

Cenra Inc. and subsidiaries
Consolidated financial statements and Auditor's
Report
2025 and 2024
(Stock Code: 3716)

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Centra Inc. and subsidiaries

The 2025 and 2024 Consolidated Financial Report and Independent Auditor's Report

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Cenra Inc.

The Affiliate's Declaration of Consolidated Financial Statements

In Fiscal 2025 (the entire period starting from January 1 to December 31, 2025), the parent company and subsidiaries which the Company shall, exactly in accordance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", work out consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) No. 10 are exactly the same. Those information of the parent company and subsidiaries having been disclosed through the consolidated financial statements of the parent company and subsidiaries. The consolidated financial statements of the affiliated enterprises are, therefore, no longer worked out once more.

Hereby declare

Company name: Cenra Inc.

Person in charge: Wang Hsieh I-Chen

March 30, 2026

Auditor's Report
(2026) Cai-Shen-Bao-Zi No. 25004169

Cenra Inc.

Audit opinions

We have audited the accompanying individual balance sheet of Cenra Inc. and subsidiary as of December 31, 2025 and 2024, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Note of the consolidated financial statements (including major accounting policy) for the years then ended.

In our opinion, based our audit results and other CPAs' audit results (please refer to the paragraph on other matters), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for the years ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China.

The basis for opinions

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of China Chemical & Pharmaceutical Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of the Group and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of my audit findings and the audit reports compiled by other certified public accountants, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As stated in Note 1 to the consolidated financial statements, Cenra Inc. obtained 100% of the shares of CCPC through a share swap. The consideration for the share swap was 0.5 shares of the Company for every 1 share of CCPC. The share swap transaction was completed on September 2, 2024. The above share swap is a reorganization under joint control. As Cenra Inc. is a continuation of CCPC, the consolidated financial statements of CCPC are recognized as relevant assets and liabilities based on the carrying

amount of CCPC's consolidated financial statements, and are regarded as the consolidated financial statements of CCPC and its subsidiaries for the comparative period from the beginning of the combination.

Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the consolidated statements of the Group in 2025. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Key audit procedures of the consolidated financial statements of the Group in 2025 included:

Refund liability- estimation of sales return

Description of the matter

For information on the accounting policy of refund liability - estimated sale return, refer to Note 4 (30) to consolidated financial statement. For information on the uncertainty of accounting estimate an assumption on refund liability - estimated sale return, refer to Note 5 (2) to consolidated financial statement. For information on note to accounting items of refund liability - estimated sale return, refer to Note 6 (22) to consolidated financial statement.

The recognition of refund liability by some of the subsidiaries of China Chemical and Pharmaceutical Co., Ltd. - the estimated sale return was recognized mainly on the basis of its historical experience as the standard. Since the refund liability - the basis of recognition of sale return is from historical experience and is highly uncertain. As such, this item is listed as a key audit matter.

Audit response

Our key audit procedures regarding the audit matters referred to above are as follows:

1. Based on the understanding of the Group's operations and the nature of the industry and the historical return experience, evaluate its refund liability - estimate the rationality of the sales return policy.
2. Sampling test of refund liabilities - the correctness of the calculation of estimated sales return amount and estimated return rate.
3. Reverse the amount and documents after the verification period, check the relevant supporting documents, and evaluate whether the sales return period it belongs to is appropriate

Evaluation on inventory

Description of the matter

For the accounting policy of the assessment of inventory write-downs, please refer to Note 4(14). For critical accounting judgments and key sources of estimation uncertainty please, refer to Note 5(2). For other relevant disclosures, please refer to Note 6(4).

The Group is mainly engaged in the production and sale of pharmaceuticals and health products. Because the price of medicine is vulnerable to the price of health insurance products and the products are subject to expiration dates, the risk of losses from inventory impairment is high. Since the balance of inventories has a significant weight on the financial statements, the variety of inventories is vast, and the management needs to apply judgment to evaluate the impairment or obsolescence of the value, the valuation of inventories was deemed to be one of the key audit matters.

Audit response

Our key audit procedures regarding the audit matters referred to above are as follows:

1. Evaluating the accounting policy of allowances for losses of inventory impairment based on the understanding of the Company's operations and the nature of its industry.
2. To confirm if the price used for net realizable value corresponds to the company policy, and if the calculation of net realizable value for the individual inventory part number is correct with a sampling test.
3. Obtaining details of outdated inventories identified by the management, reviewing relevant information, and verifying the accounting records.

Other Matters - Refer to the audits performed by other CPAs.

The 2025 and 2024 financial statements of certain subsidiaries of the Group were not audited by us, but by other CPAs. Therefore, in our opinion, the amounts referred to above regarding those companies and included in the consolidated financial statements and the relevant disclosures in Note 13 are based on the audit reports of other CPAs. The total assets of those subsidiaries were NTD 209,548 thousand and NTD 239,717 thousand as of December 31, 2025 and 2024, respectively, which accounted for 1.68% and 1.88% of the consolidated assets, respectively. The operating income was NTD 106,190 thousand and NTD 122,440 thousand for the year ending December 31, 2025 and 2024, respectively, which accounted for 1.24% and 1.26%, respectively, of the consolidated operating income. In addition, investments using the equity method by the Group as of December 31, 2025 and 2024 and certain investment companies' information disclosed in Note 13 were evaluated and disclosed in the financial statements based on the audit performed by other CPAs appointed by the respective companies invested in. We did not audit those

financial statements The investments using the equity method were NTD 522,948 thousand NTD 523,563 thousand as of December 31, 2025 and 2024, which accounted for 4.20% and 4.10% of the consolidated assets, respectively. The consolidated profits (including the share of affiliates and the profit or loss of joint ventures recognized by the equity method and the share of other comprehensive profit and loss) were NTD 46,502 thousand NTD 71,081 thousand for the year ending December 31, 2025 and 2024, respectively, which accounted for 14.87% and 30.51%, respectively, of the combined profits.

Other matters – Parent Company only Financial Report

We have audited the parent company only financial statements of the Group for the years ended December 31, 2025 and 2024, and the unqualified opinions, enhanced matters and other matters, and unqualified opinions and emphasis of matter and other matters of the audit report.

Responsibilities of Management and Those in Charge with Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to create operations, or has no realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report. Reasonable assurance means a high degree of assurance. However, the audit conducted in accordance with auditing standards of the R.O.C. does not guarantee having any material misstatement in the consolidated financial statements detected. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also perform the following works:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design, and perform audit procedures responsive to risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements.

The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

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

The independent auditor has provided the declaration of independence of the CPA Firm personnel subject to the Code of Ethics to the governing unit; also, it has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditor.

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group of 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

PwC Taiwan

Yu, Shu-Fen

CPA

Lin, Po-Chuan

Financial Supervisory Commission

Certificate Number: Jin-Guan-Zheng-Shen-Zi No.1030027246

Jin-Guan-Zheng-Shen-Zi No. 1100350706

March 30, 2026

Cenra Inc. and subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

Assets	Additional notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 729,497	6	\$ 588,011	5
1136	Financial assets measured at the amortized cost-current	6 (6)	-	-	95,413	1
1150	Notes receivable-net	6(3)	333,986	3	307,388	2
1160	Notes Receivable-Related Parties- net	7	116,929	1	188,927	1
1170	Notes accounts, net	6(3)	1,466,325	12	1,475,893	12
1180	Account receivables-Related Parties- net	7	40,982	-	18,861	-
1197	Finance lease receivables, net	6 (10)	647	-	-	-
1200	Other receivables		16,476	-	22,718	-
1210	Other receivables - related parties	7	189,359	1	236,450	2
1220	Current income tax asset		43,854	-	46,728	-
130X	Inventory	6 (4)	2,708,659	22	2,851,044	22
1470	Other current assets		111,483	1	64,851	1
11XX	Total current assets		<u>5,758,197</u>	<u>46</u>	<u>5,896,284</u>	<u>46</u>
Non-Current assets						
1517	The financial assets measured for the fair values through other comprehensive income- non-current	6 (5)	166,496	1	329,968	2
1535	Financial assets measured at the amortized cost-non-current	6 (6)	134,866	1	-	-
1550	Investment under the equity method	6 (7) and 7	1,428,849	12	1,514,958	12
1600	Property, plant, and equipment	6(8) and 8	3,952,523	32	4,077,315	32
1755	Right-of-use assets	6 (9)	369,122	3	375,299	3
1760	Net amount of investment oriented real estate	8	114,082	1	117,248	1
1780	Intangible assets		10,215	-	12,421	-
1840	Deferred income tax assets	6 (28)	211,676	2	214,045	2
194D	Long-term finance lease receivables, net	6 (10)	3,492	-	-	-
1990	Other non-current assets- Other	6(11)(16) and 8	297,671	2	232,117	2
15XX	Total of Non-Current Assets		<u>6,688,992</u>	<u>54</u>	<u>6,873,371</u>	<u>54</u>
1XXX	Total assets		<u>\$ 12,447,189</u>	<u>100</u>	<u>\$ 12,769,655</u>	<u>100</u>

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Cenra Inc. and subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

Liabilities and equity		Additional notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Shot-term borrowings	6(12) and 8	\$ 2,007,743	16	\$ 1,381,789	11
2110	Short-term notes payable	6 (13)	380,000	3	88,992	1
2130	Contractual liability- current	6 (22)	39,937	-	31,026	-
2150	Payable notes		807	-	1,208	-
2170	Accounts payable	7	750,296	6	908,706	7
2200	Other payables	6 (14)	720,125	6	756,753	6
2230	Current Tax Liability		74,126	1	54,637	1
2280	Lease liabilities - current		54,789	-	48,023	-
2320	Current portion of long-term liabilities	6(15) and 8	-	-	25,200	-
2365	Refund liability – liquidity	6 (22)	58,706	1	94,638	1
2399	Other current liabilities- other		13,091	-	24,668	-
21XX	Total current liabilities		<u>4,099,620</u>	<u>33</u>	<u>3,415,640</u>	<u>27</u>
Non-current liabilities						
2540	Long-term borrowings	6(15) and 8	240,800	2	1,290,300	10
2570	Deferred tax liabilities		153,379	1	156,291	1
2580	Lease liabilities – non-current		302,766	3	306,252	2
2600	Other non-current liabilities	6 (9) (16)	38,992	-	51,821	1
25XX	Total of non-current liabilities		<u>735,937</u>	<u>6</u>	<u>1,804,664</u>	<u>14</u>
2XXX	Total liabilities		<u>4,835,557</u>	<u>39</u>	<u>5,220,304</u>	<u>41</u>
Equity of the parent company						
Capital stock		6 (18)				
3110	Common stock capital		1,497,656	12	1,490,405	12
Capital surplus		6 (19)				
3200	Capital surplus		5,907,847	48	5,971,603	47
Retained earnings		6 (20)				
3310	Legal reserve		11,362	-	-	-
3320	Special reserve		222,767	2	188,958	1
3350	Undistributed earnings		252,494	2	113,624	1
Other equity		6 (21)				
3400	Other equity		(173,841)	(2)	(222,767)	(2)
3500	Treasury stock	6 (18)	(146,631)	(1)	(32,304)	-
31XX	Equity attributable to owners of the parent Company		<u>7,571,654</u>	<u>61</u>	<u>7,509,519</u>	<u>59</u>
36XX	Non-controlling interest		<u>39,978</u>	<u>-</u>	<u>39,832</u>	<u>-</u>
3XXX	Total equity		<u>7,611,632</u>	<u>61</u>	<u>7,549,351</u>	<u>59</u>
Significant contingent liabilities and unrecognized contractual commitments		9				
Significant subsequent events		11				
3X2X	Total Liabilities and Equity		<u>\$ 12,447,189</u>	<u>100</u>	<u>\$ 12,769,655</u>	<u>100</u>

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Wang Ming-Ning Memorial Foundation Manager: Wang, Hou-Kai
Representative: Wang Hsieh, I-Chen

Accounting Supervisor: Hiang, Hsien-Chieh

Centra Inc. and subsidiaries
Consolidated comprehensive income statements
January 1 to December 31, 2025 and 2024

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenues	6(22) and 7	\$ 8,570,113	100	\$ 8,918,894	100
5000 Operating cost	6 (4) (26) and 7	(5,252,776)	(61)	(5,512,100)	(61)
5950 Operating gross profit		<u>3,317,337</u>	<u>39</u>	<u>3,406,794</u>	<u>39</u>
Operating expenses	6 (26)				
6100 Marketing expenses		(2,000,816)	(23)	(2,166,848)	(24)
6200 Administrative expenses		(409,933)	(5)	(439,681)	(5)
6300 Research and development expenses		(478,446)	(6)	(501,357)	(6)
6450 Expected credit impairment gain	12 (2)	<u>512</u>	<u>-</u>	<u>465</u>	<u>-</u>
6000 Total operating expenses		(<u>2,888,683</u>)	(<u>34</u>)	(<u>3,107,421</u>)	(<u>35</u>)
6900 Operating income		<u>428,654</u>	<u>5</u>	<u>299,373</u>	<u>4</u>
Non-operating revenues and expenses					
7100 Interest income	6(23) and 7	10,514	-	10,560	-
7010 Other income	6 (24)	96,156	1	78,162	1
7020 Other profits and losses	6 (25)	(10,438)	-	(6,776)	-
7050 Financial costs	6 (27)	(61,849)	(1)	(64,295)	(1)
7060 Shareholding in the affiliated companies and joint ventures under the equity method	6 (7)	(<u>43,957</u>)	<u>-</u>	<u>68,808</u>	<u>1</u>
7000 Total non-operating revenues and expenses		(<u>9,574</u>)	<u>-</u>	<u>86,459</u>	<u>1</u>
7900 Net profit before taxation		419,080	5	385,832	5
7950 Income tax expenses	6 (28)	(<u>119,086</u>)	(<u>1</u>)	(<u>66,770</u>)	(<u>1</u>)
8200 Net income		<u>\$ 299,994</u>	<u>4</u>	<u>\$ 319,062</u>	<u>4</u>

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Cenra Inc. and subsidiaries
Consolidated comprehensive income statements
January 1 to December 31, 2025 and 2024

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2025		2024	
		Amount	%	Amount	%
Other comprehensive profit or loss (net)					
The items that are not re-classified as profit or loss					
8311	Reevaluation of determined benefit plan	6 (16)	\$ 17,221	-	\$ 28,201
8316	Unrealized valuation gains and losses on Investment of equity instruments at fair value through other comprehensive income	6 (5)(21)	(11,713)	-	(146,626)
8320	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss		7,656	-	6,619
8349	Incomes tax related to titles not subject to reclassification	6 (28)	(3,445)	-	(5,641)
8310	Total amount of items not reclassified to profit or income		<u>9,719</u>	-	<u>(117,447)</u>
Items that may be re-classified subsequently under profit or loss					
8361	Exchange differences from the translation of financial statements of foreign operations	6 (21)	2,491	-	40,304
8370	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – may be reclassified as profit and loss.	6 (21)	1,061	-	(847)
8399	Income tax related to items possibly be reclassified	6 (21)(28)	(498)	-	(8,061)
8360	Total amount of items probably reclassified to profit or loss subsequently		<u>3,054</u>	-	<u>31,396</u>
8300	Other comprehensive profit or loss (net)		<u>\$ 12,773</u>	-	<u>(\$ 86,051)</u>
8500	Current period other comprehensive income (Gross)		<u>\$ 312,767</u>	4	<u>\$ 233,011</u>
Net income (loss) attributable to:					
8610	Owners of parent		\$ 300,070	4	\$ 317,348
8620	Non-controlling interest		(76)	-	1,714
			<u>\$ 299,994</u>	4	<u>\$ 319,062</u>
Total comprehensive income attributable to:					
8710	Owners of parent		\$ 312,621	4	\$ 230,974
8720	Non-controlling interest		146	-	2,037
			<u>\$ 312,767</u>	4	<u>\$ 233,011</u>
Earnings per share					
9750	Basic earnings per share	6 (29)	\$ 2.39	\$ 2.49	
9850	Diluted earnings per share		\$ 2.38	\$ 2.48	

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Wang Ming-Ning Memorial Foundation
Representative: Wang Hsieh, I-Chen

Manager: Wang, Hou-Kai

Accounting Supervisor: Hiang, Hsien-Chieh

Cenra Inc. and subsidiaries
Consolidated statement of changes in equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Additional notes	Equity of the parent company													Total	Non-controlling interest	Total equity
		Capital surplus				Retained earnings				Other equity							
		Common stock capital	Capital surplus-issuance premium	Treasury stock trade	Others	Employee restricted stock	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	Unearned Employee Compensation	Treasury stock				
<u>2024</u>																	
Balance at January 1		\$ 2,980,811	\$ 578,416	\$ 67,842	\$ 1,844	\$ -	\$ 777,269	\$ 188,958	\$ 3,012,349	(\$ 116,566)	(\$ 30,507)	\$ -	(\$ 28,054)	\$ 7,432,362	\$ 38,051	\$ 7,470,413	
Net income		-	-	-	-	-	-	-	317,348	-	-	-	-	317,348	1,714	319,062	
Current period other comprehensive income	6 (5)(21)	-	-	-	-	-	-	-	30,587	31,396	(148,357)	-	-	(86,374)	323	(86,051)	
Current period other comprehensive income (Gross)		-	-	-	-	-	-	-	347,935	31,396	(148,357)	-	-	230,974	2,037	233,011	
The 2023 appropriation and distribution of earnings	6 (20)																
Legal reserve		-	-	-	-	-	34,383	-	(34,383)	-	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	-	-	(149,041)	-	-	-	(149,041)	-	(149,041)		
Cash dividends which Subsidiary obtained from the Parent company		-	-	296	-	-	-	-	-	-	-	-	296	-	296		
Difference between the actual acquisition or disposal of equity interest in a subsidiary and its book value		-	-	-	112	-	-	-	(883)	-	-	-	(771)	(256)	(1,027)		
Equity instrument at fair value through other comprehensive income statement	6 (5)(21)	-	-	-	-	-	-	(41,267)	-	41,267	-	-	-	-	-		
Repurchase of treasury stock		-	-	-	-	-	-	-	-	-	-	(4,637)	(4,637)	-	(4,637)		
Sale of treasury stock		-	-	(51)	-	-	-	-	-	-	-	387	336	-	336		
Conversion effect of share swap agreement		(1,490,406)	5,323,144	-	-	(811,652)	-	(3,021,086)	-	-	-	-	-	-	-		
Balance at December 31		\$ 1,490,405	\$ 5,901,560	\$ 68,087	\$ 1,956	\$ -	\$ 188,958	\$ 113,624	(\$ 85,170)	(\$ 137,597)	\$ -	(\$ 32,304)	\$ 7,509,519	\$ 39,832	\$ 7,549,351		
<u>2025</u>																	
Balance at January 1		\$ 1,490,405	\$ 5,901,560	\$ 68,087	\$ 1,956	\$ -	\$ 188,958	\$ 113,624	(\$ 85,170)	(\$ 137,597)	\$ -	(\$ 32,304)	\$ 7,509,519	\$ 39,832	\$ 7,549,351		
Net income		-	-	-	-	-	-	-	300,070	-	-	-	300,070	(76)	299,994		
Current period other comprehensive income	6 (5)(21)	-	-	-	-	-	-	-	21,735	3,054	(12,238)	-	12,551	222	12,773		
Current period other comprehensive income (Gross)		-	-	-	-	-	-	-	321,805	3,054	(12,238)	-	312,621	146	312,767		
The 2024 appropriation and distribution of earnings	6 (20)																
Legal reserve		-	-	-	-	-	11,362	(11,362)	-	-	-	-	-	-	-		
Special reserve		-	-	-	-	-	33,809	(33,809)	-	-	-	-	-	-			
Cash dividends		-	-	-	-	-	-	(59,571)	-	-	-	(59,571)	-	(59,571)			
Distribution of cash from capital reserve	6 (19) (20)	(89,356)	-	-	-	-	-	-	-	-	-	(89,356)	-	(89,356)			
Repurchase of treasury stock	6 (18)	-	-	-	-	-	-	-	-	-	(114,327)	(114,327)	-	(114,327)			
Equity instrument at fair value through other comprehensive income statement	6 (5)(21)	-	-	-	-	-	-	(78,193)	-	78,193	-	-	-	-			
Share of changes in affiliated companies and joint ventures accounted for using the equity method	6 (19)	-	-	-	7,606	-	-	-	-	-	-	-	7,606	-	7,606		
Issuance of restricted new stocks	6(17)(18)(19)(21)	7,251	-	-	-	17,692	-	-	-	-	(24,943)	-	-	-			
Cost of share-based remuneration	6 (17) (21)	-	-	-	-	-	-	-	-	-	4,860	-	4,860	-	4,860		
Cash dividends which Subsidiary obtained from the Parent company	6 (19)	-	-	302	-	-	-	-	-	-	-	-	302	-	302		
Balance at December 31		\$ 1,497,656	\$ 5,812,204	\$ 68,389	\$ 9,562	\$ 17,692	\$ 11,362	\$ 222,767	\$ 252,494	(\$ 82,116)	(\$ 71,642)	(\$ 20,083)	(\$ 146,631)	\$ 7,571,654	\$ 39,978	\$ 7,611,632	

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Wang Ming-Ning Memorial Foundation
Representative: Wang Hsieh, I-Chen

Manager: Wang, Hou-Kai

Accounting Supervisor: Hsiang, Hsien-Chieh

Cenra Inc. and subsidiaries
Consolidated cash flow statement
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2025</u>	<u>January 1 to December 31, 2024</u>
<u>Cash flow from operating activities</u>			
Current year net profit before taxation		\$ 419,080	\$ 385,832
Adjustments			
Profits and loss			
Depreciation expenses	6 (25) (26)	339,777	343,641
Amortization expenses	6 (26)	7,346	11,119
Share-based payment	6 (17)		
	(26)	4,860	-
Expected credit impairment gain	12 (2)	(512)	(465)
Increase of allowance for sales return and allowance		14,575	5,213
Interest expenses	6 (27)	61,849	64,295
Interest income	6 (23)	(10,514)	(10,560)
Dividend income	6 (5)(24)	(2,280)	(12,913)
Gain on sublease of right-of-use asset	6 (7)(25)	(215)	-
Net gain on financial assets at fair value through profit or loss	6 (25)	-	(815)
Shareholding in the affiliated companies and joint ventures under the equity method	6 (7)	43,957	(68,808)
Gain in disposal of real estate, plant buildings, equipment & facilities	6 (25)	(1,213)	(1,128)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Bills receivable (including related party and non-related party)		43,488	93,865
Accounts receivable (including related party and non-related party)		(14,553)	85,837
Finance lease receivables		105	-
Other account receivable (including related party and non-related party)		40,333	37,485
Inventory		143,500	(256,375)
Other current assets		(49,591)	(13,405)
Net changes in liabilities relating to operating activities			
Contractual liability- liquidity		8,911	(16,903)
Payable notes		(401)	(1,170)
Accounts payable		(159,010)	38,431
Other payables		(30,012)	138,575
Refund liability - liquidity		(35,932)	13,552
Other current liabilities- other		(11,791)	4,743
Other non-current liabilities		13,804	(27,775)
Cash inflow from operating activities		825,561	812,271
Interest received		10,383	7,784
Interest payment		(63,824)	(64,202)
Income tax payment		(98,439)	(115,303)
Income tax refund		4,497	11,133
Dividends received		62,420	98,867
Net cash inflow from operating activities		<u>740,598</u>	<u>750,550</u>

(Continued on next page)

Cenra Inc. and subsidiaries
Consolidated cash flow statement
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	<u>Additional notes</u>	<u>January 1 to December 31, 2025</u>	<u>January 1 to December 31, 2024</u>
<u>Cash flow from investing activities</u>			
Decrease (increase) of the financing amount receivable		\$ 9,500	(\$ 21,001)
Acquisition of financial assets at fair value through profit or loss		-	(22,275)
Disposal of financial assets at fair value through profit or loss		-	68,887
Acquisition of financial assets at fair value through other comprehensive profit or loss	6 (5)	(97)	-
Value of disposal of financial assets measured at FVTOCI	6 (5)	151,652	135,968
Acquisition of returned share capital from decrease in financial assets at fair value through other comprehensive income	6 (5)	1,521	-
Acquisition of investment under the equity method	7	(463)	-
Financial assets measured at the amortized cost upon maturity repay principal		89,820	-
Acquisition of financial assets measured at the amortized cost		(134,730)	-
Refund of investment under equity method	6 (7) and 7	-	25,349
Purchase of property, plant, and equipment	6(30)	(211,024)	(315,322)
Proceeds from disposal of property, plant and equipment		2,327	6,449
Purchase of intangible assets		(761)	(3,663)
Decrease (increase) in deposits paid		(19,599)	34,918
Decrease (increase) of other non-current assets		2,983	(36,642)
Net cash outflow from investing activities		(108,871)	(127,332)
<u>Cash flow from financing activities</u>			
Increase in Shot-term borrowings	6(31)	625,954	(137,724)
Increase of short-term notes payable	6(31)	291,008	(21,892)
Lease principal repayment	6(31)	(50,489)	(46,511)
Current borrowing amount of long-term loan	6(31)	283,000	1,220,000
Current repaying amount of long-term loan	6(31)	(1,357,700)	(1,353,500)
Decrease (increase) in deposits received	6(31)	(9,444)	8,441
Cash dividend released	6 (20)	(148,927)	(149,041)
Repurchase of treasury stock	6 (18)	(114,326)	(4,637)
Sale of treasury stock		-	336
Consideration paid for transactions with non-controlling interests		-	(1,027)
Net cash outflow from financing activities		(480,924)	(485,555)
Impact of changes in exchange rate on cash and cash equivalents		(9,317)	5,632
Current cash and cash equivalents increase		141,486	143,295
Balance of cash and cash equivalents, beginning of period		588,011	444,716
Balance of cash and cash equivalent, end of period		\$ 729,497	\$ 588,011

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Wang Ming-Ning Memorial
Foundation
Representative: Wang Hsieh, I-Chen

Manager: Wang, Hou-Kai

Accounting Supervisor: Hiang, Hsien-Chieh

Centra Inc. and subsidiaries
Notes to consolidated financial statement
2025 and 2024

Unit: NTD thousand
(Except where otherwise stated)

1. Company history

- (1) The Company was established on September 2, 2024, listed on the TWSE on the same day, and renamed Centra Inc. on July 9, 2025.
- (2) On May 28, 2024, China Chemical and Pharmaceutical Co., Ltd. (hereinafter referred to as “CCPC”) resolved to apply for the establishment of the Company at the shareholders’ meeting and the meeting of the Company’s founders. The Company acquired 100% of the equity of CCPC through a share swap. The consideration for the share swap was 0.5 shares of the Company for every 1 share of CCPC. The Company completed the share swap transaction on September 2, 2024. CCPC became a wholly owned subsidiary of the Company and ceased its listing and public offering. The Company’s common stock shares are listed on the Taiwan Stock Exchange (TWSE) on the same day with the stock code of “3716.”
- (3) The Company and its subsidiary (hereinafter referred to as “The Group”) have major business in manufacturing and selling pharmaceutical products and health products, as well as the import business of related medical appliances.

2. Financial statements approval date and procedure

These consolidated financial statements were authorized by the Board of Directors on March 5, 2026.

3. Application of New Standards, Amendments and Interpretations

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed and issued into effect by the Financial Supervisory Commission (“FSC”)

The new publication, amendments, and revision of the 2025 International Financial Reporting Standards (IFRS) that was endorsed and issued into effect by the Financial Supervisory Commission are as follows:

New releases / amendments / revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed the aforementioned standards, interpretations, and interpretative announcements and has concluded that they have no material impact on the Group’s financial position and financial performance.

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

The new publication, amendments, and revision of the 2026 International Financial Reporting Standards (IFRS) that was recognized by the Financial Supervisory Commission are as follows:

New releases / amendments / revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
Amendments to IFRIS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - Application of IFRS 17 and IFRS 9 — Comparative Information	January 1, 2023
Annual Improvements to IFRSs—Volume 11	January 1, 2026

The Group has assessed the aforementioned standards, interpretations, and interpretative announcements and has concluded that they have no material impact on the Group’s financial position and financial performance.

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

The newly released, revised and amended IFRS standards and interpretations by the IASB but not yet recognized by the FSC are summarized as follows:

New releases / amendments / revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
Amendment to IFRS 10 and IAS 28 “The Assets Sales or Purchase between Investors and Their Affiliates or Joint Ventures”	To be determined by the “International Accounting Standards Board (IASB).”
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS No. 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: In the press release dated September 25, 2025, the FSC announced that publicly-issued companies shall apply International Financial Reporting Standard 18 (the “IFRS 18”) from 2028 onward; in addition, if a company intends to apply IFRS 18 earlier, it could do so after IFRS 18 has been endorsed by the FSC.

Except for the following statements, the Group has assessed the aforementioned standards, interpretations, and interpretative announcements and has concluded that they have no material impact on the Group’s financial position and financial performance:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” has replaced IAS 1, updating the structure of the statement of comprehensive income, and adding the disclosure of management performance measurements, while strengthening the summary and division of the use in the main financial statements and notes.

4. Summary of significant accounting policies

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

(1) Compliance Statement

These consolidated financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the new International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins as endorsed and issued into effect by the FSC (collectively referred herein as the “IFRS”)

(2) Basis of preparation

1. Except for the following items, these consolidated statements have been prepared under the historical cost convention:

- (1) Financial assets measured at fair value through profit or loss (including derivatives).
- (2) Financial assets at fair value through other comprehensive income
- (3) Defined benefit assets and liabilities recognized at the net amount of pension fund assets less the present value of defined benefit obligations.

2. The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

1. The basis of preparation for consolidated financial statements

- (1) The Group includes all subsidiaries to draft the individual of the consolidated financial statements. The subsidiaries of the Group refers to the business entities controlled by the Group. When the Group is exposed to the variable return of the subsidiary or is entitled to such variable return; also, when the Group can influence such variable return through the power over the subsidiary, the Group controls the subsidiary. Subsidiaries are incorporated into the consolidated financial statements from the date they are controlled by the Group and cease to be consolidated on the date it is no longer controlled by the Group.
- (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated from the consolidated financial statements. Subsidiaries’ financial statements are adjusted to align the accounting policies with those of the Group.
- (3) Profit or loss and the components of other comprehensive income are attributed to owners of the parent and non-controlling interests; the total amount of comprehensive income is also attributed to owners of the parent and non-controlling interests even if non-controlling interest derive a loss as result.
- (4) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When The Group losses the control of the subsidiaries, the remaining investment is

evaluated based on the fair value, and considered as the fair value of financial assets recognized initially or the capital of the associate or joint venture recognized initially, the difference amount between the fair value and book amount is recognized as profit or benefit of current period. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. Subsidiaries included in the financial statements:

Investor	Name of the subsidiary	Nature of the operation	Percentage of shareholdings (%)		Remarks
			December 31, 2025	December 31, 2024	
Cenra Inc.	China Chemical & Pharmaceutical Co., Ltd. (CCPC)	Manufacture and sales of Western medicine preparations and health-care articles.	100.00	100.00	Note 1
Cenra Inc.	Chunghwa Yuming Healthcare Co., Ltd. (Chunghwa Yuming)	Wholesale of medicine and medical equipment	100.00	-	Note 4
Cenra Inc.	Providence Investments Inc.	General investment businesses	100.00	-	Note 3
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Yuming Healthcare Co., Ltd. (Chunghwa Yuming)	Wholesale of medicine and medical equipment	-	100.00	Note 4
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Senior Lifestyle Services Co. Ltd. (Chunghwa Senior Lifestyle Services)	Medicine, wholesale of medicine equipment and home care service	100.00	100.00	
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Holding Co.,Ltd. (Chunghwa)	Professional investment company	100.00	100.00	
China Chemical & Pharmaceutical Co., Ltd.	Tairung Enterprise Co., Ltd. (Tairung)	Manufacture and sales of glass, plastics made containers	71.64	71.64	
Chunghwa Yuming Healthcare Co., Ltd.	Chunghwa Biomedical Technology Corp.	Manufacturer of cleaning products	75.23	75.23	
Chunghwa Holding Co.,Ltd.	Suzhou Chung-hwa Chemical & pharmaceutical Industrial Co., Ltd. (SCCPC)	Manufacture and sales of pharmaceutical medicine and health products.	100.00	100.00	
Suzhou Chung-hwa Chemical & pharmaceutical Industrial Co., Ltd.	Suzhou Chunghwa Yuming Pharmaceutical Co., Ltd.	Wholesale and sales of pharmaceutical medicine and medical equipment.	100.00	100.00	
Suzhou Chung-hwa Chemical & pharmaceutical Industrial Co., Ltd.	Shanghai Yuhou Trading Co., Ltd. (formerly known as Pei Fu (Shanghai) Co., Ltd.)	Wholesale and sales of medical equipment.	100.00	100.00	
Suzhou Chung-hwa Chemical & pharmaceutical Industrial Co., Ltd.	Suzhou Chung-Hwa Le Huo Jian Kang Co., Ltd.	E-commerce sales of health products	100.00	100.00	
Suzhou Chung-hwa Chemical & pharmaceutical Industrial Co., Ltd.	Chung-Hwa Le Huo Jian Kang (HK) Co., Ltd.	Biotech products sold as an agent	100.00	100.00	Note 2

Note 1: The Company was established on September 2, 2024, and acquired 100% of the equity of CCPC through a share swap, making the Company the ultimate parent company of the Group. As the organization is a joint control entity, the Group deems it as a combination of CCPC and its subsidiaries from the beginning, and has prepared the consolidated financial statements for the comparative period.

Note 2: Chung-Hwa Le Huo Jian Kang (HK) Co., Ltd. not yet invested capital as of December 31, 2025.

Note 3: Providence Investments was established on June 5, 2025

Note 4: On June 30, 2025, CCPC was reorganized and restructured, with Cenra holding 100% shares held of Chunghwa Yuming Healthcare.

3. Subsidiary company not included in the consolidated financial statements are as follows: Not applicable.
4. Adjustments on subsidiary companies with different accounting periods: Not applicable.
5. Significant limitations: Not applicable.
6. Subsidiaries over which the group has significant influence but not control: none

(4) Foreign-currency translations

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

1. Foreign Currency Transactions and Balances

- (1) Transactions denominated in foreign currency are translated into a functional currency at the spot exchange rate on the date of the transaction or measurement. Foreign currency differences arising from translating such transactions are recognized in current profit or loss.
- (2) The foreign currency asset or liability balances are revaluated based on spot exchange rate of the balance sheet date, and any exchange difference arising from the adjustment is included in the profit and loss for the year.
- (3) Non-monetary assets and liabilities denominated in foreign currency held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in current profit or loss ; Non-monetary assets and liabilities denominated in foreign currency held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currency that are not measured at fair value are translated using the historical exchange rates at the date of the initial transaction.
- (4) All exchange gains and losses are reported in the "Other profits and losses" account of the comprehensive income statements.

2. Translation of the financial statements of foreign operations

- (1) The operating results and financial position of all the Group's entities, affiliated enterprises and joint arrangements in the consolidated financial statements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities presented in the balance sheet are translated at the closing exchange rates prevailing on the balance sheet date;
 - B. Income and expenses presented in the Statement of Comprehensive Income are translated at the average exchange rates for the period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When a foreign operation for partial disposal or sale is an associate or joint arrangement, classifying the exchange difference of comprehensive income by portions as part of gain

on sale or loss of the net income or loss for current period. Only when The Group even remains partial equity of previous associate or joint arrangement but loses the significant influence on a foreign operation of an associate or loses the joint control over a joint arrangement of a foreign operation, the disposal will be full benefit of the foreign operation.

- (3) When a foreign operation for partial disposal or sale is subsidiary, categorizing as the accumulated exchange difference of comprehensive income by portion for recognition which belongs to the non-controlling interests of that foreign operation. Only when The Group even remains partial equity of the previous subsidiary but loses the control of the subsidiary of the foreign operations, the disposal will be fully benefit the foreign operation.

(5) Criteria for distinguishing Current or Non-Current on the Balance Sheet

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (2) Held mainly for the purpose of trading.
- (3) Those expected to be realized within 12 months of the reporting period.
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the reporting period.

The Group classifies assets that do not meet any of the above criteria as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be paid off within the normal operating cycle.
- (2) Held mainly for the purpose of trading.
- (3) Those to be repaid within 12 months of the reporting period.
- (4) Does not have a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies liabilities that do not meet any of the above criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalents are investments that are for short-term investing with high liquidity. That investment can be exchanged to a fixed amount of money and the risk of value change is really low. Bank acceptance bills that meet the aforementioned definition and are held for the purpose of satisfying short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit and loss

1. For financial assets that are not at amortized cost or at fair value through other comprehensive income.
2. The Group adopts trade date accounting for financial assets at fair value through profit or loss which are in correspondence with trade practice.
3. It was sated at fair value at initial recognition with trading costs recognized as profit & loss items. It continues to state at fair value while any income or loss generated was recognized as profit & loss items.

(8) Financial assets at fair value through other comprehensive profit or loss

1. Means the initial recognition is an irrevocable decision, to recognize changes in fair value

for equity instrument of not held for trading as other comprehensive income.

2. The Group adopts trade date accounting for financial assets at fair value through other comprehensive income which are in correspondence with trade practice.
3. On initial recognition, The Group recognized transaction costs plus the fair value for measurement, and subsequently measured with fair value:

If the change in fair value of equity instrument is recognized as other comprehensive income, while being derecognized, the previous accumulated profits or losses which were recognized in other comprehensive income cannot subsequently be re-classifying to profit and loss, that is to list under retained earnings. When the equity to obtain dividends is claimed, the economic benefits relating to the dividends may inflow, and if the amount of dividend can be measured reliably, The Group will recognize dividend in income.

(9) Financial assets measured at the amortized cost

1. Refer to meeting the same condition as specified below:
 - (1) Financial assets held for cash flow collection under contract.
 - (2) The cash flow on specific date of the contract of the financial assets is fully used for the payment of the interest accrued from the principal and the amount of principal outstanding.
2. Financial assets of the Group measured on the basis of amortized cost under arm's length transaction are booked under transaction day accounting.
3. Initial recognition was made by adding the cost of transaction to fair value, followed by the recognition of subsequent interest income under effective interest method for amortization within the outstanding period and also impairment loss. When the item was removed from recognition, the profit or loss will be recognized as income or loss.
4. Time deposit not meeting the requirement of cash equivalent will be measured as amount of investment, given the short period of holding and the effect of discount is insignificant.

(10) Accounts receivable and notes

1. Means according to the agreement, with the right to collect the equity consideration and bills in exchange for those goods or services on any other terms and conditions.
2. Due to the limited influence of discounting, The Group measures the initial invoice amount for any short-term accounts receivable and bills of unpaid interests.

(11) Impairment of Financial Assets

The Group measures allowance for loss according to the expected credit loss amount for 12-month after considering all reasonable and provable information (including forward-looking one) for financial assets at amortized cost on each balance sheet date; for credit risk significantly increases after the initial recognition, measures allowance for loss according to expected credit loss within duration; for accounts receivable without significant financing component, measures allowance for loss according to expected credit loss within duration.

(12) The de-recognition of financial assets

When the Group's contractual rights received from the cash flows of financial assets are invalid, the financial assets will be written-off.

(13) Lessor's lease transactions – lease payments receivable/operating lease (lessor)

1. According to the terms of the lease agreements, when almost all of the risks and rewards of

ownership are borne by the lessee, the lease is classified as a finance lease.

- (1) Upon the commencement of a lease, the gross investment in the lease (including the direct initial cost) is recognized as "lease payments receivable," and the difference between the total lease payments receivable and the present value is recognized as "unearned finance income on finance leases."
 - (2) Subsequently, finance income is allocated on a systematic and reasonable basis over the lease term to reflect the fixed rate of return on the lessor's net investment in the lease.
 - (3) The Company offsets the total investment in leases against lease payments for the period (excluding service costs) to reduce the principal and unearned finance income.
2. Any incentives for lessee after deducting the leasehold income of operating lease, are recognized as net income or loss of current period according to the straight-line method for amortization during the lease term.

(14) Inventory

The inventory is measured by the lower one between cost and net realizable value, the carry-over cost is calculated according to weighted average method. The costs of finished goods and work in process include material, direct labor, other direct costs and manufacturing cost relating to production (allocated based on normal capacity), however, the borrowing costs is excluded. The item by item method is adopted while comparing the lower one between cost and net realizable value, the net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investment accounted for under the equity method- affiliated enterprises

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognized at cost.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss in the current period, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
3. When there is equity change in non-profit and loss and other consolidated profit and loss occurring to the affiliated enterprises that do not affect the shareholding of the affiliated enterprises, the Group will have the equity change recognized as "additional paid-in capital" proportionally to the shareholding ratio.
4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When the Group disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are accounted for on the same basis as direct disposal of related assets or liabilities, that is, profit or loss previously recognized in other comprehensive income are reclassified to profit or loss when related assets or liabilities are disposed of.

When the Group loses significant influence over the associate, the aforesaid profit or loss is reclassified from retained earnings to profit or loss. If it still retains significant influence over the associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

6. The Group performs impairment tests on affiliates with indications of impairment on the balance sheet date. The Group deems the overall book amount of an investment (including goodwill) as a single asset, compares its recoverable amount (value-in-use or fair value less the disposal costs, whichever is higher) with the book amount, and the impairment loss recognized will be included in the book amount of the investment. The reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Investment under the equity method- joint venture

The Group adopts the equity method to recognize its equity in joint ventures. Unrealized gains and losses from transactions between the Group and each joint venture have been eliminated in proportion to the equity of the joint venture; however, if there is evidence that the net realizable value of the assets has decreased or an asset impairment loss has occurred, it will all be recognized in losses immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant, and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a spate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.
3. Property, plant and equipment are subsequently measured in cost mode with depreciation amortized using the straight-line method based on the period of depreciation except land for which no depreciation is to be amortized. If each component of property, plant and equipment are significant, it is depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of change. Useful lives of assets are as follows:

Buildings and structures	3 years ~ 61 years
Machinery equipment	3 years ~ 29 years
Transport equipment	5 years ~ 16 years
Other equipment	2 years ~ 21 years

(18) Right-of-use assets/lease liabilities, from lessees transaction

1. Right-of-use assets and lease liabilities were recognized on the day when the assets were made available for the Group. For short-term leases or leases of low-value assets, payments are recognized as an expense on a straight-line basis over the lease term
2. Lease liability is recognized, at the lease commencement, as the present value of the unpaid future payments, discounted at the Group's incremental borrowing interest rate, which covers:
 - (1) Fixed payments less any lease incentives receivable;
 - (2) Variable lease payments that depend on an index or a rate

It is subsequently measured on an amortized cost basis using an interest method with interest expense recognized. Modification of lease term or payments that was not part of the original lease contract triggers lease liability reassessment with corresponding adjustments to right-of-use assets

3. At the lease commencement date, right-of-use asset is recognized through costs with the following components:
 - (1) The amount equal to the lease liability at its initial assessment
 - (2) Lease payments made at or before the commencement of the lease
 - (3) Any initial direct costs incurred by the lessee; and
 - (4) An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

After the commencement date, the lessee shall measure the right-of-use asset applying a cost model, and depreciate asset from the commencement date to the earlier of the end of the useful life or the end of the lease term. Any readjustments made to lease liability after it is reassessed; the corresponding adjustment will be made to right-of-use asset.

(19) Intangible assets

1. The patent rights purchased by Suzhou Chung-Hwa Chemical and Pharmaceutical Industrial CO., LTD. ("Suzhou Chung-Hwa"), are amortized on a straight-line method over the period of benefit in accordance with the acquisition cost.
2. The computer software which the CCPC and Chunghwa Yuming Healthcare Co., Ltd. (hereinafter referred to as the "Chunghwa Yuming") purchased uses acquisition cost as the accrual basis with straight-line method for amortization to evaluate the economic life, which gets the useful life at five years.

(20) Losses in non-financial asset

The Group estimates recoverable amounts on assets with signs of losses on the balance sheet date, and when the recoverable amount is lower than the book amount, then loss is recognized. Recoverable amount refers to an asset's fair value less the cost of disposal or the useful value, whichever is the higher. Except for goodwill, when the impairment of assets recognized in prior period is non-existent or reduced, the impairment loss should be reversed. However, the increased book value of the asset due to the reversed impairment loss may not exceed the book value net of depreciation or amortization before recognizing impairment loss.

(21) Loans

The borrowing is measured by the amount which is recognized initially as the fair value deducts the transaction costs, and subsequently to measure the price after deducting transaction costs and any difference of redemption value with effective interest method based on the amortized

cost during the borrowing term.

(22) Account and note payables

1. Means the debt due to buy on credit for raw materials, goods or service and the bills payable resulted from operating or non-operating.
2. Due to the limited influence of discounting, the group measures the initial invoice amount for any short-term accounts payable and bills of unpaid interests.

(23) De-recognition of financial liabilities

The Group de-recognizes financial liabilities for the performance of obligations, cancelation or expiration as stated in the contract.

(24) Financial guarantee contract

For a financial guarantee contract, when a specific debtor is unable to repay the debt at maturity in accordance with the original or modified debt instrument terms, the Group must pay certain benefits to reimburse the contract holder for the loss incurred. Measured with the transaction cost adjusted by the fair value of the trade date for initial recognition, and subsequently to measure the higher one between the best estimation of expenditure needed to clean up the present obligation according to the date of balance sheet and the balance of the initial recognized amount deducts the accumulated amortization which has been recognized.

(25) Liability reserve

Provisions (including decommissioning liabilities) are recognized when there is a present legal or constructive obligation due to a past event and it is likely that the outflow of resources with economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the best estimate of the present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is a pre-tax discount rate that reflects the time value of money and specific risks of liabilities estimated in the market. The amortization of the discount rate is recognized in interest expenses. Future operating losses may not be recognized in provisions.

(26) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plan

The defined contribution plans are to recognize the pension fund to be contributed as the net periodic pension cost for current period according to the accrual basis. Prepaid contributions are recognized to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plan

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net

defined benefit obligation is calculated annually by actuaries using the Projected Unit Welfare Method. The discount rate is determined by referring to the market yield rate of the government bonds (on the balance sheet date), which the balance sheet date is consistent with the currency and period of the defined benefit plan.

- B. The revaluation amount of the defined benefit plan is recognized upon occurrence in the “Other comprehensive profit and loss” and included in the retained earnings.
- C. The expense associated with prior service cost is recognized immediately as a profit or loss.

3. Employee compensation and remuneration to directors and supervisors

Employee compensation and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. If the accrued amounts for employees’ compensation and remuneration to directors and supervisors are different from the actual distributed amounts, the differences should be recognized based on the accounting for changes in estimates. For employee bonus with stocks, the basis to calculate the stock is the closing price of the day prior to the resolution of the board meeting.

(27) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with the applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities of this company and subsidiary companies. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax liabilities resulting from goodwill that originated from initial recognition will not be recognized. If deferred income tax originates from initial recognition for assets or liabilities of transactions (excluding business combinations) and the transactions do not affect accounting or taxable profit at that time (tax loss), nor do equivalent taxable and deductible temporary differences arise, then those liabilities will not be recognized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

5. Current income tax and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(28) Treasury stock

1. Stocks of The Company possessed by the subsidiary are being considered as treasury stock.
2. When the Company repurchases the issued shares, the consideration paid for the repurchase includes any directly attributable incremental cost, which is recognized as a deduction in shareholders' equity based on the net amount after tax. If the repurchase of shares is followed by a subsequent issuance, the difference between the consideration received and the carrying amount, after deducting any directly attributable incremental cost and income tax effect, is recognized as an adjustment to shareholders' equity.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(30) Recognition of revenue

1. Merchandising- retail

- A. The Group manufactures and possesses an agency for selling medical products and the sales revenue is recognized when the control of products has been transferred to the customer, which means the product has been delivered to the customer. The customer owns the discretionary power for the channel and price of the products and The Group doesn't have any executory performance obligation that may affect the time for the customer to accept products. When the product is being delivered to the designated place, the risk of obsolescence and loss will be transferred to the customer, besides, when the customer accepts the product according to the sales contract, or any objective evidence which can prove all acceptance criteria have been met, the delivery of goods is firm.
- B. The Group provides right of return for part of products, adopts expected value approach according to the historical experience to estimate the relevant refund liability, subsequently to evaluate the effectiveness of re-evaluation and assumption on each balance sheet date, and update the estimated return amount.
- C. The accounts receivable is recognized when the goods are delivered to the customer, since by that time, The Company holds unconditional right for the contract price, the consideration can be charged to the customer as time goes by.

2. Labor revenue

Sub-subsidiary – Chunghwa Senior Lifestyle Services Co. Ltd. (Chunghwa Senior Lifestyle Services) provides home care services. The service revenue means that the service hour and price provided to the customer which is recognized as income during the accounting report period.

(31) Government grant

Government grants is recognized as fair value when it is reasonably believed that the enterprise will follow the additional conditions of the government grants, and that grants are receivable.

If the nature of the government grants is the compensation of the expense of The Group, the government grants should be recognized as the net income or loss of current period according to the systematic basis during the period when the relevant expense occurs. If the government grants relating to real property, plant, equipment and long-term pre-paid rent, will be recognized as net profit or loss of current period are taken as the deduction for the book amount of that asset, and the useful life of that asset will be recognized as net profit or loss of the current period through the decrease of depreciation expense for subsidy.

(32) Business combination – reorganization under joint control

1. As IFRS 3 “Business Combinations” has no specific requirements for the business combinations (organization restructuring) under joint control, the Group adopts the book value approach in accordance with the relevant interpretations and Q&A issued in Taiwan. The comparative financial statements were prepared on a consolidated basis from the beginning and were not restricted by the establishment date.
2. According to the requirements of Letter (100) Ji-Mi-Zi No. 390 issued by the Accounting Research and Development Foundation, the Company has reclassified the equity items related to the reorganization of assets and liabilities, and the balance of the equity items exceeding the Company’s newly issued capital stock and the aforementioned equity items to be deferred are adjusted to increase capital surplus.

(33) Operating segments

The operating segment information and the internal management reports submitted to the mainly operational decision makers are consistent in the way of reporting. The chief operating decision-maker is responsible for allocating resources to operating segments and evaluating their performance. The Board of Directors has been identified as the chief operating decision-maker of the Group.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group’s accounting policies and make critical assumptions and estimates based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results, the judgments and estimates are continually evaluated and adjusted based on historical experience and other factors. Such estimation and assumption contain risk of being significantly adjusted for the carrying amount of asset or liabilities in the next financial year. Critical accounting judgments, estimates and key sources of assumption uncertainty are explained as follows:

(1) Critical judgments concerning the application of accounting policies

none.

(2) Critical accounting estimates and assumptions

1. Refund liability- estimation of sales return

In general, sale revenue is recognized in the process of profiting. Related refund liability - estimated sale return is based on historical experience and other known reasons in the estimation of products likely to be returned, and recognized as a debit item of sale in the same period of product sale. The Group also review the rationality of the estimation at regular intervals.

As of December 31 2025, the refund liability-estimated sale return recognized by the Group is fully explained in Note 6 (22).

2. Evaluation on inventory

Since inventory shall be measured on the basis of the lower the cost and net realizable value, the Group must determine the net realizable value of inventory of the Balance Sheet date with judgment or estimation. Due to the rapid changes in technology, the Group assesses the amount of inventory normal wear and tear, obsolescence, or poor marketability of the Balance Sheet date; also, has the inventory cost offset till it is equivalent to the net realizable value. This inventory evaluation is mainly based on the future demand for a specific period of time; therefore, a significant change is expected.

Please find Note 6(4) for the book amount of the inventory of the Group on December 31, 2025.

6. Summary of significant accounting titles

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 4,046	\$ 3,934
Check deposit and demand deposit	680,541	530,341
Cash equivalents- time deposits	<u>44,910</u>	<u>53,736</u>
	<u>\$ 729,497</u>	<u>\$ 588,011</u>

1. The financial institutions that the Group deals with are with good credit quality; also, the Group deals with a number of financial institutions to diversify credit risk; therefore, the possibility of default is very unlikely.

2. None of the Group's cash and cash equivalents pledged to others as collateral.

(2) Financial assets at fair value through profit and loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificate	\$ -	\$ -
Evaluation adjustment	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

1. The details of the financial assets measured at fair value through profit or loss recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificate	\$ -	\$ 766
Mixed instruments (Note)	<u>-</u>	<u>49</u>
	<u>\$ -</u>	<u>\$ 815</u>

Note: The subsidiary, Suzhou Chung-Hwa, signed a 1-month RMB structured deposit agreement with a bank in March 2024 for a sum of RMB 22,040 (RMB 5,000 thousand). As the structured deposit was included in derivatives and the main contract was an asset within the scope of IFRS 9, the entire hybrid contract was classified as a financial asset measured at fair value through profit or loss. The structured deposit expired in April 2024.

2. No financial asset at fair value through profit or loss was pledged by the Group for loan guarantee.

(3) Note receivable and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 334,422	\$ 308,368
Less: Allowance for losses	(436)	(980)
	<u>\$ 333,986</u>	<u>\$ 307,388</u>
Accounts receivable	\$ 1,622,252	\$ 1,617,103
Less: Allowance for sales and discount	(144,612)	(130,037)
Less: Allowance for losses	(11,315)	(11,173)
	<u>\$ 1,466,325</u>	<u>\$ 1,475,893</u>

1. The aging analysis of accounts receivable and bill receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not-overdue	\$ 1,573,177	\$ 333,642	\$ 1,595,090	\$ 308,368
Overdue within 1-90 days	41,548	780	18,550	-
Overdue within 91-180 days	4,320	-	2,925	-
Overdue exceeding 181 days	<u>3,207</u>	<u>-</u>	<u>538</u>	<u>-</u>
	<u>\$ 1,622,252</u>	<u>\$ 334,422</u>	<u>\$ 1,617,103</u>	<u>\$ 308,368</u>

The aforementioned aging analysis is based on the overdue days.

- Account and note receivables as of December 31, 2025 and December 31, 2024 were from customer contracts. Account receivables (including note receivables) and the associated allowed made stood at NTD 1,974,670 and NTD 8,597, respectively, on January 1, 2024.
- The exposure amounts of the maximum credit risk which can represent the accounts receivable and bill receivable of the Group without considering the possessed collateral or other credit enhancement condition on December 31, 2025 and 2024 are its book amount.
- The accounts receivable listed in the account of the Group does not possess any collateral.
- Please find Note 12 (2) for the relevant explanation about credit risk.

(4) Inventory

	December 31, 2025		
	Cost	Allowance for loss from price declination	Book value
Raw materials	\$ 985,945	(\$ 11,338)	\$ 974,607
Material	187,178	(1,544)	185,634
Work in process	344,239	(1,167)	343,072
Finished products	611,979	(19,178)	592,801
Merchandise inventory	<u>649,198</u>	<u>(36,653)</u>	<u>612,545</u>
	<u>\$ 2,778,539</u>	<u>(\$ 69,880)</u>	<u>\$ 2,708,659</u>

	December 31, 2024		
	Cost	Allowance for loss from price declination	Book value
Raw materials	\$ 954,277	(\$ 8,537)	\$ 945,740
Material	175,599	(1,278)	174,321
Work in process	341,734	(433)	341,301
Finished products	737,246	(33,195)	704,051
Merchandise inventory	<u>727,165</u>	<u>(41,534)</u>	<u>685,631</u>
	<u>\$ 2,936,021</u>	<u>(\$ 84,977)</u>	<u>\$ 2,851,044</u>

The cost of inventory recognized as expense of The Group within the current period:

	2025	2024
Cost of inventory sold	\$ 5,118,555	\$ 5,379,776
Labor service cost	120,101	111,561
Gain from inventory price recovery	(9,479)	(3,374)
Inventory disposition losses	<u>23,599</u>	<u>24,137</u>
	<u>\$ 5,252,776</u>	<u>\$ 5,512,100</u>

In 2025 and 2024, as the market prices of some of the Group's inventory recovered and the inventories that had been recognized in depreciation losses in prior years were scrapped, it was recognized in gain from price recovery.

(5) Financial assets at fair value through other comprehensive profit or loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Listed and emerging stocks	\$ 159,382	\$ 389,227
Non-listed shares	<u>57,548</u>	<u>58,971</u>
	216,930	448,198
Evaluation adjustment	<u>(50,434)</u>	<u>(118,230)</u>
	<u>\$ 166,496</u>	<u>\$ 329,968</u>

1. The Group decides to classify the stock of strategic as investment financial assets at fair value through other comprehensive income and the fair value of that investment on December 31, 2025 and 2024 are its book amount.
2. In 2025, capital reduction and refund of the Group's investment in financial assets measured at fair value through other comprehensive income amounted to NTD 1,521.
3. The Group sold its stock investment at fair value of NTD 151,652 and NTD 135,968 in 2025 and 2024, respectively, and recognized the capital gain from disposal in aggregate as retained earnings amounting to NTD (78,193) and NTD (41,267), respectively.
4. The Group purchased equity instruments for an investment amounts of NTD 97 and NTD 0 in 2025 and 2024, respectively.
5. The details of financial assets at fair value through other comprehensive income which recognized in income and comprehensive income are as follows:

<u>Item</u>	<u>2025</u>	<u>2024</u>
<u>Equity instruments</u>		
Recognized in comprehensive income of changes in fair value.	<u>\$ 11,713</u>	<u>(\$ 146,626)</u>
The accumulated losses change to retained earnings due to de-recognition (post-tax profit or loss)	<u>(\$ 78,193)</u>	<u>(\$ 41,267)</u>
Recognized as dividend in income in profit		
The party still in possession at the end of this term.	\$ 1,550	\$ 12,232
Delisted in the current period.	<u>730</u>	<u>681</u>
	<u>\$ 2,280</u>	<u>\$ 12,913</u>

(6) Financial assets measured at the amortized cost

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits	<u>\$ -</u>	<u>\$ 95,413</u>
Non-current items:		
Time deposits	<u>\$ 134,866</u>	<u>\$ -</u>

1. Financial assets measured on the basis of amortized cost is recognized as income and specified as follows:

	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 2,541</u>	<u>\$ 2,762</u>

2. In the absence of collateral or other credit enhancement, the maximum amount of credit risk exposure of the symbolic financial assets measured on the basis of amortized cost held by the Group was NTD 134,866 and NTD 95,413, respectively as of December 31, 2025 and 2024.
3. The Group did not pledge any financial assets measured on the basis of amortized cost under lien.
4. For additional information on the financial assets measured on the basis of amortized cost, refer to Note 12, (2). The Group invests the certificates of deposits only with financial institutions in good credit standing. Default is unlikely to occur.

(7) Investment under the equity method

<u>Name of investee</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Affiliated enterprises:		
Chunghwa Chemical Synthesis & Biotech Co., Ltd. (CCSB)	\$ 903,990	\$ 987,475
Sino-Japan Chemical Co., Ltd. (Sino-Japan Chemical)	516,506	519,603
PHERMPEP CO., LTD. (PHERMPEP)	6,442	3,960
Wuxi Jirui Medical Technology Co., Ltd. (Wuxi Jirui)	1,911	3,920
	<u>\$ 1,428,849</u>	<u>\$ 1,514,958</u>

1. Affiliated enterprises

(1) Basic information of significant associate of the Group is as follows:

Company name	Major places of business	Ratio of Shareholding		Nature of relationship	Measuring method
		December 31, 2025	December 31, 2024		
Chunghwa Chemical Synthesis & Biotech Co., Ltd.	Taiwan	28.05%	27.82%	Suppliers	Equity method
SINO-JAPAN CHEMICAL., CO., LTD	Taiwan	21.99%	21.99%	Financial investment	Equity method

(2) Financial information of the Group's major associates is summarized as follows:

Balance Sheet

	Chunghwa Chemical Synthesis & Biotech Co., Ltd.	
	December 31, 2025	December 31, 2024
Current assets	\$ 1,058,883	\$ 1,441,225
Non-Current assets	3,258,470	3,321,513
Current liabilities	(356,706)	(425,288)
Non-current liabilities	(873,307)	(980,510)
Total net assets	<u>\$ 3,087,340</u>	<u>\$ 3,356,940</u>
Book value of the associate	<u>\$ 903,990</u>	<u>\$ 987,475</u>

	SINO-JAPAN CHEMICAL., CO., LTD	
	December 31, 2025	December 31, 2024
Current assets	\$ 2,292,150	\$ 2,463,482
Non-Current assets	615,861	607,666
Current liabilities	(407,183)	(519,015)
Non-current liabilities	(64,511)	(101,740)
Total net assets	<u>\$ 2,436,317</u>	<u>\$ 2,450,393</u>
Book value of the associate	<u>\$ 516,506</u>	<u>\$ 519,603</u>

Comprehensive income statement

Chunghwa Chemical Synthesis & Biotech Co.,
Ltd.

	2025	2024
Income	\$ 804,878	\$ 1,347,375
Current year profit of continuing business units	(\$ 243,847)	\$ 53,032
Other comprehensive income (post-tax profit or loss)	7,508	15,721
Current period other comprehensive income (Gross)	(\$ 236,339)	\$ 68,753
Dividends received from affiliated subsidiaries	\$ 4,133	\$ 17,260

SINO-JAPAN CHEMICAL., CO., LTD

	2025	2024
Income	\$ 2,547,781	\$ 3,033,826
Current year profit of continuing business units	\$ 209,652	\$ 349,350
Other comprehensive income (post-tax profit or loss)	25,154	17,800
Current period other comprehensive income (Gross)	\$ 234,806	\$ 367,150
Dividends received from affiliated subsidiaries	\$ 54,722	\$ 68,694

- (3) The share of the operating results of individual insignificant associates of the Group is summarized as follows:

	2025	2024
Net loss of current period	(\$ 6,766)	(\$ 7,334)

- (4) The shares of profit and/or loss at equity method over the associates as follows:

Name of affiliated enterprise	2025	2024
Chunghwa Chemical Synthesis & Biotech Co., Ltd.	(\$ 83,286)	(\$ 659)
SINO-JAPAN CHEMICAL., CO., LTD	46,095	76,810
PHERMPEP CO., LTD.	(4,376)	(7,273)
Wuxi Jirui Medical Technology Co., Ltd.	(2,390)	(74)
	(\$ 43,957)	\$ 68,804

- (5) The significant associate of the Group-CCSB is public offering and its fair values of December 31, 2025 and 2024 are, respectively, NTD 720,607 and NTD 731,395.
- (6) The company holds 28.05% equity of Chunghwa Chemical Synthesis Biotech Co., Ltd. (CCSB) and is the largest shareholder of CCSB. Considering the participation of other shareholders in the previous shareholders meeting of CCSB and the record of voting rights casted on major proposals, it indicates that the Group is incapable of leading relevant activities. Therefore, it has no control over CCSB, but a significant influence.

2. Joint venture

- (1) The basic information of the important joint ventures is as follows:

1. The Company established a joint venture with MegaPro Biomedical Co., Ltd. and Suzhou Tianjian Yunkang Information Technology Co., Ltd. to develop new pharmaceuticals by holding 40% of total shares in the joint venture. The Company invested NTD 24,372 (US\$ 800,000) in April 2023. As the subsidiary, Suzhou Tianjian Yunkang Information Technology Co., Ltd. had not completed the relevant capital increase procedures, its shareholding ratio changed from 40% to 57.14%. In addition, on February 1, 2024, the Board of Directors resolved to cease the operations of Trium Therapeutics Co., Ltd. On May 24, 2024, all the joint venture parties resolved to dissolve Trium Therapeutics Co., Ltd., and on May 28, 2024, NTD 25,349 was recovered from the investment.
2. The Group holds more than 50% of the shares in Trium Therapeutics Co., Ltd. However, as decisions on the company's relevant activities are jointly decided by all joint venture parties as stated in the joint venture agreement, the Group has no ultimate control over it, so Trium Therapeutics Co., Ltd. is not listed as a consolidated entity.

- (2) Financial information of the Group's major joint venture is summarized as follows:

Comprehensive income statement

	2025	January 1 to May 24, 2024
Income	\$ -	\$ -
Current net losses from continuing operations	\$ -	\$ 7
Current period other comprehensive income (Gross)	\$ -	\$ 7

- (3) The shares of profit and/or loss at equity method over the joint venture as follows:

Name of investee	2025	2024
Trium Therapeutics Co., Ltd	\$ -	\$ 4

(8) Property, plant, and equipment

	<u>2025</u>						Total
	Land	Buildings and structures	Machinery equipment	Transport equipment	Uncompleted construction and equipment pending inspection	Others	
January 1							
Cost	\$ 1,021,812	\$ 3,577,674	\$ 1,610,150	\$ 41,681	\$ 113,032	\$ 1,372,199	\$ 7,736,548
Accumulated depreciation	-	(1,727,106)	(988,606)	(33,458)	-	(910,063)	(3,659,233)
	<u>\$ 1,021,812</u>	<u>\$ 1,850,568</u>	<u>\$ 621,544</u>	<u>\$ 8,223</u>	<u>\$ 113,032</u>	<u>\$ 462,136</u>	<u>\$ 4,077,315</u>
January 1	\$ 1,021,812	\$ 1,850,568	\$ 621,544	\$ 8,223	\$ 113,032	\$ 462,136	\$ 4,077,315
Additions	-	13,265	65,418	4,022	22,785	54,343	159,833
Transfer	-	3,532	37,917	20	(55,369)	13,900	-
Disposition	-	-	-	(86)	-	(1,028)	(1,114)
Depreciation expenses	-	(104,740)	(81,681)	(2,931)	-	(90,890)	(280,242)
Government grant (Note 2)	-	-	-	-	(2,460)	-	(2,460)
Net exchange differences	-	(218)	(179)	(20)	29	(421)	(809)
December 31	<u>\$ 1,021,812</u>	<u>\$ 1,762,407</u>	<u>\$ 643,019</u>	<u>\$ 9,228</u>	<u>\$ 78,017</u>	<u>\$ 438,040</u>	<u>\$ 3,952,523</u>
December 31							
Cost	\$ 1,021,812	\$ 3,529,191	\$ 1,698,379	\$ 41,557	\$ 78,017	\$ 1,412,228	\$ 7,781,184
Accumulated depreciation	-	(1,766,784)	(1,055,360)	(32,329)	-	(974,188)	(3,828,661)
	<u>\$ 1,021,812</u>	<u>\$ 1,762,407</u>	<u>\$ 643,019</u>	<u>\$ 9,228</u>	<u>\$ 78,017</u>	<u>\$ 438,040</u>	<u>\$ 3,952,523</u>

	2024						
	Land	Buildings and structures	Machinery equipment	Transport equipment	Uncompleted construction and equipment pending inspection	Others	Total
January 1							
Cost	\$ 1,021,812	\$ 3,599,064	\$ 1,464,504	\$ 41,160	\$ 132,628	\$ 1,251,156	\$ 7,510,324
Accumulated depreciation	-	(1,626,922)	(907,944)	(32,610)	-	(822,710)	(3,390,186)
	<u>\$ 1,021,812</u>	<u>\$ 1,972,142</u>	<u>\$ 556,560</u>	<u>\$ 8,550</u>	<u>\$ 132,628</u>	<u>\$ 428,446</u>	<u>\$ 4,120,138</u>
January 1	\$ 1,021,812	\$ 1,972,142	\$ 556,560	\$ 8,550	\$ 132,628	\$ 428,446	\$ 4,120,138
Additions	-	33,262	78,990	2,908	84,878	108,606	308,644
Transfer	-	11,213	71,163	-	(104,877)	22,501	-
Reclassification (Note 5)	-	(63,785)	-	-	-	-	(63,785)
Disposition	-	-	(39)	(581)	-	(4,701)	(5,321)
Depreciation expenses	-	(105,144)	(87,808)	(2,742)	-	(92,459)	(288,153)
Government grant (Note 2)	-	-	-	-	-	(2,333)	(2,333)
Net exchange differences	-	2,880	2,678	88	403	2,076	8,125
December 31	<u>\$ 1,021,812</u>	<u>\$ 1,850,568</u>	<u>\$ 621,544</u>	<u>\$ 8,223</u>	<u>\$ 113,032</u>	<u>\$ 462,136</u>	<u>\$ 4,077,315</u>
December 31							
Cost	\$ 1,021,812	\$ 3,577,674	\$ 1,610,150	\$ 41,681	\$ 113,032	\$ 1,372,199	\$ 7,736,548
Accumulated depreciation	-	(1,727,106)	(988,606)	(33,458)	-	(910,063)	(3,659,233)
	<u>\$ 1,021,812</u>	<u>\$ 1,850,568</u>	<u>\$ 621,544</u>	<u>\$ 8,223</u>	<u>\$ 113,032</u>	<u>\$ 462,136</u>	<u>\$ 4,077,315</u>

- Notes:
1. Please refer to Note 8 for the information on the property, plant, and equipment provided as collateral.
 2. When the Group obtains government subsidies for property, plant and equipment, it is debited to the carrying amount and recognized in profit or loss through a decrease in depreciation expenses over the useful life of the asset.
 3. The Group rented the land of No. 23, Xiangyang Rd., Taipei City from Jen-Chi Relief Institution; the lease term is from January 1, 2015 to December 31, 2024 with the rental of NTD 259 to NTD 322 paid by the month. The Group re-signed the lease contract in 2024, with a lease period from January 1, 2025 to December 31, 2029, and the rent of NTD 322 is paid on a monthly basis. According to contractual requirement, if the contract is not renewed at expiration, the construction on the lease land shall unconditionally be torn down and the land should be returned. As of December 31 2025, the remaining balance of depreciation of the construction amounted to NTD 47,148.
 4. In 2024, the Group subleased the buildings and structures it holds to others by nature of use and reclassified it to investment property for an amount of NTD 63,785.

(9) Lease transaction - lessee

1. Underlying assets leased by the Group include land lots, buildings, machinery and equipment, business vehicles, and office equipment, with lease terms generally ranging from one to fifty years. Lease agreements were negotiated individually with various terms and conditions. There are specific no restrictions specified, except that the leased assets cannot be used as loan guarantee.
2. Carrying amount and recognized amortization for right-of-use assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 47,128	\$ 50,969
Buildings	261,721	276,559
Machinery equipment	39,327	43,341
Delivery facilities (business vehicles)	5,795	4,430
Furniture and fixtures	<u>15,151</u>	<u>-</u>
	<u>\$ 369,122</u>	<u>\$ 375,299</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 3,874	\$ 4,000
Buildings	43,121	41,333
Machinery equipment	3,994	4,106
Delivery facilities (business vehicles)	4,088	2,740
Furniture and fixtures	<u>1,201</u>	<u>-</u>
	<u>\$ 56,278</u>	<u>\$ 52,179</u>

3. The Group's right-of-use assets in 2025 and 2024 increased by NTD 64,373 and NTD 41,247 respectively.
4. Profit and loss items relating to lease contracts:

	<u>2025</u>	<u>2024</u>
<u>Profit and loss items with current impacts</u>		
Interest expense on the lease liability	\$ 7,079	\$ 6,720
Low-value leases expense	2,086	7,212
Short-term lease expense	22,179	15,464
Income from sublease of right-of-use assets	215	-

5. The Group's total lease cash outflows were NTD 81,833 and NTD 75,907 in 2025 and 2024, respectively.

6. Options to extend lease

- (1) Options to extend lease term are included in land leases for office buildings, which have helped increase operation agility for the Group.
- (2) Upon determining lease term, the Group has factored in all facts and condition that would produce future economy incentives. Lease term will be reassessed in the case of significant events when the decision of whether to exercise the extension option or not exercise the termination option is affected.
- (3) Given the assessment of exercising an option to extend the lease, the right-of-use assets and lease liabilities increased by NTD 16,492 in both December 31, 2025 and 2024.

7. Sub-subsidiary, Suzhou Chung-Hua Chemical & Pharmaceutical has received a subsidy of NTD 110,460 (or CNY\$22,950 thousand) from the local government industrial funding, which was to reduce the cost of the rights to use land (recorded as long-term prepaid rent). The subsidy was then transferred to “right-of-use asset” in 2019 and will be recognized as depreciation expenses under profit and loss throughout the lease term.

8. As the Group has leased some buildings and is contractually obligated to dismantle, remove, or restore the location(s), the present value of the costs expected to be incurred in dismantling, removing, or restoring the location(s) was recognized in decommissioning liabilities as of December 31, 2025 and 2024. The decommissioning liabilities recognized by the Group totaled NTD 4,671 and NTD 4,604 (recognized in other non-current liabilities), and the amortized interest expense for the 2025 and 2024 were NTD 67 and NTD 66, respectively.

(10) Lease transaction - lessor

1. Underlying assets leased out by the Group include buildings, with lease terms generally of six years. The lease agreements were negotiated individually with various terms and conditions.
2. The Group leases out buildings under finance leases. According to the clauses of the lease agreements, the lease term covers the majority of the underlying assets' economic lives. Profit and loss items relating to lease contracts:

	<u>2025</u>	<u>2024</u>
Finance income from net investment in leases	<u>\$ 18</u>	<u>\$ -</u>

3. The maturity analysis of undiscounted lease payments leased by the Group under finance leases is as follows:

	<u>December 31, 2025</u>
No more than 1 year	\$ 743
More than 1 year but no more than 5 years	2,971
More than 5 years	<u>743</u>
Total	<u>\$ 4,457</u>

4. The information on the reconciliation of undiscounted lease payments leased by the Group under finance leases and the net investment in leases is as follows:

	December 31, 2025		December 31, 2024	
	Current	Non-Current	Current	Non-Current
Undiscounted lease payments	\$ 743	\$ 3,714	\$ -	\$ -
Unearned finance income	(96)	(222)	-	-
Net investment in leases	<u>\$ 647</u>	<u>\$ 3,492</u>	<u>\$ -</u>	<u>\$ -</u>

(11) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	\$ 82,671	\$ 34,071
Refundable deposits	75,600	55,993
Long-term pre-paid payment	-	36,856
Long-term prepayments	7,080	9,147
Prepaid intangible assets	102,090	99,210
Defined benefit assets	21,170	1,483
Other non-current assets- Other	9,060	26,104
Less: accumulated impairment	-	(30,747)
	<u>\$ 297,671</u>	<u>\$ 232,117</u>

(12) Short-term borrowings

	December 31, 2025	December 31, 2024
Financial institution loan		
Secured loans	\$ 1,084,000	\$ 681,000
Credit loan	<u>923,743</u>	<u>700,789</u>
	<u>\$ 2,007,743</u>	<u>\$ 1,381,789</u>
Interest rate collars	1.85%~2.545%	1.75%~2.545%

1. The interest expenses recognized in profit or loss for 2025 and 2024 were NTD 37,786 and NTD 31,508, respectively.
2. By December 31, 2025 and 2024, besides the short-term loan amount as stated in Note 8, the Group has issued cashier's checks, respectively, with NTD 2,541,410 and NTD 1,820,000 as collateral.

(13) Short-term notes payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commercial papers	\$ 380,000	\$ 89,000
Less: Discount of short-term notes and bills payable	<u>-</u>	<u>(8)</u>
	<u>\$ 380,000</u>	<u>\$ 88,992</u>
Interest rate collars	1.55%~1.82%	1.46%~1.72%

1. The interest expenses recognized in profit or loss for 2025 and 2024 were NTD 9,349 and NTD 11,098, respectively.
2. The short-term bill is guaranteed by the bills finance company and financial instrument which is issued for short-term capital use, by December 31, 2025 and 2024, the cashier's checks have been issued, respectively, with NTD 780,000 and NTD 821,000 as collateral for short-term bill receivable.

(14) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and bonus payables	\$ 346,293	\$ 360,451
Remuneration to employees and directors payable	69,403	65,000
Accrued expenses	186,523	216,097
Commission payable	54,380	49,290
Construction equipment amount payable	34,776	38,688
Other payables	<u>28,750</u>	<u>27,227</u>
	<u>\$ 720,125</u>	<u>\$ 756,753</u>

(15) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial institution loan		
Secured loans	\$ 240,800	\$ 395,500
Credit loan	<u>-</u>	<u>920,000</u>
	240,800	1,315,500
Less: long-term borrowing due within 12 months	<u>-</u>	<u>(25,200)</u>
	<u>\$ 240,800</u>	<u>\$ 1,290,300</u>
Interest rate collars	1.95%~2.01%	1.99%~2.01%

1. The interest expenses recognized in profit or loss for 2025 and 2024 were NTD 7,520 and NTD 14,922, respectively.

2. Repayment period for credit loans and secured loans from 2026 to 2029.
3. The detail for the unused loan amount of The Group is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating annual rate		
Maturing in one year or less	\$ 2,379,200	\$ 2,387,251
Mature beyond one year	<u>825,000</u>	<u>600,000</u>
	<u>\$ 3,204,200</u>	<u>\$ 2,987,251</u>

By December 31, 2025 and 2024, the cashier's checks have been issued, respectively, with NTD 720,0000 and NTD 1,310,000 as collateral for the long-term loan amounts as stated.

4. Please refer to Note 8 for description of collateral.

(16) Pension

1. (1) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the "Labor Standards Act", covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. When an employee meets the requirements of retirement, the payment of pension is based on service years and the average salary of the six months prior to retirement, with services within 15 years accumulating 2 basis points per year, and service years beyond 15 years accumulating 1 basis point per year up to a maximum of 45 basis points. The company and subsidiary companies provisions 2~6% of total monthly salary to the pension fund in the name of the Pension Supervisory Committee at the Bank of Taiwan. In addition, the Company and subsidiary have the labor pension reserve account balance referred to in the preceding paragraph estimated at the end of each fiscal year. If the account balance is insufficient to pay pension benefit to the employees who qualify for retirement within next year for the pension benefit calculated in the preceding paragraph, the Company and subsidiary will have the spread amount appropriated in a lump sum before the end of March next year.
- (2) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligations	(\$ 401,625)	(\$ 432,905)
The fair value of plan assets	<u>414,730</u>	<u>424,044</u>
	<u>\$ 13,105</u>	<u>(\$ 8,861)</u>
Net defined benefit liability (listing as non-liquidity liability)	(\$ 8,065)	(\$ 10,344)
Net defined benefit assets (listing as non-liquidity assets)	<u>21,170</u>	<u>1,483</u>
	<u>\$ 13,105</u>	<u>(\$ 8,861)</u>

(3) The changes in net defined benefit assets (liabilities) are as follows:

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit assets (liabilities)
2025			
Balance at January 1	(\$ 432,905)	\$ 424,044	(\$ 8,861)
Current service cost	(986)	-	(986)
Interest expenses (income)	(6,087)	5,963	(124)
	<u>(439,978)</u>	<u>430,007</u>	<u>(9,971)</u>
Revaluation amount:			
Plan assets	-	31,227	31,227
The effect of changes in financial assumptions	(502)	-	(502)
Experience adjustments	(13,506)	-	(13,506)
	<u>(14,008)</u>	<u>31,227</u>	<u>17,219</u>
The appropriation of pension fund	-	5,857	5,857
Pension payments	52,361	(52,361)	-
Balance at December 31	<u><u>(\$ 401,625)</u></u>	<u><u>\$ 414,730</u></u>	<u><u>\$ 13,105</u></u>
2024			
Balance at January 1	(\$ 473,305)	\$ 407,599	(\$ 65,706)
Current service cost	(1,437)	-	(1,437)
Interest expenses (income)	(5,188)	4,603	(585)
	<u>(479,930)</u>	<u>412,202</u>	<u>(67,728)</u>
Revaluation amount:			
Return on plan assets	-	37,324	37,324
Assumption of change in Influence value for demography.	(227)	-	(227)
The effect of changes in financial assumptions	1,006	-	1,006
Experience adjustments	(9,902)	-	(9,902)
	<u>(9,123)</u>	<u>37,324</u>	<u>28,201</u>
The appropriation of pension fund	-	14,098	14,098
Pension payments	56,148	(39,580)	16,568
Balance at December 31	<u><u>(\$ 432,905)</u></u>	<u><u>\$ 424,044</u></u>	<u><u>(\$ 8,861)</u></u>

- (4) The fund assets for defined benefit plan of the Company and its domestic subsidiaries are with entrusted management by Bank of Taiwan based on the investment program of the year to set the proportion of commission items and scope of amount, and in accordance with the items in Article 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (which means deposit in the financial institutions domestically and overseas, investment in the equity securities and real estate securitization products of public, public listed and private companies), the relevant operation is supervised by Labor Pension Fund Supervisory Committee. For the use of this fund, the minimum earnings distribution every year shall not be for an amount less than the income calculated in accordance with the local bank's two-year time deposit rate; also, the insufficient fund, if any, should be made up by the National Treasury with the approval of the competent authorities. Since the Company is not entitled to participating in the operation and management of the Fund, the classification of the fair value of plant asset cannot be disclosed in accordance with International Accounting Standards No. 19, paragraph 142. Please refer to the "Annual Labor Pension Fund Implementation Report" published by the government for the fair value of the total fund assets on December 31, 2025 and 2024.
- (5) Assumptions for the actuation of pension funds are summarized as follows:

	<u>2025</u>	<u>2024</u>
Discounted rate	<u>1.16%~1.20%</u>	<u>1.36%~1.42%</u>
Future salary increases rate	<u>1.00%</u>	<u>1.00%</u>

Future mortality assumptions are based on the sixth Taiwan Standard Ordinary Experience Life Table.

The present value of the defined benefit obligations affected by the changes in the actuarial assumptions is analyzed as follows:

	<u>Discounted rate</u>		<u>Future salary increases rate</u>	
	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>
December 31, 2025				
The impact on the present value of the defined benefit obligations	<u>(\$ 1,176)</u>	<u>\$ 1,345</u>	<u>\$ 1,333</u>	<u>(\$ 1,183)</u>
December 31, 2024				
The impact on the present value of the defined benefit obligations	<u>(\$ 1,440)</u>	<u>\$ 1,581</u>	<u>\$ 1,579</u>	<u>(\$ 1,452)</u>

The sensitivity analysis referred to above is based on the impact of the changes in one single hypothesis while other assumptions remain unchanged. In practice, many changes in assumptions may be mutually interactive. The sensitivity analysis is consistent with the method adopted for calculating the net pension liability on the balance sheet.

- (6) The Group has appropriated NTD 2,322 to the pension plan in 2026.
- (7) As of December 31, 2025, the weighted average duration of the pension plan was for 1 years.

2. (1) Since July 1, 2005, the company and domestic subsidiaries have established definitive provision pension scheme for employees with Taiwan nationality in accordance with the “Labor Pension Act”. The Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the “Labor Pension Act” covering all regular employees. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to an employee’s individual pension account at the Bureau of Labor Insurance. The payment of pension benefits is based on an employee’s individual pension fund account and the cumulative profit in such account, and employees can choose to receive such pension benefits monthly or in one lump sum.
- (2) In terms of the pension insurance system of the SCCPC regulated by the government of the People's Republic of China, pension insurance premiums based on a certain percentage of the total salary of local employees are appropriated every month. The ratio are 16% for the years 2025 and 2024. The pension of each employee is arranged by the government. The Group has no further obligations other than appropriating the pension each month.
- (3) For 2025 and 2024, the net pension cost recorded by the company according to the above mentioned pension plans are NTD 103,791 and NTD 98,461 respectively.
- (17) Share-based payment

1. The Group's share-based payment arrangement for 2025 is as follows:

Type of arrangement	Grant date	Amount granted (thousand shares)	Contract term	Vesting conditions
New restricted employee shares plan - A	2025.8.8	725	3 year	Note

New restricted employee shares issued by the Group shall be transferred during the vesting period, and they shall not participate in or obtain the following related options before the vesting conditions are met, including but not limited to the right to receive dividends, bonuses, capital reserves, and cash capital increase warrants. If an employee resigns or dies, the new restricted employee shares not yet vested shall be deemed not to meet the vesting conditions on the effective date of resignation or the date of death. The Group will recall the shares without consideration and cancel them.

Note: A portion of the new restricted employee shares vests immediately at 33% after one or two years of service, while the remaining 34% vests after three years of service. The proportion of vested shares is calculated once every three years after the grant. The proportion of vested shares is calculated based on the achievement of the Company’s operating performance indicators.

2. Details of the abovementioned share-based payment arrangement are as follows (unit: thousand shares):

	2025	2024
Number of outstanding shares as of January 1	-	-
Number of shares granted in the period (Note)	725	-
Number of outstanding shares as of December 31	725	-

Note: The fair value of the new restricted employee shares granted in the current period was measured at the stock closing price on the grant date, August 8, 2025.

3. The share-based payment transactions granted by the Group on the grant date adopted the stock price on the grant date less the performance price to estimate the fair value of stock options; the relevant information is as follows:

Type of arrangement	Grant date	Amount granted (thousand shares)	Stock price (NTD)	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NTD)
New restricted employee shares plan - A	2025.8.8	725	34.4	-	-	3 year	-	-	34.4

4. The expenses incurred from share-based payment transactions were as follows:

	2025	2024
New restricted employee shares	\$ 4,860	\$ -

(18) Capital stock

1. On September 2, 2024, the Company acquired 100% of the equity of CCPC by 0.5 shares of the Company for every 1 share of CCPC. As of December 31, 2025, the Company's authorized capital was NTD 5,000,000, and the actual number of common shares issued was 149,766 thousand shares (including 725 thousand new restricted employee shares), with a paid-in capital of NTD 1,497,656 and a par value of NTD 10 per share.
2. The Company's Board of Directors resolved on August 8, 2025 to issue 725 thousand new restricted employee shares. The base date for the issuance of new shares is August 8, 2025, and the subscription price per share is NTD 0. Except for restricted share transfer rights and the absence of dividend entitlement, the remaining rights and obligations of the common shares under the current issuance are equivalent to those of the issued common shares when employees fulfill the vesting conditions.
3. The beginning and ending outstanding shares for the financial statements for the comparative period of the Company for 2025 and 2024 is as follows: (Unit: thousand shares)

	2025	2024
January 1	148,514	297,253
Repurchase of treasury stock	(3,098)	(129)
Sale of treasury stock	-	16
Conversion effect of share swap agreement	-	(148,626)
Issuance of new restricted employee shares	725	-
December 31	146,141	148,514

4. As of December 31, 2025 and 2024, the associates of the Company held 21,027 thousand shares of the Company and CCPC (prior to the share swap).
5. The Company's recovery of treasury stocks is as follows:

		December 31, 2025	
Name of holding company	Reasons for recovery	Number of shares (thousand shares)	Book value
Subsidiaries- Tairung Development Co., Ltd.	Long-term investment	414	\$ 28,054
The Company	Transfer of shares to employees (Note)	3,211	118,577

		December 31, 2024	
Name of holding company	Reasons for recovery	Number of shares (thousand shares)	Book value
Subsidiaries- Tairung Development Co., Ltd.	Long-term investment	414	\$ 28,054
The Company	Transfer of shares to employees	113	4,250

Note: The Company's Board of Directors resolved to buy back treasury shares and transfer shares to employees on August 8, 2025, April 9, 2025 and December 26, 2024, respectively. The buyback period expired on October 9, 2025, June 9, 2025, and February 26, 2025. During the fourth quarter of 2025, 3,098 thousand shares were repurchased for a total of NTD 114,327 thousand.

- (1) According to the Securities and Exchange Act, the percentage of shares repurchased by the Company shall not exceed 10% of the total number of issued shares, and the total amount of the repurchase shall not exceed the sum of retained earnings plus the premium of issued shares and the realized capital reserve.
 - (2) The treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer in accordance with the Securities and Exchange Act.
 - (3) According to the Securities and Exchange Act, the shares repurchased for transfer to employees should be transferred within five years from the date of repurchase. If the shares are not transferred after the expiration date, they should be deemed unissued shares of the Company and canceled for the change of registration.
6. On March 6, 2025, the Company's Board of Directors initially resolved to issue common shares or domestic convertible bonds (including secured or unsecured convertible bonds) through private placement. The actual number of shares to be issued or issuable upon conversion is proposed to be authorized by the shareholders' meeting to the Board of Directors, which shall determine the issuance based on capital market conditions, within a limit not exceeding 20% of the total number of issued shares (i.e., not exceeding 29,953,122 shares). On March 5, 2026, the Board of Directors resolved not to proceed with the aforementioned proposal and, at the same meeting, approved a new private placement of common shares or domestic convertible bonds (including secured or unsecured convertible

bonds) under the same terms and conditions. As of March 30, 2026, the shareholders' meeting has not yet approved the private placement proposal for the current year.

(19) Capital surplus

	2025					
	Issuance premium	Treasury stock trade	New restricted employee shares	Others		
				Difference between the actual acquisition or disposal of equity interest in a subsidiary and its book value	Changes in the ownership equity on a subsidiary	Changes in net equity of affiliated enterprises
January 1	\$ 5,901,560	\$ 68,087	\$ -	\$ 112	\$ 1,844	\$ -
Cash dividends which Subsidiary obtained from the Parent company	-	302	-	-	-	-
Share of changes in affiliated companies and joint ventures accounted for using the equity method	-	-	-	-	-	7,606
New restricted employee shares	-	-	17,692	-	-	-
Distribution of cash from capital reserve	(89,356)	-	-	-	-	-
December 31	<u>\$ 5,812,204</u>	<u>\$ 68,389</u>	<u>\$ 17,692</u>	<u>\$ 112</u>	<u>\$ 1,844</u>	<u>\$ 7,606</u>

	2024				
	Issuance premium	Treasury stock trade	Others		
			Difference between the actual acquisition or disposal of equity interest in a subsidiary and its book value	Changes in the ownership equity on a subsidiary	
January 1	\$ 578,416	\$ 67,842	\$ -	\$ 1,844	
Disposal of treasury stock	-	(51)	-	-	
Difference between the actual acquisition or disposal of equity interest in a subsidiary and its book value	-	-	112	-	
Cash dividends which Subsidiary obtained from the Parent company	-	296	-	-	
Conversion effect of share swap agreement	5,323,144	-	-	-	
December 31	<u>\$ 5,901,560</u>	<u>\$ 68,087</u>	<u>\$ 112</u>	<u>\$ 1,844</u>	

1. According to the IFRS Q&A set and Letter (100) Ji-Mi-Zi No. 390 issued by the

Accounting Research and Development Foundation dated October 26, 2018, the share exchange transaction between the CCPC on September 2, 2024 was deemed a reorganization under joint control. The Company is a continuation of the CCPC. The Company has reclassified the equity items related to the reorganization of assets and liabilities to the original amount, and the balance of the equity items exceeding the Company's newly issued capital stock and the aforementioned equity items to be deferred are adjusted to increase capital surplus.

2. According to the Company Act, capital reserves from premium income for issuing shares over face values and gift income, not only can offset losses, it can also issue new shares or cash according to the original shareholding when there is no accumulated losses in the company. According to the Securities Transactions Act and its related rules, where capital reserve is applied to supplement capital as above, the total amount cannot exceed 10% of the paid up capital. When the retained earnings of a company is not enough to offset capital losses, the capital reserves cannot be applied.

(20) Retained earnings

1. According to the Articles of Incorporation of the Company, the dividend policy is planned in consideration of the future capital requirements and long-term financial arrangement and to meet the requirement of cash inflow by the shareholders, if there are any earnings in the general annual report, the tax should be paid firstly and make up for the previous annual losses, then allocate 10% as legal reserve and special reserve based on the regulations, if any earnings are still available, accumulated with the undistributed earnings from the previous year as profit available for distribution, to reserve according to the sales with discretion, and allocate bonus to shareholders, of which the cash dividends shall not be less than 50% of the shareholder bonus and if the cash dividend is less than NTD 0.1, the stock dividends will be issued instead.
2. Legal earnings reserves can only be applied to offset company losses or issue new shares or cash according to the original shareholding ratio, and nothing else. When it is applied to new share or cash issues, the reserve shall exceed 25% of the paid-up capital.
3. (1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance of 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.
(2) As stated in Note 6(17), the Company is a continuation of the CCPC. When it first adopted IFRSs, the Financial Supervisory Commission (FSC) issued Jin-Guan-Zheng-FA-Zi No. 1010012865. On April 6, 2012, which the Company adopts hereafter to implement, the disposal or reclassification of relevant assets is reversed by the proportion of the special earned surplus as initially recognized. If the relevant assets previously stated are investment real properties, any reversal with disposal or reclassification applies to those classified as land. For assets other than land, reversals should occur gradually while they are in use.
4. Upon the resolution made by the shareholders on May 27, 2025 and May 28, 2024, the disposition of earnings of the Company for 2024 and 2023 are as follows.

	2024		2023	
	Amount	Dividends per share (\$)	Amount	Dividends per share (\$)
Legal reserve	\$ 11,362	-	\$ 34,383	-
Special reserve	33,809	-	-	-
Cash dividends	59,571	0.4	149,041	0.5
	<u>\$ 104,742</u>		<u>\$ 183,424</u>	

5. On May 27, 2025, the Company's shareholders meetings' resolved to distribute cash of NTD 0.6 per share from capital surplus, totaling NTD 89,356.
6. The Board of Directors proposed in their meeting on March 5, 2026 to appropriate the 2025 earnings as follows:

	2025	
	Amount	Dividends per share (\$)
Legal reserve	\$ 24,361	-
Cash dividends	145,830	1.0
	<u>\$ 170,191</u>	

As of March 30, 2026, the shareholders' meeting has not yet resolved the abovementioned earnings distribution proposal for 2025.

The relevant information about the disposition of earnings as above stated which decided by the shareholders can be inquired on the "Market observation post system" of Taiwan Stock Exchange Corporation.

(21) Other equity

	2025			
	Unrealized loss of profit valuation	Foreign- currency translations	Unearned Employee Compensation	Total
January 1	(\$ 137,597)	(\$ 85,170)	\$ -	(\$ 222,767)
Evaluation adjustment:				
- Group	(11,713)	-	-	(11,713)
- Affiliated enterprises	(525)			(525)
- Valuation adjustment changes to retained earnings	78,193	-	-	78,193
Foreign currency translation differences:				
- Group	-	2,491	-	2,491
- Tax of the group	-	(498)	-	(498)
- Affiliated enterprises	-	1,061	-	1,061
Issuance of restricted new stocks	-	-	(24,943)	(24,943)
Cost of share-based remuneration	-	-	4,860	4,860
December 31	<u>(\$ 71,642)</u>	<u>(\$ 82,116)</u>	<u>(\$ 20,083)</u>	<u>(\$ 173,841)</u>

	2024		
	Unrealized loss of profit valuation	Foreign-currency translations	Total
January 1	(\$ 30,507)	(\$ 116,566)	(\$ 147,073)
Evaluation adjustment:			
- Group	(146,626)	-	(146,626)
- Affiliated enterprises	(1,731)	-	(1,731)
- Valuation adjustment changes to retained earnings	41,267	-	41,267
Foreign currency translation differences:			
- Group	-	40,304	40,304
- Tax of the group	-	(8,061)	(8,061)
- Affiliated enterprises	-	(847)	(847)
December 31	<u>(\$ 137,597)</u>	<u>(\$ 85,170)</u>	<u>(\$ 222,767)</u>

(22) Operating revenues

	2025	2024
Revenue from sales contract	\$ 8,396,612	\$ 8,762,235
Revenue from labor service contract	173,501	156,659
	<u>\$ 8,570,113</u>	<u>\$ 8,918,894</u>

1. Subdivision of the revenue from contracts with customers

The Group generates revenue by transferring products and labor services to customers either at a point in time or over time. Revenue details are listed as follows:

	2025	Taiwan	China	Other regions	Total
Sales contract	\$ 6,507,936	\$ 1,537,939	\$ 350,737	\$ 8,396,612	
Labor service contract	173,272	229	-	173,501	
	<u>\$ 6,681,208</u>	<u>\$ 1,538,168</u>	<u>\$ 350,737</u>	<u>\$ 8,570,113</u>	
	2024	Taiwan	China	Other regions	Total
Sales contract	\$ 6,355,120	\$ 2,101,850	\$ 305,265	\$ 8,762,235	
Labor service contract	155,813	846	-	156,659	
	<u>\$ 6,510,933</u>	<u>\$ 2,102,696</u>	<u>\$ 305,265</u>	<u>\$ 8,918,894</u>	

2. Contractual liability

The contractual liability relating to the contract with a customer which The Group recognizes is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contractual liability- Sales contract of medicine	\$ 39,937	\$ 31,026	\$ 47,929

3. Current income recognized from beginning lease liability in the year of 2025 and 2024 were NTD 15,699 and NTD 40,075, respectively.

4. The refund liability which The Group recognized for some goods with right of return is as follows:

	2025	2024
January 1	\$ 94,638	\$ 81,085
Increase of the current period	2,127	44,318
Used in the current period	(38,059)	(30,765)
December 31	\$ 58,706	\$ 94,638

(23) Interest income

	2025	2024
Interest from bank deposits	\$ 2,143	\$ 2,286
The interest revenue of financial assets at amortized cost	2,541	2,762
Other interest incomes	5,830	5,512
	\$ 10,514	\$ 10,560

(24) Other income

	2025	2024
Rent revenue	\$ 6,575	\$ -
Dividend income	2,280	12,913
Grant income	17,467	20,803
Other Revenue- other	69,834	44,446
	\$ 96,156	\$ 78,162

(25) Other profits and losses

	<u>2025</u>	<u>2024</u>
Gain in disposal of real estate, plant buildings, equipment & facilities	\$ 1,213	\$ 1,128
Gain on sublease of right-of-use asset	215	-
Net foreign exchange loss	(4,822)	(5,410)
Gain in financial assets at fair value through profit and loss	-	815
Depreciation of investment property	(3,257)	(3,309)
Others	<u>(3,787)</u>	<u>-</u>
	<u>(\$ 10,438)</u>	<u>(\$ 6,776)</u>

(26) Employees' welfare and depreciation, amortization expenses

Functionality Characteristics	2025		
	Allocated as operating cost	Attributable to operating expenses	Total
Employee benefits expenses			
Salaries and wages	\$ 653,712	\$ 1,121,316	\$ 1,775,028
Cost of share-based remuneration	587	4,273	4,860
Labor insurance and national health insurance	69,752	90,921	160,673
Pension expenses	40,931	63,970	104,901
Other employee benefits expenses	45,435	71,473	116,908
Depreciation expenses	224,498	112,022	336,520
Amortization expenses	788	6,558	7,346

Functionality Characteristics	2024		
	Allocated as operating cost	Attributable to operating expenses	Total
Employee benefits expenses			
Salaries and wages	\$ 644,610	\$ 1,102,910	\$ 1,747,520
Labor insurance and national health insurance	64,053	85,242	149,295
Pension expenses	39,421	61,062	100,483
Other employee benefits expenses	53,888	68,006	121,894
Depreciation expenses	227,434	112,898	340,332
Amortization expenses	640	10,479	11,119

1. According to the Articles of Incorporation as amended by the Company's shareholders' meeting on May 27, 2025, if a balance remains after deducting accumulated losses from the current year's profit, 1% to 15% of the balance shall be appropriated as remuneration

to employees, and no more than 3% as remuneration to directors. Of the employee remuneration, no less than 10% shall be allocated to entry-level employees.

2. (1) The estimated amount of employee remuneration from 2025 and September 2, 2024 to December 31, 2024 were NTD 17,003 and NTD 5,328, respectively; the estimated amount of director remuneration were NTD 7,000 and NTD 2,417, respectively. The aforementioned amount was recorded in the account of salary expense.
 - (2) The estimated recognition of 2025 is based on the profitability of the year, of which 5.28% for employee bonus and 2.17% for the bonus of the members of the board. The amounts distributed, per the resolution of the Board of Directors, were NTD 17,003 and NTD 7,000, of which employee remuneration will be distributed in cash.
 - (3) The estimated amount of remuneration to employees, from September 2, 2024 (the date of establishment) to December 31, 2024, was NTD 5,328, while the estimated amount of remuneration to directors was NTD 2,417, as resolved by the Board of Directors, and the amounts were the same as the amounts reported in the 2024 financial statements; the distributions were made in 2025.
3. Information on the employee and remuneration for directors as approved by the board of directors can be found on the Market Observation Post System.

(27) Financial costs

	2025	2024
Interest expenses:		
Bank loan	\$ 54,690	\$ 57,504
Non-financial institution loan	13	5
Interest expense on the lease liability	7,079	6,720
Interest expense on decommissioning liabilities	67	66
	\$ 61,849	\$ 64,295

(28) Income tax

1. Income tax expenses

(1) Components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current income tax:		
Current income tax	\$ 103,743	\$ 62,505
Additional levy on undistributed earnings	4,212	4,863
Underestimated (overestimated) income tax in prior periods	<u>15,379</u>	<u>(452)</u>
Total Current income tax	<u>123,334</u>	<u>66,916</u>
Deferred income tax:		
Origin and reversal of temporary differences	<u>(4,248)</u>	<u>(146)</u>
Total deferred income tax	<u>(4,248)</u>	<u>(146)</u>
Income tax expenses	<u>\$ 119,086</u>	<u>\$ 66,770</u>

(2) Income tax amounts relating to other comprehensive profit and loss:

	<u>2025</u>	<u>2024</u>
Exchange differences in overseas operating institutions	\$ 498	(\$ 8,061)
Defined benefit obligation revaluation amount and volume	<u>3,445</u>	<u>(5,641)</u>
Income tax expenses	<u>\$ 3,943</u>	<u>(\$ 13,702)</u>

2. Relationship between income tax expense and accounting profit:

	<u>2025</u>	<u>2024</u>
Income tax derived by applying the statutory tax rate to pre-tax net profit	\$ 83,715	\$ 78,984
Income effects of excluded items according to the Income Tax Law	8,199	(17,615)
The realized evaluation change of deferred income tax assets	9,180	5,281
Additional levy on undistributed earnings	4,212	4,863
Income tax effect of investment credit	(7,321)	(4,291)
Underestimated (overestimated) income tax in prior periods	15,379	(452)
Income tax effect of the alternative minimum tax	<u>5,722</u>	<u>-</u>
Income tax expenses	<u>\$ 119,086</u>	<u>\$ 66,770</u>

3. Deferred income tax assets or liabilities arising from temporary differences and tax loss:

	2025				
	January 1	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Net exchange differences	December 31
Deferred income tax assets:					
-Timing difference:					
Inventory valuation and obsolescence losses	\$ 17,028	(\$ 3,157)	\$ -	(\$ 72)	\$ 13,799
Gross profit influence of sales discounts and allowances	26,124	2,915	-	-	29,039
Gross profit influence of sales return	6,323	(2,587)	-	-	3,736
Transfinite number of allowance for doubtful accounts loss	10,946	(1,716)	-	23	9,253
Unrealized gross profit	24,864	3,229	-	-	28,093
Unrealized expense	20,264	(8,040)	-	61	12,285
Net determined benefit liability	9,048	(50)	-	-	8,998
Investment loss of equity method	25,669	2,865	-	-	28,534
Impairment loss	6,139	-	-	-	6,139
Depreciation on class of real property, plant and facility.	1,664	1,459	-	58	3,181
Government grant income	17,985	(709)	-	27	17,303
Defined benefit obligation revaluation amount and volume	11,815	-	(3,445)	-	8,370
Translation adjustment of the foreign operation	11,347	-	(498)	-	10,849
Others	2,175	15	-	-	2,190
Tax loss	22,654	7,112	-	141	29,907
Subtotal	<u>\$ 214,045</u>	<u>\$ 1,336</u>	<u>(\$ 3,943)</u>	<u>\$ 238</u>	<u>\$ 211,676</u>
- Deferred income tax liabilities:					
Unrealized exchange gain	(\$ 5,319)	(\$ 2,593)	\$ -	\$ -	(\$ 7,912)
Income of investment under the equity method	(77,201)	5,737	-	-	(71,464)
Revaluation increment of land	(65,411)	-	-	-	(65,411)
Net determined benefit liability	(8,360)	(232)	-	-	(8,592)
Subtotal	<u>(\$ 156,291)</u>	<u>\$ 2,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 153,379)</u>
Total	<u>\$ 57,754</u>	<u>\$ 4,248</u>	<u>(\$ 3,943)</u>	<u>\$ 238</u>	<u>\$ 58,297</u>

	2024				
	January 1	Recognized in the profit or loss	Recognized in the other comprehensiv e profit of loss	Net exchange differences	December 31
Timing difference:					
- Deferred income tax assets:					
Inventory valuation and obsolescence losses	\$ 18,529	(\$ 1,685)	\$ -	\$ 184	\$ 17,028
Gross profit influence of sales discounts and allowances	25,081	1,043	-	-	26,124
Gross profit influence of sales return	5,483	840	-	-	6,323
Transfinite number of allowance for doubtful accounts loss	11,370	(434)	-	10	10,946
Unrealized gross profit	28,930	(4,066)	-	-	24,864
Unrealized expense	23,337	(3,500)	-	427	20,264
Net determined benefit liability	9,909	(861)	-	-	9,048
Investment loss of equity method	24,694	975	-	-	25,669
Impairment loss	6,139	-	-	-	6,139
Depreciation on class of real property, plant and facility.	3,437	(1,881)	-	108	1,664
Government grant income	17,694	(326)	-	617	17,985
Defined benefit obligation revaluation amount and volume	17,456	-	-(5,641)	-	11,815
Translation adjustment of the foreign operation	19,408	-	-(8,061)	-	11,347
Others	2,354	(184)	-	5	2,175
Tax loss	6,688	15,684	-	282	22,654
Subtotal	<u>\$220,509</u>	<u>\$ 5,605</u>	<u>(\$ 13,702)</u>	<u>\$ 1,633</u>	<u>\$ 214,045</u>
- Deferred income tax liabilities:					
Unrealized exchange gain	(\$ 4,109)	(\$ 1,210)	\$ -	\$ -	(\$ 5,319)
Income of investment under the equity method	(74,553)	(2,648)	-	-	(77,201)
Revaluation increment of land	(65,411)	-	-	-	(65,411)
Net determined benefit liability	<u>(6,759)</u>	<u>(1,601)</u>	<u>-</u>	<u>-</u>	<u>(8,360)</u>
Subtotal	<u>(\$150,832)</u>	<u>(\$ 5,459)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$156,291)</u>
Total	<u>\$ 69,677</u>	<u>\$ 146</u>	<u>(\$ 13,702)</u>	<u>\$ 1,633</u>	<u>\$ 57,754</u>

4. The relevant amounts of the validity period for the unused tax loss and unrecognized deferred income tax assets are as follows:

December 31, 2025				
Occurrence year	Declared amount / verified amount	Non-deducted amount	Unrecognized deferred income tax assets	Final credit year
2015	Verified amount	\$ 42,789	\$ 42,789	2025
2016	Verified amount	14,030	14,030	2026
2017	Verified amount	9,951	9,951	2027
2018	Verified amount	8,810	8,810	2028
2021	Verified amount	50	50	2031
2022	Verified amount	6,184	6,184	2032
2023	Verified amount	8,399	8,399	2033
2024	Declared amount	45,537	17,347	2034
2025	Estimated figure	<u>23,687</u>	<u>9,674</u>	2035
		<u>\$ 159,437</u>	<u>\$ 117,234</u>	

December 31, 2024				
Occurrence year	Declared amount / verified amount	Non-deducted amount	Unrecognized deferred income tax assets	Final credit year
2015	Verified amount	\$ 42,789	\$ 42,789	2025
2016	Verified amount	14,030	14,030	2026
2017	Verified amount	9,951	9,951	2027
2018	Verified amount	8,810	8,810	2028
2021	Verified amount	50	50	2031
2022	Verified amount	6,184	6,184	2032
2023	Declared amount	19,463	19,463	2033
2024	Estimated figure	<u>46,977</u>	<u>18,554</u>	2034
		<u>\$ 148,254</u>	<u>\$ 119,831</u>	

5. The amounts of the unused tax losses of subsidiary, Suzhou Chung-hwa Chemical & Pharmaceutical Industrial Co., Ltd., before the deadline are as follows:

December 31, 2025			
Occurrence year	Non-deducted amount	Amount of unrecognized deferred income tax assets	Final credit year
2023	\$ 113,123	\$ -	2028
2024	<u>17,361</u>	<u>-</u>	2029
	<u>\$ 130,484</u>	<u>\$ -</u>	

December 31, 2024

Occurrence year	Non-deducted amount	Amount of unrecognized deferred income tax assets	Final credit year
2023	\$ 113,123	\$ -	2028

6. Deductible temporary differences not recognized as deferred tax assets:

	December 31, 2025	December 31, 2024
Deductible temporary differences	<u>\$ 84,013</u>	<u>\$ 85,443</u>

7. As the Company was established on September 2, 2024, no profit-seeking enterprise income tax had been approved. The filings of profit-seeking enterprise business income tax returns of the remaining domestic subsidiaries of the Group had been certified by the tax authority up to 2023.

(29) Earnings per share

	2025		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to the parent company's common stock shareholders	<u>\$ 300,070</u>	<u>125,484</u>	<u>\$ 2.39</u>
<u>Diluted earnings per share</u>			
Net income attributable to the parent company's common stock shareholders	\$ 300,070	125,484	
The impact of potential diluting common stock: remuneration to employees	-	467	
New restricted employee shares	-	125	
Net income attributable to the parent company and impact of potential common stock	<u>\$ 300,070</u>	<u>126,076</u>	<u>\$ 2.38</u>

	2024		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to the parent company's common stock shareholders	\$ 317,348	127,565	\$ 2.49
<u>Diluted earnings per share</u>			
Net income attributable to the parent company's common stock shareholders	\$ 317,348	127,565	
The impact of potential diluting common stock: remuneration to employees	-	247	
Net income attributable to the parent company and impact of potential common stock	\$ 317,348	127,812	\$ 2.48

(30) Supplementary information about the cash flows

1. Investing activities partially funded with cash:

	2025	2024
Purchase of property, plant, and equipment	\$ 159,833	\$ 308,644
Less: Prepayments for equipment at the beginning of the period (recognized as other non-current assets)	(34,071)	(36,702)
Add: Outstanding payments for equipment at the end of the period (recognized in other non-current liabilities)	82,671	34,071
Add: Construction and equipment payable at the beginning of the period (recognized in other payables)	38,688	49,842
Less: Construction and equipment payable at the Ending of the period (recognized in other payables)	(34,776)	(38,688)
Add: Long-term payables for construction and prepayments for business at the beginning of the period (recognized in other non-current liabilities)	8,299	8,787
Less: Long-term payables for construction and prepayments for business at the end of the period (recognized in other non-current liabilities)	(7,160)	(8,299)
Less: Deferred government grants	(2,460)	(2,333)
Cash Paid for the Period	<u>\$ 211,024</u>	<u>\$ 315,322</u>

(31) Changes in liability from financial activities.

	Shot-term borrowings	Short-term notes payable	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financial activities.
January 1, 2025	\$ 1,381,789	\$ 88,992	\$ 1,315,500	\$ 354,275	\$ 28,575	\$ 3,169,131
Borrowing/ Increase	2,103,148	708,008	283,000	64,373	-	3,158,529
Repayment/ Payment	(1,477,194)	(417,000)	(1,357,700)	(50,489)	(9,444)	(3,311,827)
Changes from non-cash items	-	-	-	(10,608)	-	(10,608)
Changes in exchange rate	-	-	-	4	80	84
December 31, 2025	<u>\$ 2,007,743</u>	<u>\$ 380,000</u>	<u>\$ 240,800</u>	<u>\$ 357,555</u>	<u>\$ 19,211</u>	<u>\$ 3,005,309</u>

	Shot-term borrowings	Short-term notes payable	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financial activities.
January 1, 2024	\$ 1,519,513	\$ 110,884	\$ 1,449,000	\$ 358,343	\$ 19,566	\$ 3,457,306
Borrowing/ Increase	1,967,193	899,500	1,220,000	41,247	8,517	4,136,457
Repayment/ Payment	(2,104,917)	(921,392)	(1,353,500)	(46,511)	(76)	(4,426,396)
Changes in exchange rate	-	-	-	1,196	568	1,764
December 31, 2024	<u>\$ 1,381,789</u>	<u>\$ 88,992</u>	<u>\$ 1,315,500</u>	<u>\$ 354,275</u>	<u>\$ 28,575</u>	<u>\$ 3,169,131</u>

7. Related party transactions

(1) Name and relationship of related parties

Name	Relationship with the Group
Chunghwa Chemical Synthesis & Biotech Co., Ltd. (CCSB)	Associate of The Group
Sino-Japan Chemical Co., Ltd. (Sino-Japan Chemical)	Associate of The Group
PHERMPEP CO., LTD. (PHERMPEP)	Associate of The Group
Wuxi Jirui Medical Technology Co., Ltd. (Wuxi Jirui)	Associate of The Group
Trium Therapeutics Co., Ltd.(Trium)	The Group's joint venture (Note)
HU-YU CO., LTD (HU-YU)	The individual controlled by major management team of The Group
Markart Enterprise Co., Ltd. (Markart)	The individual controlled by major management team of The Group
Sela Holdings Inc.	The individual controlled by major management team of The Group
Cafe Warm Up Occupational Therapy Center (Cafe Warm Up)	Other related parties
Wang Hsieh Yi-Chen	Major management team of The Group

Note: Discontinued on May 24, 2024.

(2) Major transactions with related parties

1. Operating revenues

	<u>2025</u>	<u>2024</u>
Merchandising:		
One of the individuals controlled by the major management team		
– HU-YU	\$ 179,566	\$ 182,780
– Markart	48	-
Affiliated enterprises	<u>3,441</u>	<u>2,637</u>
	<u>\$ 183,055</u>	<u>\$ 185,417</u>

- (1) The transaction price for the joint replacement products that CCPC sells is made by the individual controlled by the major management team based on the import cost plus 4%. Due to the industry peculiarities, the payment is Net 240 days which is longer than the general transactions.
- (2) The payment term of The Group for general customers is 120 days to 180 days. Except for the previous statement, the payment term and transaction price for related party is relevant to customers at the same level, however, part of the payment is still being delayed.

2. Purchases

	<u>2025</u>	<u>2024</u>
Purchase of goods:		
Affiliated enterprises	<u>\$ 37,726</u>	<u>\$ 34,877</u>

The purchase from The Group to the related party is based on the general commercial conditions, and the payment is 3~4 months with remittance after purchasing. However, part of payment is still delayed.

3. Accounts receivable and notes

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable and notes:		
The individual controlled by major management team- HU-YU	\$ 186,572	\$ 244,420
Affiliated enterprises	<u>15</u>	<u>31</u>
	186,587	244,451
Less: Allowance for losses	<u>(28,676)</u>	<u>(36,663)</u>
Total	<u>\$ 157,911</u>	<u>\$ 207,788</u>

- (1) In general, the Company grants payment periods ranging from 120 days to 180 days for general customers, and 240 days for individual entities controlled by the key management. For financial instruments dated beyond the aforementioned payment period, the Board resolved to treat as loans, and has been recognized as “other receivables -related parties”. These loans are accompanied by the letter of surety issued by the Chairman of the Company. For additional information, refer to Note 7 (2) 5 (1), “entities controlled by key management”.
- (2) Account and note receivables as of December 31, 2025 and 2024 were from related party. Account receivables (including note receivables) and the associated allowed made stood at NTD 240,820 and NTD 36,122, respectively, on January 1, 2024.
- (3) The exposure amounts of the maximum credit risk which can represent the accounts receivable and bill receivable of the Group to the related parties without considering the possessed collateral or other credit enhancement conditions on December 31, 2025 and 2024 are its book amount.
- (4) The aging analysis of accounts receivable and bill receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not-overdue	\$ 48,422	\$ 109,932	\$ 22,184	\$ 97,288
Overdue within 1-90 days	-	28,233	-	54,776
Overdue within 91-180 days	-	-	-	70,203
	\$ 48,422	\$ 138,165	\$ 22,184	\$ 222,267

4. Accounts payable

	December 31, 2025	December 31, 2024
Accounts payable:		
Affiliated enterprises	\$ 9,297	\$ 14,412

The purchase from The Group to the related party is based on the general commercial conditions, and the payment is 3~4 months with remittance after purchasing. However, part of payment is still delayed.

5. Other receivables

(1) A. Related party of the loan funds

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The individual controlled by major management team- HU-YU		
Overdue accounts receivable and notes receivable transferred to other receivables	\$ 129,356	\$ 159,342
Financing amount receivable	<u>91,500</u>	<u>101,000</u>
	220,856	260,342
Less: Allowance for losses	<u>(31,882)</u>	<u>(23,901)</u>
	<u>\$ 188,974</u>	<u>\$ 236,441</u>

B. Interest income

	<u>2025</u>	<u>2024</u>
The individual controlled by major management team- HU-YU	<u>\$ 5,665</u>	<u>\$ 5,496</u>

(2) Interest receivable, rent receivable, labor service and collection and payment transfer.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The individual controlled by major management team- HU-YU	\$ 378	\$ -
Affiliated enterprises	<u>7</u>	<u>9</u>
	<u>\$ 385</u>	<u>\$ 9</u>

6. Acquisition of financial assets

			<u>2025</u>	
	<u>Account titles in book</u>	<u>Number of shares</u>	<u>Object of transaction</u>	<u>Prices of acquirements</u>
Affiliate -Wuxi Jirui Medical Technology Co., Ltd.	Investment under the equity method	-	Wuxi Jirui Medical Technology Co., Ltd.	<u>\$ 463</u>

2024: Not applicable.

7. Disposal of financial assets

			<u>2024</u>		
	Account titles in book	Number of shares traded (thousand shares)	Object of transaction	Proceeds from disposals	Disposal (Loss) gain
Joint venture- Trium	Investment accounted for under the equity method	8,000	Trium Therapeutics Co., Ltd	<u>\$ 25,349</u>	<u>\$ -</u>

On May 24, 2024, the Group and all the joint ventures resolved to dissolve Trium Therapeutics Co., Ltd. and on May 28, 2024, NTD 25,349 was recovered for the investment.

2025: Not applicable.

8. Provide the endorsement guarantee status of the related party

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The individual controlled by major management team- HU-YU	<u>\$ 250,600</u>	<u>\$ 252,600</u>

Of the balance of endorsement and guarantee of the Group as of December 31, 2025, the Group actually undertook endorsement and guarantee in favor of Hu Yu Co., Ltd. At NTD 72,300, given the renewal of contract and the previous reporting to the Board for the approval of the amount of NTD 178,300.

(3) Remuneration to key management

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 113,616	\$ 126,778
Retirement benefits	1,315	1,702
Share-based payment	<u>3,154</u>	<u>-</u>
	<u>\$ 118,085</u>	<u>\$ 128,480</u>

8. Pledged assets

The assets of the Group are offered as collateral as follows:

<u>Asset Item</u>	<u>Book Value</u>		<u>Purpose of guarantee</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Land, buildings and structures (recognized in property, plant, and equipment and investment property)	\$ 2,635,692	\$ 2,647,454	Long-term and short-term loan, purchase...etc.
Refundable deposits (recognized in other non-current assets)			Leasing security deposits, bid bonds, and court deposits
	<u>75,600</u>	<u>55,993</u>	
	<u>\$ 2,711,292</u>	<u>\$ 2,703,447</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

1. In February 2025, the Company received a letter from the Securities and Futures Investors Protection Center, claiming that the subsidiary CCPC should compensate the counterparty, a claim that the Supreme Court has enforced. The Company is currently in the process of negotiating the repayment process with the counterparty. The Company obtained the affidavit from the counterparty in February 2026, and the counterparty promised that it would not dispose of the stocks of Cenra or Cenra API Solutions that it held in its name by any means without prior written consent from the Company.
2. In May 2025, SCCPC, a subsidiary of the Group, had a dispute over a technical entrustment development contract with Nanjing Healthnice Pharmaceutical Technology Co., Ltd. ("Nanjing Healthnice"). To develop roxatidine acetate hydrochloride for injection (with a specification of 75 mg), the Company entrusted Nanjing Healthnice with the development of the project, the applications for approval documents for the production permit, commercial mass production, and other technical services. With the Company as the defendant, Nanjing Healthnice required the Company to pay a contract progress payment of NTD 2,919 and overdue interest of NTD 268, and to continue fulfilling the contract's implementation items. In July 2025, the Company filed a counterclaim to require Nanjing Healthnice, the defendant, to cancel the contract and return the technical service fee of NTD 9,749, liquidated damages of NTD 523, and compensation for material costs of NTD 3,743. On February 14, 2026, the Nanjing Jiangbei New Area People's Court, Jiangsu Province ruled that the Company shall pay interest on overdue payment of NTD 18, while Nanjing Healthnice shall return the technical service fee and compensate for material loss totaling NTD 6,282. The other claims of both parties were dismissed. An appeal was filed in March 2026, initiating the second-instance proceedings.

(2) Commitments

1. The Company has signed contracts for the purchase of machine and equipment, construction work for the plant, intangible assets and consulting service with outstanding payment amounting to NTD 324,471 and NTD 207,936 as of December 31 2025 and December 31 2024, respectively. In the contract of consultation services, part of the

performance expenses are paid according to the plan benefits.

2. The unused L/C balance as of December 31, 2025 and 2024 were NTD 13,360 and NTD 51,002 respectively.
3. The promissory notes issued as of December 31, 2025 and 2024 totaled NTD 4,041,410 and NTD 3,951,000 respectively.

10. Significant disaster loss

No such event

11. Significant subsequent events

1. Please refer to Note 6(18) for details of the private placement of marketable securities.
2. Please find Note 6(20)6 for explanation of the earnings distribution.
3. The Company's Board of Directors resolved on March 5, 2026 to issue 800 thousand new restricted employee shares with a par value of NTD 10 per share. As of March 30, 2026, it had not yet been approved by the shareholders' meeting.

12. Others

(1) Capital management

The Group's capital risk management objectives are to ensure that the Group is capable of continuing operations, to maintain the most appropriate capital structure in order to reduce cost of capital and to maximize returns for shareholders. The Group may make adjustments to dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce the level of debts in order to maintain or adjust the Group's capital structure. The Group uses the debt-to-equity ratio to monitor its capital. The ratio is calculated by dividing net debts by total capital. Net debts are calculated as total debts (including "current and non-current borrowings" presented in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" presented in the consolidated balance sheet plus net debts.

The strategy of the Group in 2025 is the same as that in 2024, which is dedicated to maintain the debt-to-capital ratio to 40% below. The debt-to-capital ratio of The Group in December 31, 2025 and 2024 is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total loan amount	\$ 2,628,543	\$ 2,786,281
Less: Cash and cash equivalent	<u>(729,497)</u>	<u>(588,011)</u>
Net debt	1,899,046	2,198,270
Total equity	<u>7,611,632</u>	<u>7,549,351</u>
Total capital	<u>\$ 9,510,678</u>	<u>\$ 9,747,621</u>
Liability/assets ratio	20%	23%

(2) Financial instruments

1. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive profit or loss		
Select the designated equity instrument investment.	\$ 166,496	\$ 329,968
Financial assets measured at the amortized cost		
Cash and cash equivalents	729,497	588,011
Financial assets measured at the amortized cost	134,866	95,413
Notes receivable	450,915	496,315
Accounts receivable	1,507,307	1,494,754
Other receivables	205,835	259,168
Refundable deposits (recognized in other non-current assets)	75,600	55,993
	<u>\$ 3,270,516</u>	<u>\$ 3,319,622</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liability measured at the amortized cost		
Shot-term borrowings	\$ 2,007,743	\$ 1,381,789
Short-term notes payable	380,000	88,992
Payable notes	807	1,208
Accounts payable	750,296	908,706
Other payables	720,125	756,753
Deposits received	19,211	28,575
Long-term payables (recognized in other non-current liabilities)	7,160	8,299
The long-term loan (including the expiration of one year or an operating cycle).	240,800	1,315,500
	<u>\$ 4,126,142</u>	<u>\$ 4,489,822</u>
Lease liability (including current and non-current)	<u>\$ 357,555</u>	<u>\$ 354,275</u>

2. Risk management policies

- (1) The daily operation of The Group is affected by multiple financial risks, which include the market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management policy of The Group is to focus on the unpredictable matters of the financial market and seek for the method to decrease the potential adverse impact on the financial situation and financial performance of The Group.
- (2) The risk management is executed by the financial center of The Group according to the policies approved by the board of directors. The financial center of the group works close with the operation unit of The Group to identify, evaluate and avoid risk. The board of director also sets the written principle for the overall management risk and provides a written policy for specific scope and matters, ex. currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments as well as the investment of the remaining liquidity.

3. Nature and degree of the significant financial risk.

(1) Market Risk

Exchange rate risk

- A. The operation of the Group is transnational, which suffers from the currency occurred by multiple currencies and the majority is USD, RMB and JPY. The relevant currency risk comes from the future commercial deals, recognized assets and liability as well as the net investment of the foreign operation.
- B. The business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, while that of some subsidiaries are RMB), and therefore are affected by the exchange rate fluctuation, the information about the currency with significant exchange rate fluctuation is as follows:

	December 31, 2025		
	Foreign currency (NTD thousand)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY: NTD	\$ 164,892	0.2007	\$ 33,094
USD: NTD	1,228	31.40	38,559
JPY: RMB	13,340	0.0447	2,548
USD:RMB	827	6.99	24,701
<u>Financial liabilities</u>			
<u>Monetary items</u>			
JPY: NTD	\$ 52,685	0.2007	\$ 10,574
USD: NTD	3,958	31.40	124,281

December 31, 2024

(Foreign currency: Functional currency)	Foreign currency (NTD thousand)	Exchange rate	Book value_ (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY: NTD	\$ 219,637	0.2101	\$ 46,146
USD: NTD	807	32.78	26,453
JPY: RMB	16,314	0.0469	3,426
USD:RMB	1,870	7.32	61,297
<u>Financial liabilities</u>			
<u>Monetary items</u>			
JPY: NTD	\$ 86,843	0.2101	\$ 18,246
USD: NTD	2,263	32.78	74,181

- C. The amounts of the unrealized gains and losses with significant exchange rate fluctuation for the currency of the Group recognized in 2025 and 2024 are summed amount respectively as NTD (577) and NTD 14,695.
- D. The analysis of foreign exchange risk affected by significant exchange rate fluctuation for the Group is as follows.

(Foreign currency: Functional currency)	2025		
	<u>Sensitivity analysis</u>		
	<u>Magnitude changes</u>	<u>Influence of profit and loss</u>	<u>The impact of other comprehensive profit or loss</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY: NTD	1%	\$ 331	\$ -
USD: NTD	10%	3,856	-
JPY: RMB	1%	25	-
USD:RMB	10%	2,470	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
JPY: NTD	1%	\$ 106	\$ -
USD: NTD	10%	12,428	-

2024			
Sensitivity analysis			
	Magnitude changes	Influence of profit and loss	The impact of other comprehensive profit or loss
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY: NTD	1%	\$ 461	\$ -
USD: NTD	10%	2,645	-
JPY: RMB	1%	34	-
USD:RMB	10%	6,130	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
JPY: NTD	1%	\$ 182	\$ -
USD: NTD	1%	742	-

Price risk

- A. The equity instrument exposed to price risk of The Group means all financial assets listed in the account at fair value through other comprehensive income. To manage the price risk for the investment of equity instrument, The Group will break down the investment portfolio which is followed by the limited amount set by The Group.
- B. The Group mainly invests in the domestic listed and unlisted equity instrument, the price of such equity instrument will be affected by the uncertainty of the future value of that investment object. If the price of that equity instrument rises or drops 1%, and all other elements remain the same, the losses or profits of the equity investment classified by fair value through other comprehensive income and financial assets at amortized cost in 2025 and 2024 are, respectively, decreased or increased for NTD 1,665 and NTD 3,300.

Cash flows and the interest risk of fair value

- A. The interest risk of The Group comes from the long-term loan, short-term loan and short-term bills receivable. The Group suffers from the interest rate risk of the cash flows based on the loan issued according to floating rate, part of the risk is being offset with the cash and cash equivalents based on the floating rate. The Group suffers from the interest rate risk of the fair value with the loan issued based on the fixed rate. The loan of The Group is mainly with floating rate. The loan amount of The Group in 2025 and 2024 is based on the floating rate in NTD and US dollars.
- B. In 2025 and 2024, if the change in loan interest rates is 0.1%, and all other elements remain the same, net incomes of 2025 and 2024 will respectively decrease by NTD 2,103 and NTD 2,229 mainly because of the increase or decrease of the interest for the loan of floating interest.

(2) Credit Risk

- A. The credit risk of the Group is the risk deriving from the financial loss caused by the failure of the customers or the counterparties of trade in financial instruments

in performing their contractual obligations, and is mainly from the cash flow from the contracts of the account receivable that cannot be settled by the counterparties in accordance with the terms and conditions of payment, and is classified as cash flow from contracts of investment in debt instruments measured on the basis of amortized cost.

- B. The Group established credit risk management in view of a group. According to the credit policy specified internally, before setting the payment, delivery terms and conditions with the new customer, each operating individual in the group should manage and proceed with the credit risk analysis. The internal risk management is to evaluate the credit quality of the customer in consideration of the financial situation, previous experience and other factors. The limited amount of the individual risk is set by the board of director according to the internal or external rating and monitored with the use of the credit line regularly.
- C. The Group adopts IFRS 9 to provide the following assumption as the basis to judge if the credit risk of the financial instrument significantly increases since initial recognition:
 - The credit risk of a financial asset is deemed to increase significantly since the recognition when a contract payment is 30 day past due.
- D. The Group adopts IFRS 9 to provide the assumption and based on actual receipt of payment previously that if the payment term in the contract exceeding 91-180 days, it will be considered as violation.
- E. The indicators used by the Group to determine the credit impairment of debt instrument investment are as follows:
 - (A) The issuer is likely to enter into bankruptcy or other financial restructuring if it is experiencing major financial difficulties;
 - (B) The issuer makes the active market of the financial asset disappear due to financial difficulties;
 - (C) The issuer delays or fails to pay interest or principal;
 - (D) Changes in national or regional economic conditions that are related to the issuer's default.
- F. The Group classifies the accounts receivable of the customers according to the features of customer type with simplified method to prepare matrix and loss-rate approach as a base to estimate the expected credit loss.
- G. With the recourse process, The Group writes off the receivable amount of the financial assets which can't be expected reasonably, however, The Group will still proceed with the low process for recourse to reserve the equity of liability. By December 31, 2025 and 2024, the Group did not have the liability for creditor's with recourse write-off.
- H. The bill receivable and allowance account for change in loss of The Group is as follows:
 - (1) The associates of the Group have excellent credits; therefore, the expected loss rate is 0.2%, and the total carrying amounts of accounts receivable and other receivables as of December 31, 2025 and 2024 were NTD 15, NTD 31, NTD 7, and NTD 9 respectively, and no allowance for losses was provided.
 - (2) The expected loss rate for the individual of the management team of the Group is 15%, and the total carrying amounts and allowances for loss on December 31, 2025 and 2024 are as follows:

Account and note receivables:	December 31, 2025	December 31, 2024
One of the individuals controlled by the major management team	\$ 186,572	\$ 244,420
Less: Allowance for losses	(28,676)	(36,663)
	<u>\$ 157,896</u>	<u>\$ 207,757</u>
Other receivables:	December 31, 2025	December 31, 2024
One of the individuals controlled by the major management team	\$ 221,234	\$ 260,342
Less: Allowance for losses	(31,882)	(23,901)
	<u>\$ 189,352</u>	<u>\$ 236,441</u>

- (3) The Group adjusts the loss rate established according to the historical and current information in a specific period of time in consideration of the completeness of vision, to estimate the bill receivable and allowance for loss. The prepared matrix of December 31, 2025 and 2024 is as follows:

	Not-overdue	1 to 90 days overdue.	91 to 180 days overdue.	Overdue exceeding 181 days	Total
<u>December 31, 2025</u>					
Expected rate of loss	0.01%~1.05%	0.02%~10.08%	0.02%~100%	100%	
Total amount of the book value	\$ 1,906,819	\$ 42,328	\$ 4,320	\$ 3,207	\$ 1,956,674
Allowance for losses	4,155	2,135	2,254	3,207	11,751
	Not-overdue	1 to 90 days overdue.	91 to 180 days overdue.	Overdue exceeding 181 days	Total
<u>December 31, 2024</u>					
Expected rate of loss	0.02%~0.91%	0.02%~18.56%	0.02%~100%	100%	
Total amount of the book value	\$ 1,903,458	\$ 18,550	\$ 2,925	\$ 538	\$ 1,925,471
Allowance for losses	8,105	1,133	2,377	538	12,153

- I. The change in allowance for loss table for bill receivable, accounts receivable and other accounts receivable by the Group are as follows:

	2025	
	Note receivable and accounts receivable	Other receivables
January 1	\$ 48,816	\$ 23,901
Impairment loss reversal	(512)	-
Reclassification	(7,981)	7,981
Foreign exchange impact amount	104	-
December 31	<u>\$ 40,427</u>	<u>\$ 31,882</u>

	2024	
	Note receivable and accounts receivable	Other receivables
January 1	\$ 44,719	\$ 28,378
Impairment loss reversal	(465)	-
Reclassification	4,477	(4,477)
Foreign exchange impact amount	85	-
December 31	<u>\$ 48,816</u>	<u>\$ 23,901</u>

(3) Liquidity risk

- A. The prediction of cash flows is executed by each operating unit in the group and summarized by the financial center of the group. The financial center of the group monitors the prediction for the liquidity requirement of the group, to ensure the capital is sufficient to support the operation requirements.
- B. The below table is the derivative financial liabilities of The Group, which is classified based on the due date. The derivative financial liabilities are analyzed according to the remaining period between the date of balance sheet to the expiry date of the contract. The amount of the cash flows in the contract disclosed by the following table is the undiscounted amount.

Non-derivative
financial liabilities:

December 31, 2025	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 year
Shot-term borrowings	\$ 502,238	\$ 1,511,234	\$ -	\$ -	\$ -
Short-term notes payable	380,000	-	-	-	-
Payable notes	807	-	-	-	-
Accounts payable	585,147	165,149	-	-	-
Other payables	678,954	41,171	-	-	-
Lease liabilities	15,423	45,323	65,737	145,739	110,994
Long-term payables (recognized in other non-current liabilities)	-	-	1,953	5,207	-
Long-term borrowings	1,051	180,921	22,122	41,881	-
Deposits received	130	18,363	718	-	-
Financial commitment agreements	178,300	-	-	-	-

<u>Non-derivative financial liabilities:</u>					
December 31, 2024	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 year
Shot-term borrowings	\$ 83,746	\$ 1,303,132	\$ -	\$ -	\$ -
Short-term notes payable	39,000	50,000	-	-	-
Payable notes	755	453	-	-	-
Accounts payable	749,274	159,432	-	-	-
Other payables	640,083	116,670	-	-	-
Lease liabilities	13,604	39,986	52,711	121,044	150,280
Long-term payables (recognized in other non-current liabilities)	-	-	1,953	5,858	488
Long-term borrowings	10,106	22,459	1,228,905	66,845	-
Deposits received	-	27,243	-	1,332	-
Financial commitment agreements	173,300	-	-	-	-

(3) Fair value information

1. For the Group's financial assets and liabilities not measured at fair value, including cash and cash equivalents, financial assets measured at amortized cost -current, bills receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, deposits received, long-term payables, long-term borrowings (including long-term borrowings due within one year or within the Group's operating cycle) and lease liabilities, the amount is a reasonable approximation of fair value. Please refer to Note 12 (2) 1. for details.
2. The valuation technique for measuring the fair value of financial and non-financial instruments is defined as follows:
 - Level 1: The quotation (unadjusted) of the same assets or liabilities that can be acquired by the company in an active market on the measurement date. An active market refers to the market with sufficient frequency and quantity of the assets or liabilities transactions took place in order to provide market pricing information constantly. The fair value of the stock investment for the listed stock invested by The Group is all included.
 - Level 2: It refers to the directly or indirectly observable input value of asset or liability, except for those quotations included in Level 1. The fair value of structured deposits invested by the Group and embedded in derivatives is within this level.
 - Level 3: The unobservable inputs of assets or liabilities.
3. The fair values of investment property calculated by the cost method as of December 31, 2025 and 2023 were NTD 208,108 and NTD 211,210, respectively; these fair values were estimated based on market prices of similar properties in the vicinity.
4. The Group's financial and non-financial instruments measured at fair value are classified by the nature of assets and liabilities, characteristics and risks, and fair value as follows:

- (1) The relevant information about the classification of the nature for the assets and liabilities of the Group is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Repeatable fair value</u>				
Investment of equity instruments at fair value through other comprehensive income	<u>\$ 63,792</u>	<u>\$ -</u>	<u>\$ 102,704</u>	<u>\$ 166,496</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Repeatable fair value</u>				
Investment of equity instruments at fair value through other comprehensive income	<u>\$ 231,545</u>	<u>\$ -</u>	<u>\$ 98,423</u>	<u>\$ 329,968</u>

- (2) The methods and assumptions used by the Group to measure fair value are described as follows:

- A. The Group adopts the market quotation as the input value for the fair value (which is the first class), the classification according to the feature of the tool is as follows:

	<u>Listed (OTC) and emerging stocks</u>
Market quotation	Closing price

- B. Besides the financial instrument of the active market as stated above, the fair value of other financial instrument is obtained by evaluation technique or reference of the counter party.
- C. While evaluating the financial instrument which is non-standardized and with low complexity, The Group adopts the evaluation technique which is comprehensively used by the market participants. The parameter used for the valuation model of such financial instrument is usually the observable information of the market.
- D. What the valuation model comes out is the estimated value, and the evaluation technique can't reflect all relating factors of the financial instrument and non-financial instrument of The Group. Therefore, the estimated value of the valuation model will be adjusted based on the additional parameter properly, such as the model risk or liquidity risk...etc. According to the management policy and relevant control program of the valuation model for fair value of The Group, the management team believes it is appropriate and necessary to adjust the evaluation for expressing the fair value of the financial instrument and non-financial instrument in the aggregate balance sheet. The price information and parameter used in the valuation process is evaluated prudently and adjusted according to the current market situation properly.

5. The changes in Level 3 in 2025 and 2024, respectively, are described as follows:

	2025		2024	
	Equity instruments		Equity instruments	
January 1	\$	98,423	\$	97,898
Increase of the current period		97		-
Capital reduction and refund of the equity instruments measured at fair value through other comprehensive income	(1,521)		-
Evaluation adjustment		5,575	(964)
Foreign exchange impact amount		130		1,489
December 31	\$	<u>102,704</u>	\$	<u>98,423</u>

6. The valuation process for classifying the fair value to the third level of The Group is proceeded by the financial center for the independent fair value valuation of the financial instrument, by using the independent sources to have the valuation result close to the market status, and make sure that the sources of the information is independent, reliable and consistent with other resources as well as all other necessary adjustment of fair value, to ensure the valuation result is reasonable.

Besides, the valuation policy, valuation process and confirmation for the fair value of the financial instrument set by the Ministry of Finance meet the regulations of relevant international financial reporting standards.

7. The sensitivity analysis explanation of the quantitative data of significant non-observable input value and change of significant non-observable input value which belongs to the valuation model for the items to review the third level of fair value is as follows:

	Fair value on December 31, 2025		Valuation technique		Significant unobservable input value		Relationship between input value and fair value	
	Stock of the venture capital	\$	102,704	Net assets value method		Not applicable		Not applicable
	Fair value on December 31, 2024		Valuation technique		Significant unobservable input value		Relationship between input value and fair value	
	Stock of the venture capital	\$	98,423	Net assets value method		Not applicable		Not applicable

8. The valuation and valuation parameter chosen by The Group is evaluated properly, however, the different valuation model or valuation parameter may lead in different valuation result.

13. Notes of disclosure

(1) Information about important transactions

According to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.” The significant transaction matters of The Company in 2025 is as follows:

1. The Loaning of funds: please see attached table 1.
2. Endorsement and Guarantee: please see attached table 2.
3. Major securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures): Please see attached table 3.
4. Purchase/sale amount of transactions with related parties reaching 100 million NTD or more than 20% of the paid-in capital: please see the attached table 4.
5. Amounts receivable from related parties totaling more than NTD 100 million or 20% of paid up capital: please see attached table 5.
6. Business relationships and significant transactions between the parent company and its subsidiaries: Please refer to attached table 6.

(2) Information related to reinvested enterprises

The relevant information of names, area of location of the investees (excluding the investees in China), please see attached table 7.

(3) Information about investment in mainland China

1. Basic information: Please see attached table 8.
2. Significant transactions with investee companies in the Mainland China, either directly or indirectly through a third country: Not applicable.

14. Segment information

(1) General information

The management team of The Company has identified the reportable segments according to the information used in making decision by the board of director.

The board of director of The Group operates and evaluates the segments performance in view of the regional diversity.

(2) Segment information

The information provided for the major operation decision maker for the reportable segments is as follows:

2025	Taiwan	China	Adjust and eliminate	Total
External revenue	\$ 6,971,064	\$ 1,599,049	\$ -	\$ 8,570,113
Inter-segment income	<u>2,918,784</u>	<u>-</u>	<u>(2,918,784)</u>	<u>-</u>
Revenue of the reportable segments.	<u>\$ 9,889,848</u>	<u>\$ 1,599,049</u>	<u>(\$ 2,918,784)</u>	<u>\$ 8,570,113</u>
Pre-tax net income of the segments before being adjusted	\$ 627,746	(\$ 25,740)	(\$ 138,969)	\$ 463,037
Investment profit or loss recognized according to the Equity Method	<u>371,538</u>	<u>(2,391)</u>	<u>(413,104)</u>	<u>(43,957)</u>
Pre-tax net income of the reportable segments	<u>\$ 999,284</u>	<u>(\$ 28,131)</u>	<u>(\$ 552,073)</u>	<u>\$ 419,080</u>
Asset of the reportable segments	<u>\$10,847,911</u>	<u>\$ 1,599,278</u>		<u>\$12,447,189</u>
Profits or losses of the segments include:				
Depreciation and amortization	<u>\$ 297,660</u>	<u>\$ 49,463</u>		<u>\$ 347,123</u>

2024	Taiwan	China	Adjust and eliminate	Total
External revenue	\$ 6,764,307	\$ 2,154,587	\$ -	\$ 8,918,894
Inter-segment income	<u>2,807,661</u>	<u>-</u>	<u>(2,807,661)</u>	<u>-</u>
Revenue of the reportable segments.	<u>\$ 9,571,968</u>	<u>\$ 2,154,587</u>	<u>(\$ 2,807,661)</u>	<u>\$ 8,918,894</u>
Pre-tax net income of the segments before being adjusted	(\$ 5,884)	\$ 11,134	\$ 311,774	\$ 317,024
Investment profit or loss recognized according to the Equity Method	<u>583,732</u>	<u>(74)</u>	<u>(514,850)</u>	<u>68,808</u>
Pre-tax net income of the reportable segments	<u>\$ 577,848</u>	<u>\$ 11,060</u>	<u>(\$ 203,076)</u>	<u>\$ 385,832</u>
Asset of the reportable segments	<u>\$11,054,037</u>	<u>\$ 1,715,618</u>		<u>\$12,769,655</u>
Profits or losses of the segments include:				
Depreciation and amortization	<u>\$ 288,111</u>	<u>\$ 66,649</u>		<u>\$ 354,760</u>

(3) The adjusted information of the profits or losses of the segments

The pre-tax profit/ loss of the reportable segments is the same as that of the business segments, therefore, no adjustment has to be made.

(4) Information about the product sector and service sector

The revenue of the external customers mainly comes from the manufacture and sales of the medicine products and health products. The detail of the revenue balance is as follows:

	<u>2025</u>	<u>2024</u>
Manufacture and sales of the medicine and health products.	\$ 8,396,612	\$ 8,762,235
Others	<u>173,501</u>	<u>156,659</u>
	<u>\$ 8,570,113</u>	<u>\$ 8,918,894</u>

(5) Information by areas

The Group's information by region for 2025 and 2024 is as follows:

	<u>2025</u>		<u>2024</u>	
	Income	Non-Current assets	Income	Non-Current assets
Taiwan	\$ 6,681,208	\$ 4,349,471	\$ 6,510,933	\$ 4,385,042
China	1,538,168	456,408	2,102,696	481,586
Others	<u>350,737</u>	<u>-</u>	<u>305,265</u>	<u>-</u>
	<u>\$ 8,570,113</u>	<u>\$ 4,805,879</u>	<u>\$ 8,918,894</u>	<u>\$ 4,866,628</u>

Note: Revenue is classified based on the country of each customer's location.

(6) Information about important customers

The business revenue of each customer in 2025 and 2024 doesn't reach 10% of the amount on the balance sheet, therefore, not applicable.

Centra Inc. and subsidiaries

The Loaning of Funds

January 1 to December 31, 2025

Attached table 1

Unit: NTD thousand

(Except where otherwise stated)

No. (Note 1)	The lender of fund	The borrower of fund	Transaction title	Are they related parties	Maximum balance – current period (Note 2)	Balance, ending	The actual amounts disbursed	Interest rate collars	Nature of financing (Note 3)	Amount of business transactions	Reasons for the necessity of short- term financing	Amount of provision for bad debts	Collateral		Limit of financing particular beneficiary	Total limit of financing	Remarks
													Name	Value			
1	China Chemical & Pharmaceutical Co., Ltd.	HU-YU Co., Ltd.	Other receivables	Y	\$ 160,030	\$ 129,356	\$ 158,286	2.01%	1	\$ 179,563	-	\$ 19,882	Note 5	\$-	\$ 179,563	\$ 2,138,463	Note 4(1), (2)
1	China Chemical & Pharmaceutical Co., Ltd.	Centra Inc.	Other receivables	Y	100,000	-	-	2.00%	2	-	Working capital	-	-	-	1,069,232	2,138,463	Note 4 (2)
1	China Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.	Suzhou Chunghua Yuming Pharmaceutical Co., Ltd.	Other receivables	Y	45,859	34,575	34,575	-	2	-	Working capital	-	-	-	181,830	363,660	Note 4 (2)
2	Tairung Enterprise Co., Ltd.	HU-YU Co., Ltd.	Other receivables	Y	48,000	11,500	11,500	2.30%	2	-	Working capital	-	-	-	46,720	46,720	Note 4(3), Note 5
3	Chunghwa Yuming Healthcare Co., Ltd.	HU-YU Co., Ltd.	Other receivables	Y	101,000	80,000	80,000	2.10%	2	-	Working capital	-	-	-	107,048	214,097	Note 4(4), Note 5

Note 1: The filing method for the numbering of lending money by the Company is as follows:

(1) Fill in 0 for the issuer.

(2) The investees are sequentially numbered from 1 and so forth.

Note 2: Maximum balance of financing a third party in current period.

Note 3: Below are the two filing methods for the nature of lending money

(1) With business dealings

(2) With necessity of short-term financing

Note 4: Maximum and aggregate amount of loans made to a single entity by the Company:

(1) Company and its subsidiaries with business transactions with the company whose individual lending amount may not exceed the most recent one year or the current year's incoming goods amount or total sales amount with the company, at the time of capital lending.

(2) No loan made to a single entitle by China Chemical & Pharmaceutical Co., Ltd. shall exceed 15% of its net worth. Aggregated loans made shall not exceed 30% of its net worth.

(3) No loan made to a single entitle by Tairung Development Co., Ltd. shall exceed 40% of its net worth. Aggregated loans made shall not exceed 40% of its net worth.

(4) No loan made to a single entitle by Chunghwa Yuming Healthcare Co. shall exceed 15% of its net worth. Aggregated loans made shall not exceed 30% of its net worth.

Note 5: The full value guarantee will be provided by the Chairman of The Company

Cenra Inc. and subsidiaries
Endorsements and guarantees made for others
January 1 to December 31, 2025

Attached table 2

Unit: NTD thousand
(Except where otherwise stated)

No. (Note 1)	The company providing the endorsement and/or guarantee	The party receiving the endorsement and/or guarantee		The limit of endorsements and/or guarantees to a single business entity	The highest balance of endorsements and/or guarantees in the current period	The ending balance of endorsements and/or guarantees	The actual amounts disbursed	Amount of property pledged for endorsements/guarantees	Total endorsements and guarantees as a percentage of equity in the most recent financial statement	The upper limit of an endorsement and/or guarantee	Guarantee and endorsement of parent company to subsidiary	Guarantee and endorsement by subsidiary to parent company	Guarantee and endorsement in Mainland China	Remarks
		Company name	Relation (Note 2)											
1	China Chemical & Pharmaceutical Co., Ltd.	HU-YU Co., Ltd.	1	\$ 179,563	\$ 321,600	\$ 250,600	\$ 178,300	\$ -	3.52%	\$ 3,564,105	N	N	N	Note 3, 4 and 5

Note 1: The column for numbering is elaborated below:

- (1) Fill in 0 for the issuer.
- (2) The investees are sequentially numbered from 1 and so forth.

Note 2: The 6 types of relations between the endorsement/ guarantee provider and subject of endorsement/ guarantee are as follows. Indication of types is applicable.

- (1) Business relation.
- (2) Subsidiary owns over 50% of ordinary equity share with direct possession.
- (3) The aggregation of the ordinary share possessed by The Company and its Subsidiary exceeds 50% by the investee.
- (4) The Parent Company which possesses more than 50% of the ordinary equity share directly or through its Subsidiary with indirect possession.
- (5) For building construction, The Company holds a mutual guarantee with other companies based on the peer agreement.
- (6) Due to the joint investment relationship, shareholders are to provide endorsement and guarantee to the company proportionately to the respective shareholding ratio.

Note 3: Endorsement and guarantee to a particular enterprise shall not exceed 30% of the net worth of the Company. The limit of endorsement and guarantee to companies in business transactions with the Company shall not exceed the amount of purchase or sale with the Company in the previous period or current period at the time of endorsement and guarantee, whichever is higher.

Note 4: The endorsement/ guarantee amount of The Company is limited to 50% of the net value of The Company.

Note 5: The highest amount of endorsement and guarantee of NTD 143,300 thousand has been reported to the Board for approval before contract renewal, and risk deriving from the undertaking of guarantee in favor of Hu Yu Co., Ltd. is NTD 158,300 thousand.

Note 6: The amount of NTD 143,300 thousand in endorsement and guarantee has been reported to the Board for approval before contract renewal, and risk deriving from the undertaking of guarantee in favor of Hu Yu Co., Ltd. is NTD 158,300 thousand, which accounted for 2.26% of the net worth as presented in the financial statement covering the previous period.

Cenra Inc. and subsidiaries

Major securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2025

Attached table 3

Unit: NTD thousand
(Except where otherwise stated)

Holding company	Types of negotiable securities	Names of negotiable securities (Note 1)	Relationship with the securities issuer	Account titles in book	At ending				
					Number of shares	Book value	Ratio of Shareholding	Fair value	Remarks
China Chemical & Pharmaceutical Co., Ltd.	Stock	momo.com Inc.	-	Investment of equity instruments at fair value through other comprehensive income	129,991	\$ 26,973	0.05%	\$ 26,973	None
	Stock	CDIB Capital Healthcare Ventures Limited	-	Investment of equity instruments at fair value through other comprehensive income	2,434,286	32,835	1.71%	32,835	None
	Stock	MegaPro Biomedical Co., Ltd.	Other related parties	Investment of equity instruments at fair value through other comprehensive income	2,938,458	36,819	3.70%	36,819	None
	Equity	Seraph partners	-	Investment of equity instruments at fair value through other comprehensive income	-	6,554	2.96%	6,554	None
Tairung Enterprise Co., Ltd.	Stock	Cenra Inc.	The Company	Investment of equity instruments at fair value through other comprehensive income	413,941	13,826	0.28%	13,826	None
Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.	Equity	Kunshan CDIB Yida Healthcare Enterprise Ltd.	-	Investment of equity instruments at fair value through other comprehensive income	-	61,387	2.37%	61,387	None

Note 1: Securities as stated in this table are the stocks, bonds, beneficiary certificates and the securities deriving from the above items within the scope of IFRS 9, "Financial Instruments"

Note 2: The Company determines the securities to be listed in accordance with the principle of materiality and does not disclose the securities with a carrying amount of less than NTD 1,000.

Centra Inc. and subsidiaries

Purchase from or sale to related parties for an amount exceeding NTD100 million or 20% of paid-in capital

January 1 to December 31, 2025

Attached table 4

Unit: NTD thousand

Purchase (sale) company	Name of counterparty	Relation	Transactions			Trading terms different from general trade and reasons		Notes and accounts receivable (payable)		Remarks	
			Purchase (sale)	Amount	Percentage of total purchase (sale)	The credit period	Unit price	The credit period	Balance		Percentage of total notes and accounts receivable (payable)
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Yuming Healthcare Co., Ltd.	Subsidiaries	Sale	\$ 2,904,982	67.63%	The payment term is 150 days	Agreed by the quotation in the purchase agreement signed by both parties.	The payment term is 150 days.	\$ 1,768,062	76.46%	
China Chemical & Pharmaceutical Co., Ltd.	HU-YU Co., Ltd.	Other related party (same chairman)	Sale	\$ 179,563	4.18%	The payment term is 240 days	Due to the unique nature of the products sold, there are no comparable transactions. The selling price is determined based on import cost plus a 4% markup.	Due to the specific characteristics of the company's industry, the maturity period of its notes receivable is longer than that of general transactions.	\$ 316,147	13.67%	

Note: Individual accounts payable transactions less than NTD100,000 will not be disclosed.

Cenra Inc. and subsidiaries

Accounts receivable from related parties for an amount exceeding NTD 100 million or 20% of paid-in capital

December 31, 2025

Attached table 5

Unit: NTD thousand
(Except where otherwise stated)

The company booked in the receivables	Name of counterparty	Relation	Receivables from related party	Turnover rate	Overdue Receivables from related parties		Receivables amount collected from related parties subsequently	Amount of provision for bad debts	Remarks
					Amount	Process			
China Chemical & Pharmaceutical Co., Ltd.	HU-YU Co., Ltd.	The Chairman is the same person of The Company.	\$ 316,147	0.50	\$ 157,589	To obtain the proven guarantee from the chairman of The Company and take joint and several liability for the unpaid debts or bills.	\$ 9,329	\$ 18,558	
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Yuming Healthcare Co., Ltd.	Subsidiaries	1,768,062	2.44	510,144	Active debt collection.	178,000	-	

Cenra Inc. and subsidiaries

Business relationships and significant transactions between parent company and subsidiaries

January 1 to December 31, 2025

Attached table 6

Unit: NTD thousand
(Except where otherwise stated)

No. (Note 1)	Trader's name	Counterparty	Affiliation to trader (Note 2)	Transactions			Percentage in consolidated total revenue or total assets (Note 3)
				Title	Amount	Terms and conditions	
1	CCPC	Chunghwa Yuming Healthcare Co., Ltd.	3	Sale	\$ 2,904,982	Note 4	33.90%
1	CCPC	Chunghwa Yuming Healthcare Co., Ltd.	3	Accounts receivable	1,768,062	Note 4	14.20%

Note 1: The information about transactions between parent company and subsidiaries shall be numbered and noted in the following manner in the box of numbers:

- (1) Fill in "0" for parent company.
- (2) Subsidiaries are numbered from number 1.

Note 2: There are three types of relationships with traders, please mark the type intended:

- (1) Parent company vs. subsidiaries.
- (2) Subsidiaries vs. parent company.
- (3) Subsidiaries vs. subsidiaries.

Note 3: For computing the ratio of trade amount to total sales revenue or total assets, if it is for asset and liability account, the computation is based on the ratio of ending balance to total consolidated assets; however, if it is for income and expense account, the computation is based on the ratio of interim cumulative amount to total consolidated revenue.

Note 4: The selling price is agreed to by the quotation in the purchase agreement signed by both parties. The payment of the selling goods is 150 days.

Note 5: The significant matters between the parent company and subsidiaries have been written off.

Note 6: The amount of individual deal below NTD 100,000 will not be disclosed.

Cenra Inc. and subsidiaries

The relevant information of names, area of location of the investees (excluding the investees in China)

January 1 to December 31, 2025

Attached table 7 Unit: NTD thousand
(Except where otherwise stated)

Investor	Name of investee	Location	Principal business	Sum of initial investment		Ending shareholding			Current period profit / loss of the investee	Recognized investment Income	Remarks
				Current period-end	The end of last year	Number of shares	Ratio	Book value			
Cenra Inc.	China Chemical & Pharmaceutical Co., Ltd.	Taiwan	Manufacture and sales of Western medicine preparations and health-care articles.	\$ 6,747,063	\$ 7,435,548	234,890,949	100.00	\$ 7,011	\$ 403	(\$ 112,637)	Subsidiaries
Cenra Inc.	Providence Investments Inc.	Taiwan	General investment businesses	25,000	-	2,500,000	100.00	25,	-	-	Subsidiaries
Cenra Inc.	Chunghwa Yuming Healthcare Co., Ltd.	Taiwan	Wholesale of medicine and medical equipment	688,485	-	29,590,000	100.00	714	164	164	Subsidiaries
China Chemical & Pharmaceutical Co., Ltd.	Tairung Enterprise Co., Ltd.	Taiwan	Manufacture and sales of glass, plastics made containers	226,920	226,920	4,376	71.64	83,418	(4,376)	-	Sub-subsidiary (Note 1)
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Holding Co., Ltd	Cayman Islands	Professional investment company	910,384	910,384	44,485,000	100.00	1,200,198	(29,1701)	-	Sub-subsidiary (Note 1)
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Senior Lifestyle Services Co. Ltd.	Taiwan	Medicine, wholesale of medicine equipment and home care service	354,400	354,400	5,000,000	100.00	(2,321)	(10,223)	-	Sub-subsidiary (Note 1)
China Chemical & Pharmaceutical Co., Ltd.	Sino-Japan Chemical Co., Ltd.	Taiwan	Manufacture and selling of the chemical materials	37,474	37,474	318,216	21.99	516,506	209,652	-	Evaluation of equity method
China Chemical & Pharmaceutical Co., Ltd.	Chunghwa Chemical Synthesis & Biotech Co., Ltd.	Taiwan	Manufacture and selling of the chemical materials	563,849	563,849	21,575,064	28.05	903,990	(243,847)	-	Evaluation of equity method
China Chemical & Pharmaceutical Co., Ltd.	PHERMPEP CO., LTD.	Taiwan	Wholesale of biotechnology services and health products.	54,480	54,480	2,483,250	31.04	6,442	(10,573)	-	Evaluation of equity method
Chunghwa Yuming Healthcare Co., Ltd.	Chunghwa Biomedical Technology Corp.	Taiwan	Manufacturer of cleaning products	17,680	17,680	1,768,000	75.23	17,952	3,618	-	Sub-subsidiary (Note 1)
Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.	Chung-Hwa Le Huo Jian Kang (HK) Co., Ltd.	Hong Kong	Biotech products sold as an agent	-	-	-	100.00	-	-	-	Sub-subsidiary (Note 1)

Note 1: The Company does not recognize investment profit and loss directly.

Note 2: For the relevant information about the significant deals of the investees; please see attached table 1-6.

Cenra Inc. and subsidiaries

Basic information- Information of the investees in China

January 1 to December 31, 2025

Attached table 8

Unit: NTD thousand

(Except where otherwise stated)

Names of investees in China	Principal business	Paid-in shares Capital	Mode of investments (Note 1)	Accumulated amount of investment remitted from Taiwan at beginning	Amount of investment remitted or recovered in current period		Accumulated amount of investment remitted from Taiwan at ending	Current period profit / loss of the investee	The Company's directly or indirectly invested shareholding	Investment Profit or Loss for Current Period (Note 2)	Book value of investment at ending	The investment income received at the end of the current period	Remarks
					Outward remittance	Recover							
Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.	Manufacture and sales of pharmaceutical medicine and health products.	\$ 755,151	2	\$ 768,672	\$ -	\$ -	\$ 768,672	\$ (28,932)	100	(\$ 28,932)	\$ 1,202,377	\$ 472,412	Note 1 (2), Note 2(2) and Note 7
Suzhou Chung-hwa Yuming Pharmaceutical Co., Ltd.	Wholesale and sales of pharmaceutical medicine and medical equipment.	132,149	3	-	-	-	-	(53,436)	100	- (18,091)	-	-	Note 2(2)C, Note 3 and Note 7
Shanghai Yuhou Trading Co., Ltd. (formerly known as Pei Fu (Shanghai) Co., Ltd.)	Wholesale and sales of medical equipment.	200,070	3	-	-	-	-	(858)	100	-	6,827	-	Note 2(2)C, Note 4 and Note 7
Suzhou Chung-hwa Le Huo Jian Kang Co., Ltd.	E-commerce sales of health products	87,156	3	-	-	-	-	(7,552)	100	-	22,159	-	Note 2(2)C, Note 5, Note 7
Wuxi Jirui Medical Technology Co., Ltd. (Wuxi Jirui)	Production and sales of APIs	23,451	3	-	-	-	-	(7,031)	34	-	1,912	-	Note 2(2)C, Note 6, Note 7

Company name	Accumulated investment from Taiwan to Mainland China at ending	Amount of investment approved by Investment Commission of MOEA	Investment amount approved by the Investment Commission MOEAIC
China Chemical & Pharmaceutical Co., Ltd.	\$ 296,260	\$ 769,143	\$ 4,276,926

Note 1: There are three types of investments labeled by the respective number:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through a third country (please specify the investment company in the third country)
Investment in Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd. through Chung-hwa Holding Co., Ltd.
- (3) Other ways.

Note 2: Recognized as gains or losses on investment in current period:

- (1) Please note if the investee is still under preparation and there was no investment gain or loss.
- (2) The basis of recognition of investment income is classified into following three types, which should be marked out.
 - A. Financial statements audited and audited and attested by an international accounting firm that has a cooperative relationship with a certified public accounting firm registered in the Republic of China.
 - B. Financial statements audited by the CPAs who audit the parent company in Taiwan.
 - C. Others.

Note 3: Direct investment with RMB 30,000 thousand by Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.

Note 4: Up to 100% equity of Shanghai Yuhou Trading Co., Ltd. (formerly known as Pei Fu (Shanghai) Co., Ltd.) was purchased with a fund of RMB 1,797 thousand from Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd. in June 2016. In 2023, a total of RMB 41,278 thousand from Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd. was used for direct investment.

Note 5: Direct investment with RMB 20,000 thousand by Suzhou Chung-hwa Chemical&pharmaceutical Industrial Co., Ltd.

Note 6: Acquired 34% shareholding of Wuxi Jirui Medical Technology Co., Ltd. by use of RMB1,802 thousand capital from The Suzhou Chung-hwa Yuming Pharmaceutical Co., Ltd.

Note 7: The Company does not recognize investment profit and loss directly.