borrowings	231,980	263,715	3,004	2,575	46,132	58,938	153,066
Notes payable	570	570	570	-	-	-	-
Accounts payable (including related parties)	126,767	126,767	126,767	-	-	-	-
Other payables (including related parties)	70,008	70,008	70,008	-	-	-	-
Lease liabilities	90,112	105,283	16,000	13,705	19,087	19,811	36,680
	$ 877,437	**926,298**	**576,304**	**16,280**	**65,219**	**78,749**	**189,746**
June 30, 2025							
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
	$ 590,841	**611,478**	**487,443**	**40,213**	**21,739**	**23,111**	**38,972**

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

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(ii) Currency risk

1) Exposure to foreign currency risk

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

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 26,599	31.850	847,178	19,484	31.430	612,382	18,652	29.300	546,504
JPY	292,723	0.1963	57,462	292,904	0.2008	58,815	336,002	0.2300	68,343
Financial liabilities									
Monetary items									
USD	5,629	31.850	179,284	5,376	31.430	168,968	5,970	29.300	174,920

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 and JPY as of June 30, 2026 and 2025 would have increased the net income before tax by $7,254 thousand and $4,399 thousand, respectively. The analysis is performed on the same basis for prior year.

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, 2026 and 2025, foreign exchange (loss) gain (including realized and unrealized portions) amounted to $5,951 thousand and $(38,034) 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 $3,230 and $3,050 for the six months ended June 30, 2026 and 2025, respectively.

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(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:

	June 30, 2026				
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$1,390,873	-	-	-	-
Financial assets at amortized cost	12,800	-	-	-	-
Notes receivable	86	-	-	-	-
Accounts receivable (including related parties)	409,636	-	-	-	-
Other receivables	3,335	-	-	-	-
Refundable deposits (recognized as other non-current assets)	7,498	-	-	-	-
Total	**$1,824,228**	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 323,000	-	-	-	-
Long-term borrowings	436,450	-	-	-	-
Notes payable	140	-	-	-	-
Accounts payable (including related parties)	200,376	-	-	-	-
Other payables (including related parties)	53,032	-	-	-	-
Lease liabilities (including current portion)	82,183	-	-	-	-
Total	**$1,095,181**	-	-	-	-

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METATECH (AP) INC. AND SUBSIDIARIES
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	December 31, 2025				
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund investments	$ 1,035	1,035	-	-	1,035
Financial assets measured at amortized cost					
Cash and cash equivalents	1,220,787	-	-	-	-
Financial assets at amortized cost	10,800	-	-	-	-
Notes receivable	39	-	-	-	-
Accounts receivable	362,760	-	-	-	-
Other receivables	4,427	-	-	-	-
Refundable deposits (recognized as other non-current assets)	7,996	-	-	-	-
Total	1,606,809	-	-	-	-
Total	**$ 1,607,844**	**1,035**	**-**	**-**	**1,035**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 358,000	-	-	-	-
Long-term borrowings	231,980	-	-	-	-
Notes payable	570	-	-	-	-
Accounts payable (including related parties)	126,767	-	-	-	-
Other payables (including related parties)	70,008	-	-	-	-
Lease liabilities (including current portion)	90,112	-	-	-	-
Total	**$ 877,437**	**-**	**-**	**-**	**-**

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METATECH (AP) INC. AND SUBSIDIARIES
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	June 30, 2025				
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
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)	7,691	-	-	-	-
Total	**1,599,781**	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 305,000	-	-	-	-
Notes payable	989	-	-	-	-
Accounts payable	138,309	-	-	-	-
Other payables (including related parties)	50,955	-	-	-	-
Lease liabilities (including current portion)	95,588	-	-	-	-
Total	**$ 590,841**	-	-	-	-

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(w) to the consolidated financial statements for the year ended December 31, 2025.

(x) 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, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6(x) to the consolidated financial statements for the year ended December 31, 2025 for further details.

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(y) 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, 2026 and 2025, were as follows:

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

	For the six months ended June 30,	
	2026	2025
Acquisition of property, plant and equipment	$ 276,451	186,534
Add: beginning equipment payables	32,147	17,606
Less: ending equipment payables	(10,332)	(8,992)
Add: ending equipment prepayments	991	-
Cash outflow	**$ 299,257**	**195,148**

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

			Non-cash changes		
	January 1, 2026	Cash flows	Foreign exchange movement	Others	June 30, 2026
Short-term borrowings	$ 358,000	(35,000)	-	-	323,000
Long-term borrowings	231,980	204,470	-	-	436,450
Lease liabilities (including current portion)	90,112	(12,310)	189	4,192	82,183
Guarantee deposits (recognized as other non-current liabilities)	300	-	-	-	300
Total liabilities from financing activities	**$ 680,392**	**157,160**	**189**	**4,192**	**841,933**

			Non-cash changes		
	January 1, 2025	Cash flows	Foreign exchange movement	Others	June 30, 2025
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	**$ 432,867**	**(31,020)**	**(859)**	**(100)**	**400,888**

(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.

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

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(b) Significant transactions with related parties

(i) Purchases

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Associates	$ -	590	724	1,846
Other related party	-	-	-	6
	$ -	**590**	**724**	**1,852**

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

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	**$ 787**	**-**	**-**

(iii) Accounts payable

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	**$ 20**	**-**	**20**

(iv) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	**$ 115**	**205**	**115**

(v) Operating cost

		For the three months ended June 30,		For the six months ended June 30,	
Relationship	**Account**	**2026**	**2025**	**2026**	**2025**
Associates	Rent and utilities expenses	**$ 345**	**349**	**733**	**502**

(Continued)

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Short-term employee benefits	$ 8,288	8,578	16,915	17,479
Share-based payments	919	1,729	2,057	3,458
Post-employment benefits	121	121	242	242
	$ 9,328	**10,428**	**19,214**	**21,179**

(8) Assets pledged as security:

The carrying amounts of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	June 30, 2026	December 31, 2025	June 30, 2025
Current financial assets at amortized cost	Guarantee for customs, credit card, performance bond of lease agreements, limit on short-term borrowings and bank loans	$ 12,800	10,800	9,800
Property, plant and equipment - Land	Bank loans	17,209	17,209	17,209
Property, plant and equipment - Buildings and structures	Bank loans	22,728	23,124	23,519
Property, plant and equipment - Construction in progress	Bank loans	1,162,808	893,187	-
Total		**$ 1,215,545**	**944,320**	**50,528**

(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, 2026, December 31 and June 30, 2025. As of June 30, 2026, December 31 and June 30, 2025, 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.

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(ii) Unrecognized contractual commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property , plant and equipment	$ 74,847	185,723	337,352
Acquisition of intangible assets (Note)	24,152	26,271	29,279
Issued for subsidiaries borrowings	15,925	15,715	14,650
	$ 114,924	**227,709**	**381,281**

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, 2026, the Group has paid JPY 1,244,880,405 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 Company's former Chairman and the former CEO of the subsidiary, Locus cell Co., Ltd.(" Locus"), Ms. Chih-Hui Yang, along with certain former employees of the IT Department,were suspected of improperly stealing, disclosing, or using confidential information belonging to the Group. Following criminal complaints filed by the Company and Locus, a subsequent investigation had been conducted by the Taipei District Prosecutors Office, who found sufficient evidence to indict Ms. Yang and others for violations including: unauthorized disclosure and reproduction of trade secrets, infringement of intellectual property rights, breach of trust under the Criminal Code, unlawful disclosure of business secrets, and unauthorized acquisition of electromagnetic records.

On February 19, 2025, the prosecutor filed formal charges against Ms. Yang and the other parties involved, wherein the case is still currently under trial at the Intellectual Property and Commercial Court (Case No. 114-Ying-Su-7), with preparatory proceedings to be held on April 14, June 23, August 29, and November 21, 2025, as well as on April 10 and July 20, 2026. Also, a mediation proceeding was held on June 23, 2026, and another preparatory proceeding is scheduled to be held on September 11, 2026.

In addition, Ms. Yang and others are suspected of further unauthorized reproduction and disclosure of the Group' s trade secrets. Although the prosecutor initially issued a non-prosecution ruling, the Taiwan High Prosecutors Office ordered the investigation to be continued. The case is still in progress under investigation by the Taipei District Prosecutors Office.

Based on the Group' s assessment, this matter does not have any material impact on its financial statements.

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(ii) In 2023, the Company received a legal notice from attorneys representing CellSeed Inc. (Japan) (hereinafter referred to as "CellSeed"), asserting that the Company had breached the cooperation agreement between both parties, prompting CellSeed to terminated the agreement. In order to protect its rights and interests, the Company engaged a Japanese legal counsel and filed an action to the Tokyo District Court seeking confirmation of the continued existence of the contractual relationship (Case No. Reiwa 6 (Wa) No. 3327). In light of the above matter, the court hearings were held on June 20, 2024, August 27, 2024, November 8, 2024, February 20, 2025, April 17, 2025, June 17, 2025, October 7, 2025, December 23, 2025, March 3, 2026 and May 18, 2026. The aforementioned case was still in progress as of August 11, 2026.

(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 function / By item	For the three months ended June 30,					
	2026			2025		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits						
Salary	3,417	40,533	43,950	3,663	41,265	44,928
Labor and health insurance	411	3,379	3,790	409	3,215	3,624
Pension	226	2,199	2,425	197	2,191	2,388
Compensation of directors	-	2,530	2,530	-	2,420	2,420
Others	225	1,375	1,600	203	1,892	2,095
Depreciation	4,412	9,979	14,391	4,429	8,850	13,279
Amortization	2,004	1,006	3,010	1,993	734	2,727

By function / By item	For the six months ended June 30,					
	2026			2025		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits						
Salary	6,549	85,156	91,705	7,543	86,265	93,808
Labor and health insurance	758	6,756	7,514	822	6,681	7,503
Pension	400	4,480	4,880	395	4,388	4,783
Compensation of directors	-	4,730	4,730	-	4,630	4,630
Others	394	3,264	3,658	394	3,715	4,109
Depreciation	8,680	20,076	28,756	9,164	17,492	26,656
Amortization	3,984	1,962	5,946	3,978	1,455	5,433

(b) Seasonality of operations

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

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(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, 2026:

(i) Lending to other parties:

(In Thousands of New Taiwan Dollars/ US dollars)

Number Note (1)	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 4)	Maximum limit of fund financing (note 4)	Notes
													Item	Value			
1	MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd. (Note 6)	Other receivables from related parties	Yes	63,990 (USD200)	63,700 (USD2,000)	14,333	5.85%	2	-	Operations	-	None	-	410,324	512,905	Note 4、5
1	MTI Holding Co., Ltd.	ıe Company (Note 6)	Other receivables from related parties	Yes	63,990 (USD200)	-	-	7.78%	2	-	Operations	-	None	-	410,324	512,905	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, 2026 was 31.850 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 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	Metatech (AP) Inc.	MetaTech Ltd.	2	696,269	15,998	-	15,925	15,925	1.14 %	1,392,537	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'.

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.

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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, 2026 was 31.85 to 1.

(iii) Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures): 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, 2026:

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	The Company	Neousys Technology America Inc.	3	Accounts receivable	25,909	O/A 60 days	0.68%

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.

Note 5: Individual transactions less than $5,000 thousand will not be disclosed, and other related party transactions will not be disclosed separately.

(b) Information on Investees:

The followings are the information on investees for the six months ended June 30, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/ US Dollars; shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	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 %	512,905	13,023	13,023	Note 1
Metatech (AP) Inc.	Chienhwa Travel Service Co.,Ltd.	Taiwan	Travel business	5,900	5,900	1,050	100.00 %	2,129	(158)	(158)	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 %	8,494	(470)	(225)	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 %	222,206	(74,292)	(11,110)	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 %	512,905 (USD 16,104)	13,023 (USD 412)	13,023 (USD 412)	Note 1
MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Singapore	Wholesale and retail of electronic materials	82,259	82,259	3,800,000	100.00 %	141,342 (USD 4,438)	3,556 (USD 112)	3,556 (USD 112)	Note 1

(Continued)

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	Shares	Percentage	Carrying value			
MTI Holding Co., Ltd.	MetaTech Ltd.	Hong Kong	Wholesale and retail of electronic materials	199,170	199,170	46,000,000	100.00 %	296,208 (USD 9,300)	10,258 (USD 324)	10,258 (USD 324)	Note 1
MTI Holding Co., Ltd.	METATECH BIOTECHNOLOGY (MY) SDN.BHD.	Malaysia	Sales of Regenerative Medicine Products	7,653	7,653	1,000,000	100.00 %	6,027 (USD 189)	(1,010) (USD 32)	(1,010) (USD 32)	Note 1
LOCUS CELL CO., LTD.	Locus Ltd.	Japan	Sales of Regenerative Medicine Products	10,131	10,131	5,000	100.00 %	3,370 (JPY 17,168)	(1,894) (JPY 9,468)	(1,894) (JPY 9,468)	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/ US 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, 2026 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2026 (note 2)	Net income (losses) of the investee (note 2 and 3)	Percentage of ownership	Investment income (losses) (note 3)	Book value (note 2)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
MetaTech (Shenzhen) Ltd.	Wholesale and retail of electronic materials	83,484	Note 1	83,484	-	-	83,484	2,312	100.00%	2,312	74,828	-

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, 2026 was 31.8500 to 1. The average exchange rate of New Taiwan dollars to US dollars for the six months ended June 30, 2026 was 31.6138 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, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
83,484	84,439	1,593,673

Note : Whichever is higher than 60% of the standalone net assets or the consolidated net assets will be deemed as the upper limit.

(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”.

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METATECH (AP) INC. AND SUBSIDIARIES
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(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, 2026						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue :							
Revenue from external customers	93,414	125,163	193,240	5,131	29	-	416,977
Intersegment revenue	9,705	-	2,167	478	47	(12,397)	-
Total revenue	**$ 103,119**	**125,163**	**195,407**	**5,609**	**76**	**(12,397)**	**416,977**
Reportable segment profit or loss	**$ 1,010**	**4,097**	**28,576**	**(81,465)**	**(519)**	**2,789**	**(45,512)**

	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)	-
Total revenue	**$ 105,130**	**78,276**	**189,149**	**10,585**	**177**	**(11,842)**	**371,475**
Reportable segment profit or loss	**$ 3,377**	**2,101**	**9,686**	**(120,646)**	**(97)**	**(7,376)**	**(112,955)**

	For the six months ended June 30, 2026						
	Hong Kong and Mainland China	Southeast Asia	Taiwan Electronics	Taiwan Biomedicine	Others	Reconciliations	Total
Revenue							
Revenue from external customers	$ 192,596	229,270	382,967	22,251	107	-	827,191
Intersegment revenue	12,337	-	3,004	2,948	132	(18,421)	-
Total revenue	**$ 204,933**	**229,270**	**385,971**	**25,199**	**239**	**(18,421)**	**827,191**
Reportable segment profit or loss	**$ 11,107**	**4,300**	**61,438**	**(141,910)**	**(949)**	**(1,755)**	**(67,769)**

	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)	-
Total revenue	**$ 206,681**	**157,752**	**386,994**	**20,257**	**221**	**(13,152)**	**758,753**
Reportable segment profit or loss	**$ 12,967**	**2,454**	**31,020**	**(184,604)**	**(288)**	**(11,738)**	**(150,189)**

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.