

**CHLITINA HOLDING LIMITED AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Accuracy of sales discounts and allowances calculation and recognition

Description

Refer to Note 4(30) for accounting policy on sales discounts and allowances.

The Group offers sales discounts and allowances to customers based on mutual agreement which is recorded as deduction to operating revenue. Given its mathematical complexity, large volume and its significance in determining the Group's operating performance and financial condition for the investors and key management, we considered the accuracy of sales discounts and allowances calculation and recognition as one of the key audit matters.

How our audit addressed the matter

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

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the calculations of sales discounts and allowances were accurate.
- C. Selected samples of sales discounts and allowances transactions and checked against supporting documentation to ascertain whether they were accurate.

Accounting estimates on inventory valuation

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(5) for details of inventories.

The Group is primarily engaged in the research and development, manufacturing and sales of skincare products. Due to the short expiration dates of its products, the Group is exposed to higher risks of inventory valuation loss or overdue loss when purchase orders are modified or sales deteriorates unexpectedly. The Group evaluates inventories stated at the lower of cost and net realisable value and recognises provision based on the length of time to the products' expiration date.

Since the amount of inventories is significant, the inventory items are numerous, the evaluation of inventories is subject to management's judgement and the accounting estimations have a significant influence on the inventory values, we considered the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

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

- A. Assessed whether the valuation policy is consistently applied and reasonable based on our understanding of the Group's operations and industry.
- B. Obtained the calculation table of gross margin of the Group's each product category and assessed whether the net realisable value used by management is appropriate.
- C. Obtained the detailed listings of products' expiration date, inspected the related supporting documents to ascertain the accuracy of expiration date and assessed whether the allowance for valuation loss provided by the Group based on the length of time to the expiration date is consistent with the actual historical sales and clearance trends of inventories.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 communication.

Wei, Li-Hsieh

Wang, Sung-Tse

For and on behalf of PricewaterhouseCoopers, Taiwan

March 2 , 2026

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	Asset	Notes	December 31, 2025			December 31, 2024		
			CNY	TWD	%	CNY	TWD	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 834,153	\$ 3,750,352	39	\$ 749,570	\$ 3,356,574	38
1136	Financial assets at amortized cost - current	6(1)(3)and8	478,581	2,151,700	23	479,052	2,145,195	24
1170	Accounts receivable, net	6(4)	770	3,458	-	619	2,772	-
1180	Accounts receivable - related parties, net	6(4)and7	296	1,330	-	271	1,212	-
1200	Other receivables		13,431	60,383	2	11,755	52,639	1
1210	Other receivables - related parties	7	224	1,007	-	250	1,120	-
1220	Current income tax assets		906	4,073	-	545	2,440	-
130X	Inventories	6(5)	88,953	399,933	4	103,406	463,052	5
1410	Prepayments	7	47,149	211,979	2	23,882	106,944	1
11XX	Total current assets		<u>1,464,463</u>	<u>6,584,215</u>	<u>70</u>	<u>1,369,350</u>	<u>6,131,948</u>	<u>69</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	64,437	289,709	3	60,914	272,773	3
1550	Investments accounted for using equity method	6(6)	48,907	219,886	2	58,428	261,641	3
1600	Property, plant and equipment, net	6(7)and8	379,730	1,707,266	18	370,186	1,657,693	19
1755	Right-of-use assets	6(8)and7	90,983	409,060	4	66,826	299,247	3
1760	Investment property, net	6(9)	7,172	32,245	-	13,847	62,007	1
1780	Intangible assets, net	6(10)	18,641	83,810	1	17,709	79,301	1
1840	Deferred income tax assets	6(26)	27,576	123,982	1	20,787	93,084	1
1900	Other non-current assets		16,401	73,739	1	7,922	35,475	-
15XX	Total non-current assets		<u>653,847</u>	<u>2,939,697</u>	<u>30</u>	<u>616,619</u>	<u>2,761,221</u>	<u>31</u>
1XXX	Total assets		<u>\$ 2,118,310</u>	<u>\$ 9,523,912</u>	<u>100</u>	<u>\$ 1,985,969</u>	<u>\$ 8,893,169</u>	<u>100</u>

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CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	Liabilities and Equity	Notes	December 31, 2025			December 31, 2024		
			CNY	TWD	%	CNY	TWD	%
	Current liabilities							
2100	Short-term loans	6(11)	\$ 260,853	\$ 1,172,795	12	\$ 157,560	\$ 705,554	7
2120	Financial liabilities at fair value through profit or loss-current	6(2)	2,324	10,450	-	3,267	14,630	-
2130	Current contract liabilities	6(20)	71,438	321,187	3	81,770	366,166	4
2170	Accounts payable		16,474	74,069	1	12,227	54,753	1
2180	Accounts payable - related parties	7	1,110	4,994	-	4,535	20,311	-
2200	Other payables	6(13)	72,455	325,759	4	73,020	326,984	5
2220	Other payables - related parties	7	712	3,201	-	879	3,936	-
2230	Current income tax liabilities		14,331	64,433	1	15,455	69,207	1
2280	Lease liabilities - current	7	30,842	138,666	1	24,681	110,522	1
2320	Long-term liabilities, current portion	6(12)	235,618	1,059,337	11	-	-	-
2645	Guarantee deposits		80,497	361,915	5	85,528	382,992	4
21XX	Total current liabilities		<u>786,654</u>	<u>3,536,806</u>	<u>38</u>	<u>458,922</u>	<u>2,055,055</u>	<u>23</u>
	Non-current liabilities							
2530	Bonds payable	6(12)	-	-	-	231,175	1,035,203	12
2540	Long-term borrowings	6(14)	69,900	314,270	3	-	-	-
2570	Deferred income tax liabilities	6(26)	24,285	109,185	1	12,598	56,414	1
2580	Lease liabilities - non-current	7	63,197	284,134	3	44,643	199,911	2
2640	Net defined benefit liabilities	6(15)	602	2,707	-	587	2,629	-
25XX	Total non-current liabilities		<u>157,984</u>	<u>710,296</u>	<u>7</u>	<u>289,003</u>	<u>1,294,157</u>	<u>15</u>
2XXX	Total liabilities		<u>944,638</u>	<u>4,247,102</u>	<u>45</u>	<u>747,925</u>	<u>3,349,212</u>	<u>38</u>
	Equity attributable to shareholders of the parent							
	Share capital	6(17)						
3110	Common stock		168,546	824,924	9	168,546	824,924	9
	Capital surplus	6(18)						
3200	Capital surplus		339,643	1,669,425	18	394,920	1,898,218	21
	Retained earnings	6(19)						
3310	Legal reserve		181,910	824,924	9	174,681	794,924	9
3320	Special reserve		90,978	423,273	4	143,331	640,538	7
3350	Unappropriated retained earnings		402,404	2,006,412	21	360,594	1,808,626	21
	Other equity							
3410	Financial statements translation differences of foreign operations		(9,409)	(470,406)	(6)	(4,308)	(424,475)	(5)
3420	Unrealised (losses) gains from financial assets at fair value through other comprehensive income		(400)	(1,742)	-	280	1,202	-
3XXX	Total equity		<u>1,173,672</u>	<u>5,276,810</u>	<u>55</u>	<u>1,238,044</u>	<u>5,543,957</u>	<u>62</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 2,118,310</u>	<u>\$ 9,523,912</u>	<u>100</u>	<u>\$ 1,985,969</u>	<u>\$ 8,893,169</u>	<u>100</u>

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	For the year ended December 31, 2025			For the year ended December 31, 2024		
		CNY	TWD	%	CNY	TWD	%
4000 Operating revenue	6(20)and7	\$ 895,917	\$ 3,878,155	100	\$ 912,671	\$ 4,066,587	100
5000 Operating costs	6(5)(25)and7	(160,465)	(694,605)	(18)	(156,009)	(695,128)	(17)
5900 Gross profit		<u>735,452</u>	<u>3,183,550</u>	<u>82</u>	<u>756,662</u>	<u>3,371,459</u>	<u>83</u>
Operating expenses	6(25)and7						
6100 Selling expenses		(372,161)	(1,610,974)	(42)	(404,666)	(1,803,068)	(44)
6200 Administrative expenses		(189,882)	(821,942)	(21)	(179,535)	(799,952)	(20)
6300 Research and development expenses		(3,043)	(13,172)	-	(3,675)	(16,375)	-
6000 Total operating expenses		<u>(565,086)</u>	<u>(2,446,088)</u>	<u>(63)</u>	<u>(587,876)</u>	<u>(2,619,395)</u>	<u>(64)</u>
6900 Operating profit		<u>170,366</u>	<u>737,462</u>	<u>19</u>	<u>168,786</u>	<u>752,064</u>	<u>19</u>
Non-operating income and expenses							
7101 Interest income	6(21)	16,579	71,766	2	25,876	115,296	3
7010 Other income	6(22)	29,830	129,125	3	31,227	139,138	3
7020 Other gains and losses	6(23)	10,428	45,140	1	(21,671)	(96,559)	(2)
7050 Finance costs	6(24)and7	(19,440)	(84,150)	(2)	(25,822)	(115,055)	(3)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	(12,561)	(54,373)	(1)	(11,179)	(49,810)	(1)
7000 Total non-operating income and expenses		<u>24,836</u>	<u>107,508</u>	<u>3</u>	<u>(1,569)</u>	<u>(6,990)</u>	<u>-</u>
7900 Profit before tax		<u>195,202</u>	<u>844,970</u>	<u>22</u>	<u>167,217</u>	<u>745,074</u>	<u>19</u>
7950 Income tax expense	6(26)	(59,364)	(256,969)	(7)	(61,135)	(272,399)	(7)
8200 Profit for the year		<u>\$ 135,838</u>	<u>\$ 588,001</u>	<u>15</u>	<u>\$ 106,082</u>	<u>\$ 472,675</u>	<u>12</u>
Other comprehensive income (loss)							
Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8311 Losses on remeasurements of defined benefit plans	6(15)	(\$ 8)	(\$ 34)	-	\$ 23	\$ 102	-
8320 Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(6)	(680)	(2,944)	-	(185)	(824)	-
8310 Total other comprehensive loss that will not be reclassified to profit or loss		<u>(688)</u>	<u>(2,978)</u>	<u>-</u>	<u>(162)</u>	<u>(722)</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361 Financial statements translation differences of foreign operations		(4,465)	(42,809)	(1)	8,619	209,226	5
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	(636)	(3,122)	-	138	8,863	-
8360 Total other comprehensive income (loss) that will be reclassified to profit or loss		<u>(5,101)</u>	<u>(45,931)</u>	<u>(1)</u>	<u>8,757</u>	<u>218,089</u>	<u>5</u>
Other comprehensive income (loss) for the year		<u>(5,789)</u>	<u>(48,909)</u>	<u>(1)</u>	<u>8,595</u>	<u>217,367</u>	<u>5</u>
8500 Total comprehensive income for the year		<u>\$ 130,049</u>	<u>\$ 539,092</u>	<u>14</u>	<u>\$ 114,677</u>	<u>\$ 690,042</u>	<u>17</u>
Earnings per share (in dollars)	6(27)						
9750 Basic earnings per share		<u>\$ 1.65</u>	<u>\$ 7.13</u>		<u>\$ 1.30</u>	<u>\$ 5.81</u>	
9850 Diluted earnings per share		<u>\$ 1.57</u>	<u>\$ 6.80</u>		<u>\$ 1.28</u>	<u>\$ 5.71</u>	

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of dollars)

Notes	Equity attributable to shareholders of the parent										Other equity					
	Common stock		Capital surplus		Legal reserve		Special reserve		Unappropriated retained earnings		Financial statements translation differences of foreign operations		Unrealised gains (losses) from financial assets at fair value through other comprehensive income		Total equity	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD						
For the year ended December 31, 2024																
Balance at January 1, 2024	\$ 161,772	\$ 794,924	\$ 280,133	\$ 1,388,422	\$ 174,681	\$ 794,924	\$ 122,010	\$ 545,935	\$ 463,926	\$ 2,265,122	(\$ 13,065)	(\$ 642,564)	\$ 465	\$ 2,026	\$ 1,189,922	\$ 5,148,789
Profit for the year	-	-	-	-	-	-	-	-	106,082	472,675	-	-	-	-	106,082	472,675
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	23	102	8,757	218,089	(185)	(824)	8,595	217,367
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	106,105	472,777	8,757	218,089	(185)	(824)	114,677	690,042
Appropriations of 2023 earnings	6(19)															
Special reserve	-	-	-	-	-	-	21,321	94,603	(21,321)	(94,603)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(188,116)	(834,670)	-	-	-	-	(188,116)	(834,670)
Changes in equity of associates and joint ventures accounted for using the equity method	6(18)	-	-	1,502	6,688	-	-	-	-	-	-	-	-	-	1,502	6,688
Capital increase by cash	6(17)(18)	6,774	30,000	98,894	438,000	-	-	-	-	-	-	-	-	-	105,668	468,000
Issuance of convertible bonds	6(12)(18)	-	-	13,301	60,274	-	-	-	-	-	-	-	-	-	13,301	60,274
Share-based payment	6(16)(18)	-	-	1,090	4,834	-	-	-	-	-	-	-	-	-	1,090	4,834
Balance at December 31, 2024	\$ 168,546	\$ 824,924	\$ 394,920	\$ 1,898,218	\$ 174,681	\$ 794,924	\$ 143,331	\$ 640,538	\$ 360,594	\$ 1,808,626	(\$ 4,308)	(\$ 424,475)	\$ 280	\$ 1,202	\$ 1,238,044	\$ 5,543,957
For the year ended December 31, 2025																
Balance at January 1, 2025	\$ 168,546	\$ 824,924	\$ 394,920	\$ 1,898,218	\$ 174,681	\$ 794,924	\$ 143,331	\$ 640,538	\$ 360,594	\$ 1,808,626	(\$ 4,308)	(\$ 424,475)	\$ 280	\$ 1,202	\$ 1,238,044	\$ 5,543,957
Profit for the year	-	-	-	-	-	-	-	-	135,838	588,001	-	-	-	-	135,838	588,001
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	(8)	(34)	(5,101)	(45,931)	(680)	(2,944)	(5,789)	(48,909)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	135,830	587,967	(5,101)	(45,931)	(680)	(2,944)	130,049	539,092
Appropriations of 2024 earnings	6(19)															
Legal reserve	-	-	-	-	7,229	30,000	-	-	(7,229)	(30,000)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(52,353)	(217,265)	52,353	217,265	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(139,144)	(577,446)	-	-	-	-	(139,144)	(577,446)
Cash dividends distributed from capital surplus	6(18)	-	(59,633)	(247,477)	-	-	-	-	-	-	-	-	-	(59,633)	(247,477)	
Changes in equity of associates and joint ventures accounted for using the equity method	6(18)	-	-	4,356	18,684	-	-	-	-	-	-	-	-	-	4,356	18,684
Balance at December 31, 2025	\$ 168,546	\$ 824,924	\$ 339,643	\$ 1,669,425	\$ 181,910	\$ 824,924	\$ 90,978	\$ 423,273	\$ 402,404	\$ 2,006,412	(\$ 9,409)	(\$ 470,406)	(\$ 400)	(\$ 1,742)	\$ 1,173,672	\$ 5,276,810

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

	Notes	For the year ended December 31, 2025		For the year ended December 31, 2024	
		CNY	TWD	CNY	TWD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$ 195,202	\$ 844,970	\$ 167,217	\$ 745,074
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(9)(23)	64,207	277,933	69,409	309,265
Amortization	6(10)(25)	3,566	15,436	3,308	14,740
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	6(2)(23)	(6,854)	(29,669)	6,183	27,553
Interest expense	6(24)	19,440	84,150	25,822	115,055
Interest income	6(21)	(16,579)	(71,766)	(25,876)	(115,296)
Compensation cost of share-based payments	6(16)	-	-	1,090	4,834
Share of loss of associates and joint venture accounted for using equity method	6(6)	12,561	54,373	11,179	49,810
Loss on disposal of property, plant and equipment	6(23)	2,509	10,861	2,460	10,961
Gain from lease modifications	6(8)(23)	(1,136)	(4,917)	(772)	(3,440)
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets at fair value through profit or loss		687	2,974	767	3,418
Accounts receivable	(151)	(654)	133	593	
Accounts receivable - related parties	(25)	(108)	(63)	(281)	
Other receivables	(343)	(1,485)	699	3,115	
Other receivables - related parties	26	113	70	312	
Inventories	14,453	62,563	(13,695)	(61,021)	
Prepayments	(23,267)	(100,716)	5,651	25,179	
Changes in operating liabilities					
Contract liabilities	(10,332)	(44,724)	(100)	(446)	
Accounts payable	4,247	18,384	(1,930)	(8,600)	
Accounts payable - related parties	(3,425)	(14,826)	(1,403)	(6,251)	
Other payables	(608)	(2,632)	(22,672)	(101,020)	
Other payables - related parties	(167)	(723)	(202)	(900)	
Net defined benefit liabilities	10	44	10	40	
Guarantee deposits	(5,031)	(21,778)	(5,136)	(22,884)	
Cash provided by operating activities		248,990	1,077,803	222,149	989,810
Interest paid	(13,822)	(59,831)	(25,081)	(111,753)	
Income tax paid	(58,465)	(253,077)	(68,119)	(303,518)	
Income tax refund received	2,514	10,882	-	-	
Net cash provided by operating activities		179,217	775,777	128,949	574,539

- Continued -

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

	Notes	For the year ended December 31, 2025		For the year ended December 31, 2024	
		CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 218,528)	(\$ 945,942)	(\$ 500,498)	(\$ 2,230,069)
Proceeds from disposal of financial assets at amortised cost		218,999	947,981	290,347	1,293,699
Increase in investments accounted for using equity method		-	-	(6,427)	(29,640)
Acquisition of property, plant and equipment	6(28)	(50,587)	(220,448)	(110,751)	(488,392)
Proceeds from disposal of property, plant and equipment		-	-	447	2,031
Acquisition of intangible assets	6(10)	(1,032)	(4,467)	(346)	(1,542)
Decrease in other non-current assets		321	1,390	349	1,555
Interest received		15,246	65,995	39,795	177,315
Net cash used in investing activities		(35,581)	(155,491)	(287,084)	(1,275,043)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Increase (decrease) in short-term borrowings	6(29)	110,946	480,254	(308,678)	(1,375,380)
Repayment of the principal portion of lease liabilities	6(29)	(30,183)	(130,650)	(33,610)	(149,756)
Proceeds from long-term borrowings	6(29)	71,919	311,315	-	-
Proceeds from issuance of convertible bonds	6(29)	-	-	242,145	1,095,397
Capital increase by cash	6(17)	-	-	105,668	468,000
Cash dividends paid	6(19)	(198,777)	(824,923)	(188,116)	(834,670)
Net cash flows used in financing activities		(46,095)	(164,004)	(182,591)	(796,409)
Effects due to changes in exchange rates		(12,958)	(62,504)	21,141	227,253
Increase (decrease) in cash and cash equivalents		84,583	393,778	(319,585)	(1,269,660)
Cash and cash equivalents at beginning of year		749,570	3,356,574	1,069,155	4,626,234
Cash and cash equivalents at end of year		\$ 834,153	\$ 3,750,352	\$ 749,570	\$ 3,356,574

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

Chlitina Holding Limited (the “Company”) was incorporated in the Cayman Islands on July 3, 2012, as a company limited by shares in accordance with Article 22 of the Company Act of the Cayman Islands. In order to issue the Company’s common stock in the Taiwan Stock Exchange, the subsidiaries were reorganised by share exchange. The Company is a holding company which is not subject to corporate income tax under the local laws and has limited liability. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in the development, manufacture and sales of cosmetics. On November 27, 2013, the Company was approved and listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 2, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

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

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

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

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

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

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

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

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-

defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	Chlitina Group Limited (Chlitina Group)	Investing	100.00	100.00	
Chlitina Group	C-Asia International Limited (C-Asia International)	Investing	100.00	100.00	
Chlitina Group	Chlitina Intelligence Limited (Chlitina Intelligence)	Investing and research and development	100.00	100.00	Note 1
Chlitina Group	W-Amber International Limited (W-Amber International)	Investing	100.00	100.00	
Chlitina Group	W-Champion International Limited (W-Champion International)	Investing	100.00	100.00	
Chlitina Group	Chlitina International Limited (Chlitina International)	Investing	100.00	100.00	
W-Amber International	W-Amber Marketing Limited (W-Amber Marketing)	Investing	100.00	100.00	
W-Champion International	W-Champion Marketing Limited (W-Champion Marketing)	Investing	100.00	100.00	
Chlitina International	Chlitina Marketing Limited (Chlitina Marketing)	Investing and trading of skincare products	100.00	100.00	Note 2
Chlitina International	K&S Biomedical Ltd. (K&S Biomedical)	Trading of skincare products and daily necessities	100.00	100.00	
Chlitina International	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL)	Research and development center	100.00	100.00	
Chlitina International	Chlitina (Southeast Asia) Holding Pte Lid.(Chlitina (Southeast Asia) Holding)	Investing	100.00	-	Note 5
Chlitina International	Hong Kong Chlitina International Limited (Hong Kong Chlitina)	Investing and trading of skincare products	100.00	100.00	
Hong Kong Chlitina	Yong Li Trading Company Limited (Yong Li)	Dealer of skincare products	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Champion International Limited (Hong Kong W-Champion)	Investing	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Hong Kong Chlitina	Hong Kong Crystal Asia International Limited (Hong Kong Crystal Asia)	Investing	-	100.00	Note 4
Hong Kong Chlitina	Hua Pao Sdn. Bhd. (Hua Pao)	Dealer of skincare products	100.00	100.00	
Hong Kong Chlitina	PT PINING BEAUTY INDONESIA (PINING)	Importing trade goods and management consulting	100.00	100.00	
Hong Kong Chlitina	Hong Kong Jing Tai International Investment Limited (Hong Kong Jing Tai)	Investment consulting and general trade	100.00	100.00	
Hong Kong Chlitina	Chlitina (China) Trade Limited (Chlitina China)	Dealer of skincare products and supplementary health care products	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Amber International Limited (Hong Kong W-Amber)	Investing	100.00	100.00	
Yong Li	Vinh Le Company Limited (Vinh Le)	Dealer of skincare products	100.00	100.00	Note 3
Hong Kong Jing Tai	WAN JU International Investment Limited (WAN JU International)	Investing	100.00	100.00	
Chlitina China	Weishuo (Shanghai) Daily Product Limited (Weishuo)	Production and trading of skincare products	100.00	100.00	
Chlitina China	Shanghai Zhe Mei Technology Training Co., Ltd. (Shanghai Zhe Mei)	Cosmetology training services	100.00	100.00	
Chlitina China	Shanghai Yongxiang Trading Co., Ltd. (Shanghai Yongxiang)	Retail of cosmetics and manicure service	100.00	100.00	
Chlitina China	Shanghai Jiekan Trading Co., Ltd. (Shanghai Jiekan)	Dealer of skincare products and supplementary health care products	100.00	100.00	
Chlitina China	Hong Kong Crystal International Services Limited (Hong Kong Crystal International)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Hong Kong W-Amber	Crystal Asia (Shanghai) Limited (Crystal Asia Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	
Hong Kong W-Amber	Hainan Shoumao Investment Limited (Hainan Shoumao)	Enterprise management consulting and investing	100.00	100.00	
Hong Kong W-Amber	Weihu (Shanghai) Health Management Consulting Co.,Ltd (Weihu Shanghai)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	
Crystal Asia Shanghai	Li Shuo Biotechnology (Shanghai) Co., Ltd. (Shanghai Li Shuo)	Enterprise management consulting and investing	100.00	100.00	
Weihu Shanghai	Shanghai Yuanshuo Management Consulting Limited (Shanghai Yuanshuo)	Enterprise management consulting and investing	100.00	100.00	
Shanghai Yuanshuo	Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd.	Dealer of general practice	100.00	100.00	
Shanghai Yuanshuo	Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. (Shanghai Yapu)	Medical cosmetology services	100.00	100.00	
Shanghai Yuanshuo	Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd. (Nanjing Yapu Lide)	Medical cosmetology services	100.00	100.00	
Shanghai Yuanshuo	Shanghai Lunxin Medical Beauty Clinic Co., Ltd. (Shanghai Lunxin)	Medical cosmetology services	100.00	100.00	
Shanghai Yuanshuo	Jinghe Clinic (Nanjing) Co., Ltd. (Nanjing Jinghe)	Dealer of general practice and foods	100.00	100.00	

Note 1: Chlitina Intelligence established British Virgin Is. Chlitina Intelligence Limited Taiwan Branch (Chlitina Intelligence Taiwan Branch) which is primarily engaged in the management of intellectual property and functions as a research and development center.

Note 2: Chlitina Marketing established British Virgin Is. Chlitina Marketing Limited Taiwan Branch (Chlitina Marketing Taiwan Branch) which is primarily engaged in the trading of skincare products.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

Note 4: Hong Kong Crystal Asia had completed the liquidation and dissolution in April 2025.

Note 5: In November 2025, Chlitina (Southeast Asia) Holding was invested and established by Chlitina International.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

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"). Both of the Company's functional and presentation currency are TWD, however, the functional currency of the significant operating components of the Group is CNY, thus the consolidated financial statements are presented in CNY.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

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

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average

exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

C. On December 31, 2025 and 2024, the spot exchange rates of CNY to TWD were CNY \$1=TWD \$ 4.4960 and CNY \$1=TWD \$4.4780, respectively, and for the years ended December 31, 2025 and 2024, the average exchange rates of CNY to TWD were CNY \$1=TWD \$ 4.3287 and CNY \$1=TWD \$4.4557, respectively.

(5) Classification of current and non-current items

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

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

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

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

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off in the normal operating cycle;

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

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

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

(6) Cash equivalents

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the

transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

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

(13) Investments accounted for using equity method - associates

- A. 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 using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the 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 recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised 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.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	18 ~ 27 years
Transportation equipment	2 ~ 10 years
Machinery equipment	3 ~ 10 years
Office and other equipment	2 ~ 10 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability; and
 - (b) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(17) Intangible assets

A. Trademarks and licences

Separately acquired trademarks and licences are stated at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 10 to 13 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(18) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(22) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- (a) The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- (b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- (c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- (e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options'.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(25) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. 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 with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans 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 independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity.

The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries 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 tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and

are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Group repurchases the Group's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

(29) Dividends

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

(30) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells skincare products, health care products and other products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (b) The skincare products and health care products are often sold with volume discounts based on aggregate sales over a 1-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. The Group calculates sales discounts and allowances based on the actual sales in current month. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur, and is settled at each reporting date.

The sales usually are made with a credit term of advance receipts before goods are shipped to customers, which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. The Group manages franchises and provides beautician training services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Franchise contract include multiple deliverables that shall be rendered by the Group, such as store equipment, beautician training and others. In most cases, the beautician training can be provided by another party, therefore beautician training is accounted for us a separate performance obligation. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sales of store equipment, revenue for the store equipment is recognised at a point in time when the store equipment is delivered, the legal title has passed and the customer has accepted the store equipment.

(31) Government grants

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

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments. The Group's Chief Operating Decision-Maker has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the short expiration dates of its products, the Group evaluates the amounts of expired products or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was CNY \$ 88,953 (TWD \$ 399,933).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Cash on hand	\$ 305	\$ 1,372	\$ 304	\$ 1,361
Check deposits and demand deposits	194,144	872,871	318,594	1,426,664
Time deposits	98,291	441,916	57,000	255,246
Cash equivalents	541,413	2,434,193	373,672	1,673,303
	<u>\$ 834,153</u>	<u>\$ 3,750,352</u>	<u>\$ 749,570</u>	<u>\$ 3,356,574</u>

A. As of December 31, 2025 and 2024, the Group's cash equivalents pertain to fixed rate financial instruments registered with the Shanghai Stock Exchange with maturities of 7 to 28 days.

B. As of December 31, 2025 and 2024, the Group's certificates of deposits with maturity term of over three months amounted to CNY \$ 478,581 (TWD \$ 2,151,700) and CNY \$409,499 (TWD \$1,833,737), respectively, which were reclassified as financial assets at amortized cost-current. Refer to Note 6(3) for details.

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

D. As of December 31, 2025 and 2024, the Group's cash and cash equivalents as short-term provision of endorsements and guarantees pledged to others as collateral amounted to CNY \$ 0 (TWD \$ 0) and CNY \$69,553 (TWD \$311,458), respectively, and were classified as financial assets at amortized cost - current. Refer to Note 6(3) for details.

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

Items	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Assets				
Non-current items:				
Financial assets mandatorily measured at fair value through profit or loss				
Unlisted stocks	\$ 36,244	\$ 162,954	\$ 32,198	\$ 144,181
Hybrid instruments	28,193	126,755	28,716	128,592
	<u>\$ 64,437</u>	<u>\$ 289,709</u>	<u>\$ 60,914</u>	<u>\$ 272,773</u>
Liabilities				
Current items:				
Financial liabilities mandatorily measured at fair value through profit or loss				
Derivatives –put options and call options of convertible bonds	<u>\$ 2,324</u>	<u>\$ 10,450</u>	<u>\$ 3,267</u>	<u>\$ 14,630</u>

A. The hybrid instrument pertains to the hybrid contracts of Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd. (Yingyi Biotechnology) which is an unlisted company and comprise equity interests and embedded options. The option gives the Company rights to ask Yingyi Biotechnology, the original shareholders or its founder to repurchase some or all of the equity interest at the unfixed price specified in the agreement. The relevant fair value is provided in Note 12.

B. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss for the years ended December 31, 2025 and 2024 are listed below:

	Years ended December 31,			
	2025		2024	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 687	\$ 2,974	\$ 767	\$ 3,418
Equity instruments	5,724	24,779	(1,904)	(8,484)
Hybrid instruments	(523)	(2,264)	(3,695)	(16,464)
Financial liabilities mandatorily measured at fair value through profit or loss				
Derivatives	966	4,180	(1,351)	(6,023)
	<u>\$ 6,854</u>	<u>\$ 29,669</u>	<u>(\$ 6,183)</u>	<u>(\$ 27,553)</u>

C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

D. Details relating to derivatives – put options and call options of convertible bonds are provided in Note 6(12).

(3) Financial assets at amortised cost

Items	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Current items:				
Time deposits with maturity term of over three months	\$ 478,581	\$ 2,151,700	\$ 409,499	\$ 1,833,737
Pledged time deposits with maturity term of over three months	-	-	69,553	311,458
	<u>\$ 478,581</u>	<u>\$ 2,151,700</u>	<u>\$ 479,052</u>	<u>\$ 2,145,195</u>

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

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 7,923</u>	<u>\$ 34,296</u>	<u>\$ 10,134</u>	<u>\$ 45,154</u>

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were CNY \$478,581 (TWD \$ 2,151,700) and CNY \$479,052 (TWD \$2,145,195), respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions

with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Accounts receivable	\$ 770	\$ 3,458	\$ 619	\$ 2,772
Accounts receivable - related parties	296	1,330	271	1,212
	<u>\$ 1,066</u>	<u>\$ 4,788</u>	<u>\$ 890</u>	<u>\$ 3,984</u>

A. As of December 31, 2025 and 2024, all the Group's accounts receivable arose from contracts with customers. In addition, on January 1, 2024, accounts receivable arising from contracts with customers amounted to CNY \$960 (TWD \$4,153).

B. The Group does not hold any collateral as security and has no accounts receivable pledged to others.

C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was CNY \$ 1,066 (TWD \$ 4,788) and CNY \$890 (TWD \$3,984), respectively.

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

(5) Inventories

	December 31, 2025					
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 59,430	\$ 267,198	(\$ 6,772)	(\$ 30,447)	\$ 52,658	\$ 236,751
Work in progress	6,084	27,354	(697)	(3,134)	5,387	24,220
Raw materials	32,809	147,509	(1,901)	(8,547)	30,908	138,962
	<u>\$ 98,323</u>	<u>\$ 442,061</u>	<u>(\$ 9,370)</u>	<u>(\$ 42,128)</u>	<u>\$ 88,953</u>	<u>\$ 399,933</u>
	December 31, 2024					
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 66,271	\$ 296,762	(\$ 1,809)	(\$ 8,101)	\$ 64,462	\$ 288,661
Work in progress	5,263	23,568	(326)	(1,460)	4,937	22,108
Raw materials	36,118	161,736	(2,111)	(9,453)	34,007	152,283
	<u>\$ 107,652</u>	<u>\$ 482,066</u>	<u>(\$ 4,246)</u>	<u>(\$ 19,014)</u>	<u>\$ 103,406</u>	<u>\$ 463,052</u>

A. For the years ended December 31, 2025 and 2024, the cost of inventories recognised as expenses are as follows:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 151,827	\$ 657,214	\$ 151,325	\$ 674,258
Loss on decline in market value	8,638	37,391	4,684	20,870
	<u>\$ 160,465</u>	<u>\$ 694,605</u>	<u>\$ 156,009</u>	<u>\$ 695,128</u>

B. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Associates				
General Biologicals Corp.	\$ 25,046	\$ 112,607	\$ 32,434	\$ 145,242
U-NEURON BIOMEDICAL INC.	23,861	107,279	25,994	116,399
	<u>\$ 48,907</u>	<u>\$ 219,886</u>	<u>\$ 58,428</u>	<u>\$ 261,641</u>

A. The basic information of the associates of the Group is as follows:

Company name	Principal place of business	Shareholding ratio	
		December 31, 2025	December 31, 2024
General Biologicals Corp.	Taiwan	16.67%	19.41%
U-NEURON BIOMEDICAL INC.	Taiwan	9.81%	9.56%

- (a) The Group is the single largest shareholder of General Biologicals Corp. with a 16.67% equity interest. Given the participation extent of other shareholders in the previous shareholders' meeting and the record of voting shares on significant issues, which indicates that the Group has no current ability to direct the relevant activities of General Biologicals Corp., the Group has no control, but only has significant influence, over the investee.
- (b) The Group held 9.81% equity interest in U-Neuron Biomedical Inc. and was a director of the company, thus the Group evaluated U-Neuron Biomedical Inc. by using equity method.

- B. Associates using the equity method are all individually immaterial and the Group's share of the operating results are summarised below:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Loss for the year	(\$ 12,561)	(\$ 54,373)	(\$ 11,179)	(\$ 49,810)
Other comprehensive income (loss)	(1,316)	(5,697)	(47)	8,039
Total comprehensive loss for the year	<u>(\$ 13,877)</u>	<u>(\$ 60,070)</u>	<u>(\$ 11,226)</u>	<u>(\$ 41,771)</u>

- C. The Group has no investments accounted for using the equity method pledged to others.
- D. The Group's associate, General Biologicals Corp., has quoted market prices. As of December 31, 2025 and 2024, the fair value was CNY \$ 33,740 (TWD \$ 151,697) and CNY \$55,230 (TWD \$247,319), respectively.
- E. The Group's associate, U-NEURON BIOMEDICAL INC., has quoted market price. As of December 31, 2025 and 2024, the fair value was CNY \$ 31,864 (TWD \$ 143,262) and CNY \$35,327 (TWD \$158,193), respectively.

(7) Property, plant and equipment

(In thousands of CNY)

	2025						
	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 103,715	\$ 346,516	\$ 7,507	\$ 21,260	\$ 168,622	\$ 6,461	\$ 654,081
Accumulated depreciation and impairment	-	(138,258)	(4,963)	(13,762)	(126,912)	-	(283,895)
	<u>\$ 103,715</u>	<u>\$ 208,258</u>	<u>\$ 2,544</u>	<u>\$ 7,498</u>	<u>\$ 41,710</u>	<u>\$ 6,461</u>	<u>\$ 370,186</u>
Balance at January 1	\$ 103,715	\$ 208,258	\$ 2,544	\$ 7,498	\$ 41,710	\$ 6,461	\$ 370,186
Additions	-	11,057	115	8,910	10,007	11,698	41,787
Disposals	-	-	(40)	(382)	(1,817)	(270)	(2,509)
Reclassifications	-	5,895	-	-	9,615	(13,172)	2,338
Depreciation charge	-	(15,873)	(873)	(1,871)	(12,919)	-	(31,536)
Net exchange differences	(418)	(15)	(17)	-	(123)	37	(536)
Balance at December 31	<u>\$ 103,297</u>	<u>\$ 209,322</u>	<u>\$ 1,729</u>	<u>\$ 14,155</u>	<u>\$ 46,473</u>	<u>\$ 4,754</u>	<u>\$ 379,730</u>
<u>At December 31</u>							
Cost	\$ 103,297	\$ 366,398	\$ 7,066	\$ 29,504	\$ 180,015	\$ 4,754	\$ 691,034
Accumulated depreciation and impairment	-	(157,076)	(5,337)	(15,349)	(133,542)	-	(311,304)
	<u>\$ 103,297</u>	<u>\$ 209,322</u>	<u>\$ 1,729</u>	<u>\$ 14,155</u>	<u>\$ 46,473</u>	<u>\$ 4,754</u>	<u>\$ 379,730</u>

(In thousands of CNY)

2024

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 24,427	\$ 297,785	\$ 7,676	\$ 20,959	\$ 164,057	\$ 5,696	\$ 520,600
Accumulated depreciation and impairment	-	(123,194)	(5,448)	(12,634)	(115,917)	-	(257,193)
	<u>\$ 24,427</u>	<u>\$ 174,591</u>	<u>\$ 2,228</u>	<u>\$ 8,325</u>	<u>\$ 48,140</u>	<u>\$ 5,696</u>	<u>\$ 263,407</u>
Balance at January 1	\$ 24,427	\$ 174,591	\$ 2,228	\$ 8,325	\$ 48,140	\$ 5,696	\$ 263,407
Additions	81,559	44,535	1,141	312	8,768	11,580	147,895
Disposals	(256)	-	(136)	(2)	(2,513)	-	(2,907)
Reclassifications	-	4,287	-	-	4,521	(10,810)	(2,002)
Depreciation charge	-	(15,065)	(720)	(1,137)	(16,898)	-	(33,820)
Net exchange differences	(2,015)	(90)	31	-	(308)	(5)	(2,387)
Balance at December 31	<u>\$ 103,715</u>	<u>\$ 208,258</u>	<u>\$ 2,544</u>	<u>\$ 7,498</u>	<u>\$ 41,710</u>	<u>\$ 6,461</u>	<u>\$ 370,186</u>
<u>At December 31</u>							
Cost	\$ 103,715	\$ 346,516	\$ 7,507	\$ 21,260	\$ 168,622	\$ 6,461	\$ 654,081
Accumulated depreciation and impairment	-	(138,258)	(4,963)	(13,762)	(126,912)	-	(283,895)
	<u>\$ 103,715</u>	<u>\$ 208,258</u>	<u>\$ 2,544</u>	<u>\$ 7,498</u>	<u>\$ 41,710</u>	<u>\$ 6,461</u>	<u>\$ 370,186</u>

(In thousands of TWD)

2025

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 464,436	\$ 1,551,699	\$ 33,616	\$ 95,202	\$ 755,089	\$ 28,932	\$ 2,928,974
Accumulated depreciation and impairment	-	(619,119)	(22,224)	(61,626)	(568,312)	-	(1,271,281)
	<u>\$ 464,436</u>	<u>\$ 932,580</u>	<u>\$ 11,392</u>	<u>\$ 33,576</u>	<u>\$ 186,777</u>	<u>\$ 28,932</u>	<u>\$ 1,657,693</u>
Balance at January 1	\$ 464,436	\$ 932,580	\$ 11,392	\$ 33,576	\$ 186,777	\$ 28,932	\$ 1,657,693
Additions	-	48,456	498	38,569	43,317	50,637	181,477
Disposals	-	-	(173)	(1,654)	(7,865)	(1,169)	(10,861)
Reclassifications	-	25,517	-	-	41,621	(57,018)	10,120
Depreciation charge	-	(68,709)	(3,779)	(8,099)	(55,922)	-	(136,509)
Net exchange differences	29	3,267	(164)	1,249	973	(8)	5,346
Balance at December 31	<u>\$ 464,465</u>	<u>\$ 941,111</u>	<u>\$ 7,774</u>	<u>\$ 63,641</u>	<u>\$ 208,901</u>	<u>\$ 21,374</u>	<u>\$ 1,707,266</u>
<u>At December 31</u>							
Cost	\$ 464,465	\$ 1,647,325	\$ 31,769	\$ 132,650	\$ 809,306	\$ 21,374	\$ 3,106,889
Accumulated depreciation and impairment	-	(706,214)	(23,995)	(69,009)	(600,405)	-	(1,399,623)
	<u>\$ 464,465</u>	<u>\$ 941,111</u>	<u>\$ 7,774</u>	<u>\$ 63,641</u>	<u>\$ 208,901</u>	<u>\$ 21,374</u>	<u>\$ 1,707,266</u>

(In thousands of TWD)

2024

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,696	\$ 1,288,516	\$ 33,214	\$ 90,690	\$ 709,875	\$ 24,647	\$ 2,252,638
Accumulated depreciation and impairment	-	(533,061)	(23,573)	(54,668)	(501,574)	-	(1,112,876)
	<u>\$ 105,696</u>	<u>\$ 755,455</u>	<u>\$ 9,641</u>	<u>\$ 36,022</u>	<u>\$ 208,301</u>	<u>\$ 24,647</u>	<u>\$ 1,139,762</u>
Balance at January 1	\$ 105,696	\$ 755,455	\$ 9,641	\$ 36,022	\$ 208,301	\$ 24,647	\$ 1,139,762
Additions	359,920	194,729	5,084	1,390	39,068	51,597	651,788
Disposals	(1,180)	-	(606)	(9)	(11,197)	-	(12,992)
Reclassifications	-	19,102	-	-	20,144	(48,166)	(8,920)
Depreciation charge	-	(67,125)	(3,208)	(5,066)	(75,292)	-	(150,691)
Net exchange differences	-	30,419	481	1,239	5,753	854	38,746
Balance at December 31	<u>\$ 464,436</u>	<u>\$ 932,580</u>	<u>\$ 11,392</u>	<u>\$ 33,576</u>	<u>\$ 186,777</u>	<u>\$ 28,932</u>	<u>\$ 1,657,693</u>
<u>At December 31</u>							
Cost	\$ 464,436	\$ 1,551,699	\$ 33,616	\$ 95,202	\$ 755,089	\$ 28,932	\$ 2,928,974
Accumulated depreciation and impairment	-	(619,119)	(22,224)	(61,626)	(568,312)	-	(1,271,281)
	<u>\$ 464,436</u>	<u>\$ 932,580</u>	<u>\$ 11,392</u>	<u>\$ 33,576</u>	<u>\$ 186,777</u>	<u>\$ 28,932</u>	<u>\$ 1,657,693</u>

- A. The aforementioned property, plant and equipment are all for the Group's own use.
- B. Information about the property, plant and equipment that were pledged by the Group to others is provided in Note 8.
- C. On November 23, 2023, the Group purchased a building and parking space at Huaihai West Road, Changning District, Shanghai from a non-related party, Haikou Intermediate People's Court, Hainan Province, and the Group has paid the relevant amount totaling CNY \$38,278 (TWD \$167,118), which is shown as buildings and structures as the transfer procedures had been completed in January 2024.
- D. On April 12, 2024, the Group purchased the land and buildings at Ruiguang Road., Neihu Dist., Taipei City from a non-related party, Hua Nan Assets Management Co., Ltd. and the Group has paid the relevant amount totaling CNY \$87,816 (TWD \$387,531), which is shown as land, buildings and structures as the transfer procedures had been completed in May 2024.
- E. On May 27, 2025, the Group purchased a building and parking space at Huaihai West Road, Changning District, Shanghai from the non-related parties, Pan, Wei-Ming and Wang, Hong-Wei, and the Group has paid the relevant amount totaling CNY \$11,057 (TWD \$48,456), which is shown as buildings and structures as the transfer procedures had been completed in May 2025.

(8) Leasing arrangements - lessee

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise offices and parking lots. Low-value assets comprise copying machines.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025		December 31, 2024	
	Carrying amount		Carrying amount	
	CNY	TWD	CNY	TWD
Buildings	\$ 90,983	\$ 409,060	\$ 66,826	\$ 299,247
	Years ended December 31			
	2025		2024	
	Depreciation charge		Depreciation charge	
	CNY	TWD	CNY	TWD
Buildings	\$ 31,891	\$ 138,047	\$ 34,687	\$ 154,555

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were CNY \$ 62,779 (TWD \$ 271,751) and CNY \$29,640 (TWD \$132,067), respectively.

E. Information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 3,899	\$ 16,881	\$ 3,886	\$ 17,315
Expense on short-term lease contracts	3,134	13,566	1,322	5,890
Expense on leases of low-value assets	18	78	17	76
Gains arising from lease modifications	1,136	4,917	772	3,440

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were CNY 37,234 (TWD \$ 161,175) and CNY \$38,835 (TWD \$173,037), respectively.

(9) Investment property

	2025		2024	
	Buildings and structures		Buildings and structures	
	CNY	TWD	CNY	TWD
At January 1				
Cost	\$ 20,520	\$ 91,890	\$ 20,520	\$ 88,792
Accumulated depreciation and impairment	(6,673)	(29,883)	(5,771)	(24,973)
	<u>\$ 13,847</u>	<u>\$ 62,007</u>	<u>\$ 14,749</u>	<u>\$ 63,819</u>
Balance at January 1	\$ 13,847	\$ 62,007	\$ 14,749	\$ 63,819
Reclassifications (Note)	(5,895)	(25,517)	-	-
Depreciation charge	(780)	(3,377)	(902)	(4,019)
Net exchange differences	-	(868)	-	2,207
Balance at December 31	<u>\$ 7,172</u>	<u>\$ 32,245</u>	<u>\$ 13,847</u>	<u>\$ 62,007</u>
At December 31				
Cost	\$ 11,672	\$ 52,474	\$ 20,520	\$ 91,890
Accumulated depreciation and impairment	(4,500)	(20,229)	(6,673)	(29,883)
	<u>\$ 7,172</u>	<u>\$ 32,245</u>	<u>\$ 13,847</u>	<u>\$ 62,007</u>

Note: In October 2025, the Group changed the purpose of use of certain buildings and structures. Therefore, the Group reclassified them to "buildings and structures" of fixed assets.

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Rental income from investment property	\$ 1,166	\$ 5,047	\$ 536	\$ 2,388
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 780	\$ 3,377	\$ 902	\$ 4,019

B. The fair value of the investment property held by the Group as at December 31, 2025 and 2024 was CNY \$ 18,726 (TWD \$ 81,059) and CNY \$28,844 (TWD \$128,520), respectively. The fair value as at December 31, 2025 and 2024 was valued based on nearby prevailing prices of similar properties.

C. The Group has no impairment on investment property for the years ended December 31, 2025 and 2024.

D. The Group has no investment property pledged to others as collateral.

(10) Intangible assets

	2025							
	Goodwill		Licences and trademarks		Software and others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1								
Cost	\$ 1,529	\$ 6,847	\$ 16,366	\$ 73,287	\$ 47,308	\$ 211,845	\$ 65,203	\$ 291,979
Accumulated amortisation and impairment	-	-	(4,851)	(21,723)	(42,643)	(190,955)	(47,494)	(212,678)
	<u>\$ 1,529</u>	<u>\$ 6,847</u>	<u>\$ 11,515</u>	<u>\$ 51,564</u>	<u>\$ 4,665</u>	<u>\$ 20,890</u>	<u>\$ 17,709</u>	<u>\$ 79,301</u>
Balance at January 1	\$ 1,529	\$ 6,847	\$ 11,515	\$ 51,564	\$ 4,665	\$ 20,890	\$ 17,709	\$ 79,301
Reclassifications	-	-	-	-	3,557	15,397	3,557	15,397
Additions – acquired separately	-	-	-	-	1,032	4,467	1,032	4,467
Amortisation charge	-	-	(1,542)	(6,675)	(2,024)	(8,761)	(3,566)	(15,436)
Net exchange differences	-	27	-	(50)	(91)	104	(91)	81
Balance at December 31	<u>\$ 1,529</u>	<u>\$ 6,874</u>	<u>\$ 9,973</u>	<u>\$ 44,839</u>	<u>\$ 7,139</u>	<u>\$ 32,097</u>	<u>\$ 18,641</u>	<u>\$ 83,810</u>
At December 31								
Cost	\$ 1,529	\$ 6,874	\$ 16,366	\$ 73,582	\$ 51,969	\$ 233,653	\$ 69,864	\$ 314,109
Accumulated amortisation	-	-	(6,393)	(28,743)	(44,830)	(201,556)	(51,223)	(230,299)
	<u>\$ 1,529</u>	<u>\$ 6,874</u>	<u>\$ 9,973</u>	<u>\$ 44,839</u>	<u>\$ 7,139</u>	<u>\$ 32,097</u>	<u>\$ 18,641</u>	<u>\$ 83,810</u>

2024

	2024							
	Goodwill		Licences and trademarks		Software and others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1								
Cost	\$ 1,529	\$ 6,616	\$ 16,366	\$ 70,816	\$ 45,045	\$ 194,910	\$ 62,940	\$ 272,342
Accumulated amortisation and impairment	-	-	(3,309)	(14,319)	(40,960)	(177,234)	(44,269)	(191,553)
	<u>\$ 1,529</u>	<u>\$ 6,616</u>	<u>\$ 13,057</u>	<u>\$ 56,497</u>	<u>\$ 4,085</u>	<u>\$ 17,676</u>	<u>\$ 18,671</u>	<u>\$ 80,789</u>
Balance at January 1	\$ 1,529	\$ 6,616	\$ 13,057	\$ 56,497	\$ 4,085	\$ 17,676	\$ 18,671	\$ 80,789
Additions - acquired separately	-	-	-	-	346	1,542	346	1,542
Reclassifications	-	-	-	-	2,002	8,920	2,002	8,920
Amortisation charge	-	-	(1,542)	(6,871)	(1,766)	(7,869)	(3,308)	(14,740)
Net exchange differences	-	231	-	1,938	(2)	621	(2)	2,790
Balance at December 31	<u>\$ 1,529</u>	<u>\$ 6,847</u>	<u>\$ 11,515</u>	<u>\$ 51,564</u>	<u>\$ 4,665</u>	<u>\$ 20,890</u>	<u>\$ 17,709</u>	<u>\$ 79,301</u>
At December 31								
Cost	\$ 1,529	\$ 6,847	\$ 16,366	\$ 73,287	\$ 47,308	\$ 211,845	\$ 65,203	\$ 291,979
Accumulated amortisation	-	-	(4,851)	(21,723)	(42,643)	(190,955)	(47,494)	(212,678)
	<u>\$ 1,529</u>	<u>\$ 6,847</u>	<u>\$ 11,515</u>	<u>\$ 51,564</u>	<u>\$ 4,665</u>	<u>\$ 20,890</u>	<u>\$ 17,709</u>	<u>\$ 79,301</u>

- A. Goodwill is allocated to the Group's cash-generating units identified. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use future pre-tax cash flow projections based on financial budgets.
- B. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are based on the forecasts included in industry reports and the future estimated expansion. The discount rates used are pre-tax and reflect specific risk relating to the relevant operating segments.

(11) Short-term borrowings

Type of borrowings	December 31, 2025		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 41,366	\$ 186,000	2.45%	Refer to Note 8
Unsecured borrowings	219,487	986,795	4.52%~4.82%	-
	<u>\$ 260,853</u>	<u>\$ 1,172,795</u>		
Type of borrowings	December 31, 2024		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 58,728	\$ 263,000	1.81%	Refer to Note 8
Unsecured borrowings	98,832	442,554	5.07%	-
	<u>\$ 157,560</u>	<u>\$ 705,554</u>		

- A. The Group recognised interest expense in profit or loss for the years ended December 31, 2025 and 2024, from short-term borrowings, amounting to CNY \$ 9,404 (TWD \$ 40,702) and CNY \$ 19,987 (TWD \$ 89,053), respectively.

B. The bank borrowing agreement specifies that the consolidated financial statements of the Group need to meet the criteria as agreed. During the period of the borrowings, the loan needs to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of December 31, 2025 and 2024, the Group has not violated any of the loan covenants in the borrowing agreement.

The Company signed a credit facility agreement with Shin Kong Commercial Bank. As of December 31, 2025, the Company did not meet the requirement of interest coverage ratio, which shall be maintained at or above 30 times. As of March 2, 2025, the Company was still in communication with Shin Kong Commercial Bank for the exemptions.

(12) Bonds payable

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Bonds payable	\$ 244,662	\$ 1,100,000	\$ 245,645	\$ 1,100,000
Less: Discount on bonds payable	(9,044)	(40,663)	(14,470)	(64,797)
	235,618	1,059,337	231,175	1,035,203
Less: Bonds payable, current portion (Note)	(235,618)	(1,059,337)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,175</u>	<u>\$ 1,035,203</u>

Note: Shown as “long-term liabilities, current portion”.

A. The terms of the second domestic unsecured convertible bonds issued by the Company in August 2024 as approved by the regulatory authority are as follows:

- (a) The total issuance amount of NT\$1,100,000 and a coupon rate of 0%. The bonds mature three years from the issue date (August 12, 2024 to August 12, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 12, 2024.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 13, 2024) of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
- (d) The Company will send a ‘Notice of Withdrawal’ by registered mail to the creditor (the effective date is based on the final date of the period starting from the mail date) who holds the convertible bonds within 30 trading days after that the closing price of the Company’s common shares is above the then conversion price by 30% (including 30%) for 30 consecutive trading days during the period from the date after three month of the bonds issue

- (November 13, 2024) to 40 days before the maturity date, and send a letter to inform the Taipei Exchange. The Company will withdraw all the bonds at face value in cash when the period expires.
- (e) The Company will send a ‘Notice of Withdrawal’ by registered mail to the creditor (the effective date is based on the final date of the period starting from the mail date) who holds the convertible bonds at any time if the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (November 13, 2024) to 40 days before the maturity date, and send a letter to inform the Taipei Exchange. The Company will withdraw all the bonds at face value in cash when the period expires.
- (f) The bonds set the date after two years from the issue date (August 12, 2026) as the put effective date for the bondholders to early put the bonds back to the Company. The Company will send a ‘Notice of Withdrawal’ by registered mail to the bondholders in 40 days before put effective date, and send a letter to inform the Taipei Exchange bulletining the exercise of put option of the convertible bonds. The creditors could inform the Company’s agency in document form to demand that the Company repurchase bonds at face value and interest premium (100.50% of the face value after over two years) in 40 days before the put effective date.
- (g) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to CNY \$13,301 (TWD \$60,274) were separated from the liability component and were recognised in ‘capital surplus—share options’ in accordance with IAS 32 after taking into account the adjustment for the cost of issuance. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets or liabilities at fair value through profit or loss’ in net amount in accordance with IAS 39, ‘Financial instruments: recognition and measurement’, because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 2.3068%.
- C. From July 9, 2025, the conversion price of the Company’s second unsecured convertible bonds within the territory of R.O.C. was adjusted to TWD \$141.30 (in dollars) per share as approved by the Board of Directors on June 18, 2025.

(13) Other payables

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Tax payable	\$ 11,699	\$ 52,599	\$ 11,456	\$ 51,300
Wages and salaries payable	22,144	99,559	18,517	82,919
Social insurance fee payable	3,239	14,563	3,671	16,439
Others	35,373	159,038	39,376	176,326
	<u>\$ 72,455</u>	<u>\$ 325,759</u>	<u>\$ 73,020</u>	<u>\$ 326,984</u>

(14) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2025</u>	
				<u>CNY</u>	<u>TWD</u>
Long-term bank borrowings					
Unsecured borrowings					
Cathay United	Borrowing period is from October 29, 2025 to July 15, 2027; interest is repayable monthly, principal is repayable at maturity.	4.35%	-	\$69,900	\$314,270
Less: Current portion				-	-
				<u>\$69,900</u>	<u>\$314,270</u>

As of December 31, 2024: None.

The bank borrowing agreement specifies that the consolidated financial statements of the Group need to meet the criteria as agreed. During the period of the borrowings, the loan needs to be reviewed and maintained quarterly. As of December 31, 2025, the Group has not violated any of the loan covenants in the borrowing agreement.

(15) Pensions

A. Defined benefit plans

- (a) Taiwan 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 Labor Standards Act. For employees eligible under the Labor Standards Act, pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

(b) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Present value of defined benefit obligations	\$ 602	\$ 2,707	\$ 587	\$ 2,629
Fair value of plan assets	-	-	-	-
Net defined benefit liability	<u>\$ 602</u>	<u>\$ 2,707</u>	<u>\$ 587</u>	<u>\$ 2,629</u>

(c) Changes in net defined benefit liability are as follows:

	(In thousands of CNY)		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2025</u>			
Balance at January 1	\$ 587	\$ -	\$ 587
Current service cost	-	-	-
Interest (expense) income	10	-	10
	<u>597</u>	<u>-</u>	<u>597</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	6	-	6
Experience adjustments	2	-	2
	<u>8</u>	<u>-</u>	<u>8</u>
Pension fund contribution	-	-	-
Paid pension	-	-	-
Exchange difference	(3)	-	(3)
Balance at December 31	<u>\$ 602</u>	<u>\$ -</u>	<u>\$ 602</u>

(In thousands of CNY)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2024</u>			
Balance at January 1	\$ 620	\$ -	\$ 620
Current service cost	-	-	-
Interest (expense) income	11	-	11
	<u>631</u>	<u>-</u>	<u>631</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	(6)	-	(6)
Experience adjustments	(17)	-	(17)
	<u>(23)</u>	<u>-</u>	<u>(23)</u>
Pension fund contribution	-	-	-
Paid pension	-	-	-
Exchange difference	(21)	-	(21)
Balance at December 31	<u>\$ 587</u>	<u>\$ -</u>	<u>\$ 587</u>

(In thousands of TWD)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2025</u>			
Balance at January 1	\$ 2,629	\$ -	\$ 2,629
Current service cost	-	-	-
Interest (expense) income	44	-	44
	<u>2,673</u>	<u>-</u>	<u>2,673</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	24	-	24
Experience adjustments	10	-	10
	<u>34</u>	<u>-</u>	<u>34</u>
Pension fund contribution	-	-	-
Paid pension	-	-	-
Balance at December 31	<u>\$ 2,707</u>	<u>\$ -</u>	<u>\$ 2,707</u>

(In thousands of TWD)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2024</u>			
Balance at January 1	\$ 2,683	\$ -	\$ 2,683
Current service cost	-	-	-
Interest (expense) income	48	-	48
	<u>2,731</u>	<u>-</u>	<u>2,731</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	(27)	-	(27)
Experience adjustments	(75)	-	(75)
	<u>(102)</u>	<u>-</u>	<u>(102)</u>
Pension fund contribution	-	-	-
Paid pension	-	-	-
Balance at December 31	<u>\$ 2,629</u>	<u>\$ -</u>	<u>\$ 2,629</u>

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2025	2024
Discount rate	1.625%	1.750%
Future salary increases	3.00%	3.000%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	(In thousands of CNY)			
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Impact on present value of defined benefit obligation	(\$ 10)	\$ 11	\$ 10	(\$ 10)
<u>December 31, 2024</u>				
Impact on present value of defined benefit obligation	(\$ 12)	\$ 12	\$ 12	(\$ 11)

	(In thousands of TWD)			
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Impact on present value of defined benefit obligation	(\$ 47)	\$ 48	\$ 46	(\$ 46)
<u>December 31, 2024</u>				
Impact on present value of defined benefit obligation	(\$ 52)	\$ 54	\$ 52	(\$ 51)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net defined benefit liabilities in the balance sheet are the same.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$ 0.
- (f) As of December 31, 2025, the weighted average duration of that retirement plan is 8.98 years.

B. Defined contribution plans

- (a) Effective July 1, 2005, Taiwan subsidiaries established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, Taiwan subsidiaries contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the

employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The subsidiaries in Mainland China have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of the employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The details of the defined contribution plans are as follows:

Administration	Beneficiary	Pension appropriation
Each municipal government in Mainland China	Employees of all subsidiaries in Mainland China	16%

- (c) The subsidiary-Hong Kong Chlitina established a compulsory pension program, which allocates a fixed amount of money for pension benefit, and is managed by an independent trustee based on Hong Kong Employee Act. In addition, according to the regulations of that program, both the employer and the employee have to contribute 5% of the employees' salary. From June 2014, the maximum relevant salary per month increased from HKD \$25,000 to HKD \$30,000. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31 2025 and 2024 were CNY \$ 15,314 (TWD \$ 66,289) and CNY \$16,241 (TWD \$72,366), respectively.

(16) Share-based payments

A. The Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Vesting conditions
Cash capital increase reserved for employee preemption	2024.05.06	226	Vested immediately

The share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

For the year ended December 31, 2025: None.

	Year ended December 31, 2024	
	No. of options (in thousands)	Weighted-average exercise price (in TWD dollars)
Options outstanding at January 1	-	\$ -
Options granted	226	156
Options exercised	(226)	(156)
Options outstanding at December 31	-	-
Options exercisable at December 31	-	-

C. The fair value of stock options granted on May 6, 2024 is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per price (in dollars)
Cash capital increase reserved for employee preemption	2024.05.06	\$ 177.00	\$ 156.00	48.52% (Note)	0.028	-	1.10%	\$ 21.39

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

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

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Equity-settled	\$ -	\$ -	\$ 1,090	\$ 4,834

(17) Share capital

- A. As of December 31, 2025, the Company's authorized capital was TWD \$2,000,000, and the paid-in capital was CNY \$168,546 (TWD \$824,924), consisting of 82,492 thousand shares of ordinary stock, with a par value of TWD \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. On March 1, 2024, the Board of Directors has resolved to increase capital by issuing common stock of 3,000 thousand shares with a par value of TWD \$10 (in dollars) per share at an issuance price of TWD \$156 (in dollars) per share. The total amount of capital increase was TWD \$30,000 and the capital increase was set effective on May 16, 2024.
- C. Movements in the number of the Company's ordinary shares outstanding (in thousands) are as follows:

	2025	2024
At January 1	82,492	79,492
Cash capital increase	-	3,000
At December 31	82,492	82,492

(18) Capital surplus

A. A summary of the Company's capital surplus is as follows:

	2025											
	Share premium		Employee stock options		Stock options		Net change in equity of associates		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 363,544	\$ 1,730,902	\$ 809	\$ 3,924	\$ 13,316	\$ 60,352	\$ 3,798	\$ 16,738	\$ 13,453	\$ 86,302	\$ 394,920	\$ 1,898,218
Capital surplus used to issue cash dividends to shareholders	(59,633)	(247,477)	-	-	-	-	-	-	-	-	(59,633)	(247,477)
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	-	4,356	18,684	-	-	4,356	18,684
At December 31	<u>\$ 303,911</u>	<u>\$ 1,483,425</u>	<u>\$ 809</u>	<u>\$ 3,924</u>	<u>\$ 13,316</u>	<u>\$ 60,352</u>	<u>\$ 8,154</u>	<u>\$ 35,422</u>	<u>\$ 13,453</u>	<u>\$ 86,302</u>	<u>\$ 339,643</u>	<u>\$ 1,669,425</u>
	2024											
	Share premium		Employee stock options		Stock options		Net change in equity of associates		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 2,296	\$ 10,050	\$ 13,453	\$ 86,302	\$ 280,133	\$ 1,388,422
Share-based payment	-	-	1,090	4,834	-	-	-	-	-	-	1,090	4,834
Employee stock options exercised	1,090	4,834	(1,090)	(4,834)	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	13,301	60,274	-	-	-	-	13,301	60,274
Cash capital increase	98,894	438,000	-	-	-	-	-	-	-	-	98,894	438,000
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	-	1,502	6,688	-	-	1,502	6,688
At December 31	<u>\$ 363,544</u>	<u>\$ 1,730,902</u>	<u>\$ 809</u>	<u>\$ 3,924</u>	<u>\$ 13,316</u>	<u>\$ 60,352</u>	<u>\$ 3,798</u>	<u>\$ 16,738</u>	<u>\$ 13,453</u>	<u>\$ 86,302</u>	<u>\$ 394,920</u>	<u>\$ 1,898,218</u>

B. On May 26, 2025, the Company's shareholders resolved the distribution of cash dividends from capital reserve at TWD \$3 (in dollars) per share, totaling CNY \$59,633 (TWD \$247,477).

C. On March 2, 2026, the Company's Board of Directors approved to distribute cash dividends from capital surplus amounting to CNY \$55,039 (TWD \$247,477) at \$3 (in dollars) per share. As of March 2, 2026, the cash dividends from capital surplus have not yet been reported to the shareholders.

(19) Retained earnings

- A. According to the Company's Articles of Incorporation, after every end of quarter, the Company can distribute earnings or offset deficit. When distributing earnings, the Company shall first estimate and reserve taxes payable and offset against deficit in accordance with the laws. The Company's proposals of distributing earnings or offsetting deficit for the first three quarters as well as the business report and the financial statements should be audited by the independent director members of the Audit Committee and then submitted to the Board of Directors for resolution.
- B. The current year's earnings, if any, shall first be used to pay or provide income tax and offset prior years' deficit, and then provide legal reserve (if required) and provide or reverse special reserve (if any). The remainder (referred herein as the "distributable balance for the year"), if any, along with the prior years' unappropriated earnings, should be distributed no less than 10% of the distributable balance for the year as dividends to shareholders by an ordinary resolution passed at the shareholders' meeting, of which no less than 10% of the total dividends should be distributed as cash dividends. Dividends and bonuses may also be distributed from the share premium account or other funds or accounts permitted by the Companies Act of the Cayman Islands.
- C. The Group's appropriation of earnings for the first three quarters of 2025 was resolved not to be distributed by the Board of Directors.
- D. The appropriations of earnings for 2024 and 2023 as resolved by the shareholders on May 26, 2025 and June 25, 2024, respectively, were as follows:

	2024		Dividends per share (New Taiwan dollars)	2023		Dividends per share (New Taiwan dollars)
	CNY	TWD		CNY	TWD	
Legal reserve	\$ 7,229	\$ 30,000		\$ -	\$ -	
Special reserve	-	-		21,321	94,603	
Cash dividends	<u>139,144</u>	<u>577,446</u>	\$ 7.00	<u>188,116</u>	<u>834,670</u>	\$ 10.12
	<u>\$ 146,373</u>	<u>\$ 607,446</u>		<u>\$ 209,437</u>	<u>\$ 929,273</u>	

On May 26, 2025, the Company's shareholders resolved to reverse special reserve of CNY \$52,353 (TWD \$217,265).

E. The appropriation of earnings for 2025 as resolved by the Board of Directors on March 2, 2026 is as follows:

	2025		Dividends per share (New Taiwan dollars)
	CNY	TWD	
Legal reserve	\$ -	\$ -	
Cash dividends	128,435	577,446	\$ 7.00
	<u>\$ 128,435</u>	<u>\$ 577,446</u>	

Note: The amounts related to the appropriations of earnings in RMB for the year ended December 31, 2025 were expressed using the exchange rate at the end of the reporting period.

- (a) Abovementioned appropriations of 2025 earnings have not yet been resolved by the shareholders.
- (b) For the year ended December 31, 2025, the Company intended to reverse special reserve as approved by the shareholder amounting to CNY \$ 10,871 (NTD \$ 48,875).
- (c) For the information relating to the distribution of earnings as proposed by the Board of Directors or approved by the shareholders, please refer to the Market Observation Post System.

F. For the information relating to employees' compensation and directors' remuneration, refer to Note 6(25).

(20) Operating revenue

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 895,917</u>	<u>\$ 3,878,155</u>	<u>\$ 912,671</u>	<u>\$ 4,066,587</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is disaggregated in the following major product lines:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 842,732	\$ 3,647,934	\$ 850,322	\$ 3,788,779
Special affiliate income	4,175	18,072	3,448	15,363
Skincare service from company-operated salon and other income	49,010	212,149	58,901	262,445
	<u>\$ 895,917</u>	<u>\$ 3,878,155</u>	<u>\$ 912,671</u>	<u>\$ 4,066,587</u>

The Group derives revenue from the transfer of goods at a point in time.

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 71,438</u>	<u>\$ 321,187</u>	<u>\$ 81,770</u>	<u>\$ 366,166</u>
			January 1, 2024	
			CNY	TWD
Contract liabilities - advance sales receipts from customers			<u>\$ 81,870</u>	<u>\$ 354,251</u>

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

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the year	<u>\$ 57,635</u>	<u>\$ 249,485</u>	<u>\$ 60,087</u>	<u>\$ 267,730</u>

(21) Interest income

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 4,528	\$ 19,601	\$ 12,317	\$ 54,881
Interest income from financial assets measured at amortised cost	7,923	34,296	10,134	45,154
Other interest income	4,128	17,869	3,425	15,261
	<u>\$ 16,579</u>	<u>\$ 71,766</u>	<u>\$ 25,876</u>	<u>\$ 115,296</u>

(22) Other income

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Government grants revenue	\$ 18,234	\$ 79,909	\$ 25,194	\$ 112,257
Others	11,596	49,216	6,033	26,881
	<u>\$ 29,830</u>	<u>\$ 129,125</u>	<u>\$ 31,227</u>	<u>\$ 139,138</u>

(23) Other gains and losses

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Losses on disposal of property, plant and equipment	(\$ 2,509)	(\$ 10,861)	(\$ 2,460)	(\$ 10,961)
Gain from lease modification	1,136	4,917	772	3,440
Foreign exchange gains (losses)	6,462	27,972	(11,163)	(49,739)
Net gains (losses) on financial instruments at fair value through profit or loss	6,854	29,669	(6,183)	(27,553)
Depreciation expense - investment property - buildings	(780)	(3,377)	(902)	(4,019)
Other losses	(735)	(3,180)	(1,735)	(7,727)
	<u>\$ 10,428</u>	<u>\$ 45,140</u>	<u>(\$ 21,671)</u>	<u>(\$ 96,559)</u>

(24) Finance cost

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Interest expense - Lease liability	\$ 3,899	\$ 16,881	\$ 3,886	\$ 17,315
Interest expense - Bonds payable	5,575	24,134	1,949	8,687
Interest expense - Bank borrowings	9,404	40,702	19,987	89,053
Interest expense - Long-term borrowings	562	2,433	-	-
	<u>\$ 19,440</u>	<u>\$ 84,150</u>	<u>\$ 25,822</u>	<u>\$ 115,055</u>

(25) Employee benefit expense, depreciation and amortisation

	Year ended December 31, 2025					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 16,145	\$ 69,887	\$ 143,358	\$ 620,554	\$ 159,503	\$ 690,441
Labour and health insurance fees	757	3,277	10,799	46,746	11,556	50,023
Pension costs	964	4,173	14,360	62,160	15,324	66,333
Other employee benefit expense	454	1,965	12,102	52,386	12,556	54,351
Depreciation	6,427	27,821	57,000	246,735	63,427	274,556
Amortisation	17	74	3,549	15,362	3,566	15,436
	Year ended December 31, 2024					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 13,625	\$ 60,709	\$ 143,850	\$ 640,952	\$ 157,475	\$ 701,661
Labour and health insurance fees	687	3,061	11,136	49,619	11,823	52,680
Pension costs	990	4,411	15,262	68,003	16,252	72,414
Other employee benefit expense	405	1,805	11,988	53,415	12,393	55,220
Depreciation	5,035	22,434	63,472	282,812	68,507	305,246
Amortisation	78	348	3,230	14,392	3,308	14,740

- A. In accordance with the Company's Articles of Incorporation, the Company should distribute 1%~5% of the profit as employees' compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset against the deficit. Employees entitled to receive the abovementioned employees' compensation, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.
- B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at CNY \$ 2,942 (TWD \$ 12,737) and CNY \$2,520 (TWD \$11,228), respectively; directors' remuneration was accrued at CNY \$ 1,471 (TWD \$ 6,368) and CNY \$1,260 (TWD \$5,614), respectively. These were estimated based on the net income before tax less employees' compensation and directors' remuneration and then multiplied by the distribution ratio as regulated in the Company's Articles of Incorporation and recognised as salary expenses.

The employees' compensation and directors' remuneration for 2025 as resolved by the Board of Directors on February 27, 2026 amounted to CNY \$ 2,520 (TWD \$ 11,228) and CNY \$ 1,260 (TWD \$ 5,614), respectively, which were in agreement with the amounts recognised in the financial statements for the year ended December 31, 2025. Aforementioned employees' compensation will be distributed in cash.

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

(26) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profit for the year	\$ 56,405	\$ 244,161	\$ 67,748	\$ 301,865
Prior year income tax overestimation	(1,932)	(8,363)	(1,560)	(6,951)
Deferred tax:				
Origination and reversal of temporary differences	4,891	21,171	(5,053)	(22,515)
Income tax expense	<u>\$ 59,364</u>	<u>\$ 256,969</u>	<u>\$ 61,135</u>	<u>\$ 272,399</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 54,623	\$ 236,463	\$ 53,643	\$ 239,018
Effect from items disallowed by tax regulation	1,704	7,377	1,661	7,399
Effect from tax exempt income by tax regulation	(114)	(493)	(299)	(1,332)
Taxable loss not recognised as deferred tax assets	5,808	25,141	9,025	40,213
Change in assessment of realisation of deferred tax assets	(725)	(3,156)	(1,335)	(5,948)
Prior year income tax over estimation	(1,932)	(8,363)	(1,560)	(6,951)
Income tax expense	<u>\$ 59,364</u>	<u>\$ 256,969</u>	<u>\$ 61,135</u>	<u>\$ 272,399</u>

Note: The applicable tax rates are the rates applicable in the respective countries where the Group entities operate.

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

	(In thousands of CNY)			
	2025			
	January 1	Recognised in profit or loss	Translation differences	December 31
- Deferred tax assets:				
Temporary differences:				
Lease liability	\$ 11,264	\$ 7,345	\$ -	\$ 18,609
Unrealised expenses	1,265	(153)	-	1,112
Decline in value of inventories	772	(28)	(4)	740
Others	2,342	(785)	-	1,557
Loss carryforwards	<u>5,144</u>	<u>417</u>	<u>(3)</u>	<u>5,558</u>
	<u>\$ 20,787</u>	<u>\$ 6,796</u>	<u>(\$ 7)</u>	<u>\$ 27,576</u>
- Deferred tax liabilities:				
Temporary differences:				
Right-of-use assets	(\$ 11,390)	(\$ 6,766)	\$ -	(\$ 18,156)
Unrealised profit from sales	(603)	(5,000)	-	(5,603)
Licenses	(605)	79	-	(526)
	<u>(\$ 12,598)</u>	<u>(\$ 11,687)</u>	<u>\$ -</u>	<u>(\$ 24,285)</u>
	<u>\$ 8,189</u>	<u>(\$ 4,891)</u>	<u>(\$ 7)</u>	<u>\$ 3,291</u>

(In thousands of CNY)

2024

	January 1	Recognised in profit or loss	Translation differences	December 31
- Deferred tax assets:				
Temporary differences:				
Lease liability	\$ 16,490	(\$ 5,226)	\$ -	\$ 11,264
Unrealised expenses	377	888	-	1,265
Decline in value of inventories	850	(76)	(2)	772
Others	3,043	(701)	-	2,342
Loss carryforwards	<u>2,095</u>	<u>3,081</u>	<u>(32)</u>	<u>5,144</u>
	<u>\$ 22,855</u>	<u>(\$ 2,034)</u>	<u>(\$ 34)</u>	<u>\$ 20,787</u>
- Deferred tax liabilities:				
Temporary differences:				
Right-of-use assets	(\$ 16,661)	\$ 5,271	\$ -	(\$ 11,390)
Unrealised profit from sales	(2,339)	1,736	-	(603)
Licenses	(685)	80	-	(605)
	<u>(\$ 19,685)</u>	<u>\$ 7,087</u>	<u>\$ -</u>	<u>(\$ 12,598)</u>
	<u>\$ 3,170</u>	<u>\$ 5,053</u>	<u>(\$ 34)</u>	<u>\$ 8,189</u>

(In thousands of TWD)

2025

	January 1	Recognised in profit or loss	Translation differences	December 31
- Deferred tax assets:				
Temporary differences:				
Lease liability	\$ 50,440	\$ 31,794	\$ 1,434	\$ 83,668
Unrealised expenses	5,665	(662)	(3)	5,000
Decline in value of inventories	3,457	(121)	(9)	3,327
Others	10,489	(3,398)	(91)	7,000
Loss carryforwards	<u>23,033</u>	<u>1,805</u>	<u>149</u>	<u>24,987</u>
	<u>\$ 93,084</u>	<u>\$ 29,418</u>	<u>\$ 1,480</u>	<u>\$ 123,982</u>
- Deferred tax liabilities:				
Temporary differences:				
Right-of-use assets	(\$ 51,006)	(\$ 29,288)	(\$ 1,335)	(\$ 81,629)
Unrealised profit from sales	(2,699)	(21,643)	(849)	(25,191)
Licenses	(2,709)	342	2	(2,365)
	<u>(\$ 56,414)</u>	<u>(\$ 50,589)</u>	<u>(\$ 2,182)</u>	<u>(\$ 109,185)</u>
	<u>\$ 36,670</u>	<u>(\$ 21,171)</u>	<u>(\$ 702)</u>	<u>\$ 14,797</u>

(In thousands of TWD)

2024

	2024			December 31
	January 1	Recognised in profit or loss	Translation differences	
- Deferred tax assets:				
Temporary differences:				
Lease liability	\$ 71,354	(\$ 23,285)	\$ 2,371	\$ 50,440
Unrealised expenses	1,631	3,957	77	5,665
Decline in value of inventories	3,678	(339)	118	3,457
Others	13,168	(3,124)	445	10,489
Loss carryforwards	9,063	13,728	242	23,033
	<u>\$ 98,894</u>	<u>(\$ 9,063)</u>	<u>\$ 3,253</u>	<u>\$ 93,084</u>
- Deferred tax liabilities:				
Temporary differences:				
Right-of-use assets	(\$ 72,094)	\$ 23,486	(\$ 2,398)	(\$ 51,006)
Unrealised profit from sales	(10,119)	7,736	(316)	(2,699)
Licenses	(2,964)	356	(101)	(2,709)
	<u>(\$ 85,177)</u>	<u>\$ 31,578</u>	<u>(\$ 2,815)</u>	<u>(\$ 56,414)</u>
	<u>\$ 13,717</u>	<u>\$ 22,515</u>	<u>\$ 438</u>	<u>\$ 36,670</u>

D. Details of the amount of unrecognised deferred tax assets are as follows:

		December 31, 2025			
Geographical	Filed/Approved	Amount not yet deducted		Amount of unrecognised deferred tax assets	
		CNY	TWD	CNY	TWD
China	Filed	\$ 134,287	\$ 603,754	\$ 115,615	\$ 519,805
Taiwan	Filed/Approved	89,235	401,200	84,785	381,200
Hong Kong	Filed	26,474	119,027	26,474	119,027
		<u>\$ 249,996</u>	<u>\$ 1,123,981</u>	<u>\$ 226,874</u>	<u>\$ 1,020,032</u>
		December 31, 2024			
Geographical	Filed/Approved	Amount not yet deducted		Amount of unrecognised deferred tax assets	
		CNY	TWD	CNY	TWD
China.	Filed	\$ 126,941	\$ 568,442	\$ 109,934	\$ 492,284
Taiwan	Filed/Approved	79,398	355,543	74,931	335,543
Hong Kong	Filed	19,600	87,769	19,600	87,769
		<u>\$ 225,939</u>	<u>\$ 1,011,754</u>	<u>\$ 204,465</u>	<u>\$ 915,596</u>

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary differences unrecognised as deferred tax liabilities were CNY\$ 66,294 (TWD \$ 286,967) and CNY\$57,725 (TWD \$257,205), respectively. The amount was estimated based on expected realised tax rate of 5%.
- F. The income tax returns of Chlitina Marketing Taiwan Branch, Chlitina Intelligence Taiwan Branch, K&S Biomedical Ltd. and WAN JU International Investment Limited through 2023 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Year ended December 31, 2025				
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 135,838	\$ 588,001	82,492	\$ 1.65	\$ 7.13
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 135,838	\$ 588,001	82,492		
Assumed conversion of all dilutive potential ordinary shares					
Convertible bonds	5,575	24,134	7,437		
Employees' compensation	-	-	141		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 141,413	\$ 612,135	90,070	\$ 1.57	\$ 6.80

	Year ended December 31, 2024				
	Amount after tax		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)		(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 106,082	\$ 472,675	81,375	\$ 1.30	\$ 5.81
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 106,082	\$ 472,675	81,375		
Assumed conversion of all dilutive potential ordinary shares	1,949	8,684	2,749		
Employees' compensation	-	-	129		
Employee stock options	-	-	1		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 108,031	\$ 481,359	84,254	\$ 1.28	\$ 5.71

(28) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Purchase of property, plant and equipment	\$ 41,787	\$ 181,477	\$ 147,895	\$ 651,788
Less: Opening balance of prepayment for buildings (shown as other non-current assets)	-	-	(37,144)	(163,396)
Add: Ending balance of prepayment for equipment (shown as other non-current assets)	8,800	38,971	-	-
Cash paid during the year	\$ 50,587	\$ 220,448	\$ 110,751	\$ 488,392

(29) Changes in liabilities from financing activities

	2025							
	Short-term borrowings		Lease liabilities		Bonds payable (Note)		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 157,560	\$ 705,554	\$ 69,324	\$ 310,433	\$ 231,175	\$ 1,035,203	\$ -	\$ -
Changes in cash flow from financing activities	110,946	480,254	(30,183)	(130,650)	-	-	71,919	311,315
Increase in lease liabilities	-	-	62,779	271,751	-	-	-	-
Decrease in lease liabilities	-	-	(7,742)	(33,513)	-	-	-	-
Changes in other non-cash items	-	-	-	-	5,575	24,134	-	-
Impact of changes in foreign exchange rate	(7,653)	(13,013)	(139)	4,779	(1,132)	-	(2,019)	2,955
At December 31	<u>\$ 260,853</u>	<u>\$ 1,172,795</u>	<u>\$ 94,039</u>	<u>\$ 422,800</u>	<u>\$ 235,618</u>	<u>\$ 1,059,337</u>	<u>\$ 69,900</u>	<u>\$ 314,270</u>
	2024							
	Short-term borrowings		Lease liabilities		Bonds payable		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 457,701	\$ 1,980,472	\$ 82,598	\$ 357,401	\$ -	\$ -	\$ -	\$ -
Changes in cash flow from financing activities	(308,678)	(1,375,380)	(33,610)	(149,756)	242,145	1,095,397	-	-
Increase in lease liabilities	-	-	29,640	132,067	-	-	-	-
Decrease in lease liabilities	-	-	(10,469)	(46,647)	-	-	-	-
Changes in other non-cash items	-	-	-	-	(13,508)	(60,194)	-	-
Impact of changes in foreign exchange rate	8,537	100,462	1,165	17,368	2,538	-	-	-
At December 31	<u>\$ 157,560</u>	<u>\$ 705,554</u>	<u>\$ 69,324</u>	<u>\$ 310,433</u>	<u>\$ 231,175</u>	<u>\$ 1,035,203</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Including bonds payable, current portion (shown as “long-term liabilities, current portion”).

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Kelti International Trading Corp. (Kelti International)	Other related party
Kelti (China) Daily Product Co., Ltd. (Kelti China)	Other related party
Healthmate Biotech Co., Ltd. (Healthmate Biotech)	Other related party
Healthmate Biotech Co., Ltd. Taitung Branch (Healthmate Biotech Taitung Branch)	Other related party
Charming Biotech Corp., Ltd. (Charming Biotech)	Other related party
Sagittarius Life Science Corp. (Sagittarius Life) (Note)	Other related party
Modern Pearl Holdings Limited (Modern Pearl)	Other related party
Jing Yung Gi Co., Ltd. (Jing Yung Gi)	Other related party
Kelti International (HK) Limited Taiwan Branch (Kelti International (HK))	Other related party
Chen, Wu-Kang	Other related party
Zhaocang (Shanghai) Trading Co., Ltd. (Zhaocang Trading)	Other related party
Long Chuang (Guangzhou) Daily Product Co., Ltd. (Long Chuang Daily)	Other related party
Max Exchange Corp. (Max Exchange)	Other related party
BIODYNASTY CO., LTD. (Biodynasty)	Other related party
Shanghai Guangqiao Biosciences Co., Ltd. (Guangqiao Biosciences)	Other related party
Jiantong Cultural Educational Foundation (Jiantong Cultural Educational)	Other related party
Dongguan Gb Biotech Corporation (Dongguan Gb)	Associate
GB GENES CORP. (GB GENES)	Associate
U-NEURON BIOMEDICAL INC. (U-NEURON BIOMEDICAL)	Associate

Note: After the change of directors on August 29, 2025, Sagittarius Life no longer belongs to the Group's related party. Therefore, only the transaction amounts during the period from January 1, 2025 to August 29, 2025 are disclosed.

(2) Significant related party transactions and balances

A. Operating revenue

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Other related parties	<u>\$ 1,781</u>	<u>\$ 7,709</u>	<u>\$ 1,243</u>	<u>\$ 5,538</u>

There were no significant differences in the price between related parties and other customers. The collection term for related parties is 60 days after monthly billings. For other customers, advance payment is required.

B. Purchases

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 6,327	\$ 27,389	\$ 2,114	\$ 9,417
Other related parties	5,740	24,850	12,042	53,662
Processing fees				
Other related parties	<u>554</u>	<u>2,398</u>	<u>1,011</u>	<u>4,505</u>
	<u>\$ 12,621</u>	<u>\$ 54,637</u>	<u>\$ 15,167</u>	<u>\$ 67,584</u>

The purchase price from related parties was based on mutual agreement. Except for the credit term of Dongguan Gb that is 100% of the payment for purchases being prepaid at the effective date of the order, and the credit term of U-NEURON BIOMEDICAL that is 50% of the payment for purchases being prepaid within 10 workdays from the effective date of the order and the remaining 50% of the payment for purchases being prepaid within 30 workdays after the delivery day. The credit term of remaining related parties was 60 days after monthly billings. There was no significant difference when compared to transactions with non-related parties.

C. Receivables from related parties

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Accounts receivable:				
Other related parties				
Kelti China	<u>\$ 296</u>	<u>\$ 1,330</u>	<u>\$ 271</u>	<u>\$ 1,212</u>
Other receivables:				
Other related parties	<u>\$ 224</u>	<u>\$ 1,007</u>	<u>\$ 250</u>	<u>\$ 1,120</u>

The receivables from related parties are unsecured in nature, bear no interest, and there are no allowances for receivables.

D. Payables to related parties

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Accounts payable:				
Associate	\$ -	\$ -	\$ 55	\$ 245
Other related parties				
Kelti China	108	487	2,071	9,274
Others	1,002	4,507	2,409	10,792
	<u>\$ 1,110</u>	<u>\$ 4,994</u>	<u>\$ 4,535</u>	<u>\$ 20,311</u>
Other payables:				
Associate	\$ -	\$ -	\$ 90	\$ 403
Other related parties	712	3,201	789	3,533
	<u>\$ 712</u>	<u>\$ 3,201</u>	<u>\$ 879</u>	<u>\$ 3,936</u>

The payables to related parties have no collateral and bear no interest.

E. Prepayments

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Associates				
U-NEURON BIOMEDICAL INC.	\$ 2,202	\$ 9,900	\$ 2,191	\$ 9,811
Others	-	-	55	246
Other related parties	473	2,126	135	605
	<u>\$ 2,675</u>	<u>\$ 12,026</u>	<u>\$ 2,381</u>	<u>\$ 10,662</u>

F. Services expense

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 1,659</u>	<u>\$ 7,181</u>	<u>\$ 1,610</u>	<u>\$ 7,174</u>

For the services provided by the related parties, prices and terms were determined in accordance with mutual agreements.

G. Leasing arrangements - lessee

- (a) The Group leases directly operated stores, offices and plant from other related parties for periods of 2 to 10 years and rents are payable at the beginning of each month.

(b) Acquisition of right-of-use assets

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Other related parties				
Kelti China	\$ 34,552	\$ 141,171	\$ -	\$ -
Long Chuang Daily	2,538	11,765	-	-
Jing Yung Gi	-	-	14,961	65,949
Modern Pearl	-	-	3,408	15,147
Others	957	4,157	-	-
	<u>\$ 38,047</u>	<u>\$ 157,093</u>	<u>\$ 18,369</u>	<u>\$ 81,096</u>

(c) Lease liability

i. Balance at end of the financial reporting period

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Other related parties				
Kelti China	\$ 33,709	\$ 151,554	\$ 4,265	\$ 19,100
Jing Yung Gi	9,307	41,844	12,113	54,241
Chen, Wu-Kang	4,792	21,546	-	-
Others	4,569	20,538	9,041	40,486
	<u>\$ 52,377</u>	<u>\$ 235,482</u>	<u>\$ 25,419</u>	<u>\$ 113,827</u>

ii. Interest expense

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 1,692</u>	<u>\$ 7,325</u>	<u>\$ 1,466</u>	<u>\$ 6,530</u>

(3) Key management compensation

	Years ended December 31			
	2025		2024	
	CNY	TWD	CNY	TWD
Short-term employee benefits	\$ 10,604	\$ 45,902	\$ 8,878	\$ 39,558
Post-employment benefits	292	1,264	289	1,288
Share-based payments	-	-	284	1,254
	<u>\$ 10,896</u>	<u>\$ 47,166</u>	<u>\$ 9,451</u>	<u>\$ 42,100</u>

8. PLEDGED ASSETS

Pledged asset	Book value				Purpose
	December 31, 2025		December 31, 2024		
	CNY	TWD	CNY	TWD	
Buildings and structures (shown as property, plant and equipment)	\$ 85,815	\$ 385,824	\$ -	\$ -	Bank borrowings and bank credit facilities
Time deposits with maturity over three months (shown as financial assets at amortised cost-current)	\$ -	\$ -	\$ 69,553	\$ 311,458	Bank borrowings and bank credit facilities

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditures

	December 31, 2025		December 31, 2024	
	CNY	TWD	CNY	TWD
Contract signed	\$ 2,441	\$ 10,975	\$ 5,641	\$ 25,260

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details of the appropriation of earnings for 2025 as resolved by the Company's Board of Directors are provided in Note 6(18)(19).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital and maintain the confidence of investors, creditors and market. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liability divided by total assets.

During 2025, the Group’s strategy was to maintain the liability ratio within reasonable range, which was unchanged from 2024. The liability ratios at December 31, 2025 and 2024 were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Liability ratio	45%	38%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
<u>Financial assets</u>				
Financial assets at amortised cost				
Cash and cash equivalents	\$ 834,153	\$ 3,750,352	\$ 749,570	\$ 3,356,574
Financial assets at amortised cost	478,581	2,151,700	479,052	2,145,195
Accounts receivable				
(including related parties)	1,066	4,788	890	3,984
Other receivables				
(including related parties)	13,655	61,390	12,005	53,759
Guarantee deposits paid	7,601	34,768	7,922	35,475
	<u>\$ 1,335,056</u>	<u>\$ 6,002,998</u>	<u>\$ 1,249,439</u>	<u>\$ 5,594,987</u>
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss)				
	<u>\$ 64,437</u>	<u>\$ 289,709</u>	<u>\$ 60,914</u>	<u>\$ 272,773</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost				
Short-term borrowings	\$ 260,853	\$ 1,172,795	\$ 157,560	\$ 705,554
Accounts payables				
(including related parties)	17,584	79,063	16,762	75,064
Other payables				
(including related parties)	73,167	328,960	73,899	330,920
Guarantee deposits received	80,497	361,915	85,528	382,992
Bonds payable (Note)	235,618	1,059,337	231,175	1,035,203
Long-term borrowings	69,900	314,270	-	-
	<u>\$ 737,619</u>	<u>\$ 3,316,340</u>	<u>\$ 564,924</u>	<u>\$ 2,529,733</u>
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
	<u>\$ 2,324</u>	<u>\$ 10,450</u>	<u>\$ 3,267</u>	<u>\$ 14,630</u>
Lease liabilities				
(including current and non-current)	<u>\$ 94,039</u>	<u>\$ 422,800</u>	<u>\$ 69,324</u>	<u>\$ 310,433</u>

Note: Including bonds payable, current portion (shown as “long-term liabilities, current portion”).

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (the Group's treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and CNY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD and CNY expenditures. Natural hedging are adopted to minimise the volatility of the exchange rate affecting cost of held foreign assets or liabilities.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: TWD; other certain subsidiaries' functional currency: CNY, USD and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency) December 31, 2025	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 45,365	31.4300	\$ 317,133	\$ 1,425,830
USD:HKD	1,481	7.7836	10,353	46,547
CNY:HKD	1,477	1.1134	1,477	6,641
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 32	6.9907	\$ 224	\$ 1,007
USD:TWD	41,400	31.4300	289,387	1,301,065
USD:HKD	42,025	7.7836	293,784	1,320,853
(Foreign currency: functional currency) December 31, 2024	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 3,968	32.7850	\$ 29,051	\$ 130,090
USD:HKD	10,335	7.7653	75,666	338,832
CNY:HKD	2,663	1.0606	2,663	11,925
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 94	7.3213	\$ 688	\$ 3,081
USD:TWD	13,500	32.7850	98,838	442,597

- iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to a loss of CNY \$ 6,462 (TWD \$ 27,972) and a loss of CNY \$ 11,163 (TWD \$ 49,739), respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 9,519	\$ 42,799	\$ -	\$ -
USD : HKD	3%	311	1,396	-	-
CNY : HKD	3%	44	199	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 7	\$ 30	\$ -	\$ -
USD : TWD	3%	8,682	39,032	-	-
USD : HKD	3%	8,814	39,626	-	-

Year ended December 31, 2024					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 872	\$ 3,903	\$ -	\$ -
USD : HKD	3%	2,270	10,165	-	-
CNY : HKD	3%	80	358	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 21	\$ 92	\$ -	\$ -
USD : TWD	3%	2,965	13,278	-	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by CNY \$ 644 (TWD \$ 2,897) and CNY \$609 (TWD \$2,728), respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. As of December 31, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in US Dollars and New Taiwan dollars.
- ii. If the borrowing interest rate of USD and NTD had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have decreased/increased by CNY \$ 2,526 (TWD \$ 11,356) and CNY \$1,458 (TWD \$6,530), respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach to estimate expected credit loss under the loss rate methodology basis.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group's accounts receivable are with customers who have optimal credit rating, and the expected credit loss rate is 0.03%. As of December 31, 2025 and 2024, the carrying amount of accounts receivable (including related parties) amounted to CNY \$ 1,066 (TWD \$ 4,788) and CNY \$890 (TWD \$3,984), respectively. Because the Group expects that the impairment from expected credit loss is insignificant, no loss allowance was recognised.
- ix. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

		December 31, 2025							
		12 months		Lifetime		Impairment of credit		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets									
at amortised									
cost		<u>\$ 478,581</u>	<u>\$ 2,151,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,581</u>	<u>\$ 2,151,700</u>
		December 31, 2024							
		12 months		Lifetime		Impairment of credit		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets									
at amortised									
cost		<u>\$ 479,052</u>	<u>\$ 2,145,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,052</u>	<u>\$ 2,145,195</u>

The financial assets at amortised cost held by the Group are the time deposits with maturity term of over three months and the pledged time deposits and there were no material issues with respect to credit rating levels.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs on its mature liabilities on general and stressful conditions so that the Group approach the risk target that does not occur the unacceptable losses or breach their reputation.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flow:

<u>Non-derivative</u>		(In thousands of CNY)		
<u>financial liabilities:</u>			Between 1	
December 31, 2025	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 260,853	\$ -	\$ -	
Accounts payable (including related parties)	17,584	-	-	
Other payables (including related parties)	73,167	-	-	
Lease liabilities	33,501	29,641	37,272	
Guarantee deposits received	80,497	-	-	
Bonds payable(including long-term liabilities, current portion)	244,662	-	-	
Long-term borrowings	-	69,900	-	
<u>Non-derivative</u>		(In thousands of CNY)		
<u>financial liabilities:</u>			Between 1	
December 31, 2024	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 157,560	\$ -	\$ -	
Accounts payable (including related parties)	16,762	-	-	
Other payables (including related parties)	73,899	-	-	
Lease liabilities	27,241	20,092	27,081	
Guarantee deposits received	85,528	-	-	
Bonds payable	-	245,645	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>				
December 31, 2025	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 1,172,795	\$ -	\$ -	
Accounts payable (including related parties)	79,063	-	-	
Other payables (including related parties)	328,960	-	-	
Lease liabilities	150,622	133,265	167,575	
Guarantee deposits received	361,915	-	-	
Bonds payable (including long-term liabilities, current portion)	1,100,000	-	-	
Long-term borrowings	-	314,270	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>				
December 31, 2024	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 705,554	\$ -	\$ -	
Accounts payable (including related parties)	75,064	-	-	
Other payables (including related parties)	330,920	-	-	
Lease liabilities	121,983	89,971	121,269	
Guarantee deposits received	382,992	-	-	
Bonds payable	-	1,100,000	-	

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost, guarantee deposits paid, short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities (including current and non-current), guarantee deposits

received and bonds payable are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025, and 2024 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

	(In thousands of CNY)			
December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 36,244	\$ 36,244
Hybrid instrument	-	-	<u>28,193</u>	<u>28,193</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,437</u>	<u>\$ 64,437</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments-call options and put options of bonds	\$ -	\$ -	<u>\$ 2,324</u>	<u>\$ 2,324</u>
			(In thousands of CNY)	
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 32,198	\$ 32,198
Hybrid instrument	-	-	<u>28,716</u>	<u>28,716</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,914</u>	<u>\$ 60,914</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments-call options and put options of bonds	\$ -	\$ -	<u>\$ 3,267</u>	<u>\$ 3,267</u>

	(In thousands of TWD)			
December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 162,954	\$ 162,954
Hybrid instrument	<u>-</u>	<u>-</u>	<u>126,755</u>	<u>126,755</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,709</u>	<u>\$ 289,709</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments-call options and put options of bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,450</u>	<u>\$ 10,450</u>
			(In thousands of TWD)	
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 144,181	\$ 144,181
Hybrid instrument	<u>-</u>	<u>-</u>	<u>128,592</u>	<u>128,592</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,773</u>	<u>\$ 272,773</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments-call options and put options of bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,630</u>	<u>\$ 14,630</u>

D. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025			
	Equity instruments		Derivative instrument	
	CNY	TWD	CNY	TWD
At January 1	\$ 60,914	\$ 272,773	(\$ 3,267)	(\$ 14,630)
Gains recognised in the profit or loss	5,201	22,515	966	4,180
Effect of foreign exchange	(1,678)	(5,579)	(23)	-
At December 31	<u>\$ 64,437</u>	<u>\$ 289,709</u>	<u>(\$ 2,324)</u>	<u>(\$ 10,450)</u>
	2024			
	Equity instruments		Derivative instrument	
	CNY	TWD	CNY	TWD
At January 1	\$ 65,291	\$ 282,514	\$ -	\$ -
Issued during the year	-	-	(1,900)	(8,607)
Losses recognised in profit or loss	(5,599)	(24,948)	(1,351)	(6,023)
Effect of foreign exchange	1,222	15,207	(16)	-
At December 31	<u>\$ 60,914</u>	<u>\$ 272,773</u>	<u>(\$ 3,267)</u>	<u>(\$ 14,630)</u>

E. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

F. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at		Fair value at		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	December 31, 2025		December 31, 2024					
	CNY	TWD	CNY	TWD				
Non-derivative equity instrument:								
Unlisted shares	\$ 36,244	\$ 162,954	\$ 32,198	\$ 144,181	Market comparable companies	Price-to-book ratio and discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:								
Unlisted shares	\$ 25,881	\$ 116,362	\$ 26,496	\$ 118,651	Discounted cash flow price	Long-term revenue growth rate and discount for lack of marketability	Not applicable	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Embedded option	2,312	10,393	2,220	9,941	Black-Scholes valuation model	Discount for lack of marketability	Not applicable	The higher the discount for lack of marketability, the lower the fair value
Derivative instrument:								
Call options and put options of convertible bond	\$ 2,324	\$ 10,450	\$ 3,267	\$ 14,630	Binomial model	Volatility	31.31%	The higher the equity shares volatility, the higher the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 4.

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

F. Significant inter-company transactions during the reporting period: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 5.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacture, distribution, and business operations of beauty products under the brand of Chlitina, company-operated salon business and aesthetic medicine clinic. For the years ended December 31, 2025 and 2024, the operating revenue, net profit and assets of the company-operated salon business and aesthetic medicine clinic were all less than 10% of their respective totals in the consolidated financial statements. In addition, management considers that the separate disclosure of company-operated salon business and aesthetic medicine clinic have no reference value. Hence, the information on assets, liabilities and capital expenditures were not disclosed.

(2) Segment information

The reportable operating segment information provided to the Chief Operating Decision-Maker are operating revenue and profit or loss before tax of the segment.

Since the Group has only one reportable segment, refer to the statement of comprehensive income.

(3) Reconciliation for segment income (loss)

The profit and loss before tax of the reportable operating segment provided to the Chief Operating Decision-Maker was the same with the statement of comprehensive income, so no reconciliation was needed.

(4) Information on products and services

Refer to Note 6(20) for information on products and services.

(5) Geographical information

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

	(In thousands of CNY)			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
China	\$ 858,888	\$ 373,828	\$ 875,061	\$ 335,196
Others	37,029	139,099	37,610	141,294
	<u>\$ 895,917</u>	<u>\$ 512,927</u>	<u>\$ 912,671</u>	<u>\$ 476,490</u>

	(In thousands of TWD)			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
China	\$ 3,717,869	\$ 1,680,731	\$ 3,899,006	\$ 1,501,008
Others	160,286	625,389	167,581	632,715
	<u>\$ 3,878,155</u>	<u>\$ 2,306,120</u>	<u>\$ 4,066,587</u>	<u>\$ 2,133,723</u>

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2025 and 2024.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Loans to others
Year ended December 31, 2025

Table 1

Expressed in thousands of TWD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan (Note 2)	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits	Footnote
													Item	Value			
1	Chlitina (China) Trade Limited	Crystal Asia Shanghai Limited	Other receivables	Yes	\$ 59,449	\$ 58,448	\$ -	Lower 10% of loan market rate	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,386,529	\$ 6,386,529	Note 4, 5
2	Yong Li Trading Company Limited	Vinh Le Company Limited	Other receivables	Yes	8,450	7,800	7,800	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	18,211	18,211	Note 4, 6

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

(1) The Company is '0'.

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

Note 2: The column of 'Nature of loan' shall fill in '1' as 'Business transaction' or '2' as 'Short-term financing'.

Note 3: The limit on total financing and financing to a single entity shall not be more than 40%, except for inter-company transaction, and 20% of the Company's stockholders' equity, respectively. In addition, if the Board of Directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines to the same counter party, the limit shall not be more than 10% of the Company's net asset.

Note 4: In accordance with the lending policies and procedures, total loan amount and individual loan amount cannot exceed 100% of the lender (the creditor)'s stockholders' equity between the subsidiaries, for which the ultimate parent company directly or indirectly holds 100% of voting shares.

Note 5: The line of credit to Crystal Asia Shanghai Limited amounted to CNY13,000.

Note 6: The line of credit to Vinh Le Company Limited amounted to VND6,500,000.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 2

Expressed in thousands of TWD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
									accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company					
1	Hong Kong Chlitina International Limited	Chlitina Holding Limited	3	\$ 1,155,546	\$ 655,700	\$ -	\$ -	\$ -	0.00%	\$ 2,888,865	N	Y	N	
1	Hong Kong Chlitina International Limited	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	4	1,155,546	398,460	-	-	-	0.00%	2,888,865	N	N	N	

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

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship with the Company.
- (2) The Company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor company owns directly and indirectly more than 50% voting shares of the Company.
- (4) The Company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company, and the limit on endorsements/guarantees provided for the endorsed/guaranteed company shall not be more than 10% of the Company's stockholders' equity. However, the endorsed/guaranteed company whose voting shares are 10% directly and indirectly owned by the Company is not subject to the limit.
- (5) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (6) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries shall not be more than 50% of the stockholders' equity for that period. Limit on endorsements/guarantees provided for a single party shall not be more than 20% of the stockholders' equity for that period.

Note 4: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2025

Table 3

Expressed in thousands of TWD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of December 31, 2025				
				Number of shares (in thousand shares/thousand unit)	Book value	Ownership (%)	Fair value	Footnote
Hong Kong Chlitina International Limited	Onward Therapeutics Inc.	None	Financial assets at fair value through profit or loss- non-current	3,296	\$ 162,954	4.00%	\$ 162,954	None
Hainan Shoumao Investment Limited	Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd.	None	Financial assets at fair value through profit or loss- non-current	-	126,755	5.62%	126,755	None

Note: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 4

Expressed in thousands of TWD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chlitina (China) Trade Limited	Weishuo (Shanghai) Daily Product Limited	Subsidiary	Purchases	\$ 485,330	74%	60 days after monthly billings	-	-	(\$ 77,137)	62%	Note 1
British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	Subsidiary	Trademark license	190,134	100%	Note 2	-	-	30,884	100%	Note 1

Note 1: The transactions have been eliminated upon consolidation.

Note 2: The credit term is 2 months, and the payment should be settled within 60 days after the invoice date.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Year ended December 31, 2025

Table 5

Expressed in thousands of TWD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Chlitina Holding Limited	Chlitina Group Limited	1	Dividends receivable	\$ 1,319,942	In accordance with mutual agreements	14%
1	Chlitina Group Limited	Chlitina International Limited	3	Dividends receivable	1,320,068	In accordance with mutual agreements	14%
2	Chlitina International Limited	Hong Kong Chlitina International Limited	3	Dividends receivable	1,320,068	In accordance with mutual agreements	14%
3	Weishuo (Shanghai) Daily Product Limited	Shanghai Jiekan Trading Co., Ltd.	3	Sales revenue	57,654	60 days after monthly billings	1%
3	Weishuo (Shanghai) Daily Product Limited	Shanghai Jiekan Trading Co., Ltd.	3	Accounts receivable	27,389	60 days after monthly billings	0%
3	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Sales revenue	485,330	60 days after monthly billings	13%
3	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Accounts receivable	77,137	60 days after monthly billings	1%
4	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Trademark right income	190,134	In accordance with mutual agreements	5%
4	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Accounts receivable	30,884	In accordance with mutual agreements	0%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Separate amounts lower than \$20,000 are not disclosed, so is its counter transaction.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees
Year ended December 31, 2025

Table 6

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at December 31, 2025			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Chlitina Holding Limited	Chlitina Group Limited	British Virgin Islands	Investing	\$ 826,927	\$ 826,927	2,728,707,348	100	\$ 6,293,043	\$ 636,538	\$ 636,538	
Chlitina Group Limited	Chlitina International Limited	British Virgin Islands	Investing	744,441	744,441	25,470,001	100	6,006,255	567,956	-	Note 1
Chlitina Group Limited	Chlitina Intelligence Limited	British Virgin Islands	Investing and researching	-	-	1	100	285,843	68,585	-	Note 1
Chlitina Group Limited	W-Amber International Limited	British Virgin Islands	Investing	50,880	50,880	1,150,000	100	76	(3)	-	Note 1
Chlitina Group Limited	W-Champion International Limited	British Virgin Islands	Investing	34,518	34,518	930,000	100	39	(1)	-	Note 1
Chlitina Group Limited	C-Asia International Limited	British Virgin Islands	Investing	920	920	20,000	100	106	(4)	-	Note 1
Chlitina International Limited	Hong Kong Chlitina International Limited	Hong Kong	Investing and trading of skincare products	276,221	276,221	69,850,001	100	5,777,730	613,567	-	Note 1
Chlitina International Limited	Chlitina Marketing Limited	British Virgin Islands	Investing and trading of skincare products	513,915	485,427	17,112,882	100	162,632	(9,284)	-	Note 1
Chlitina International Limited	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	France	Research and development center	188	188	500	100	-	-	-	Note 1
Chlitina International Limited	K&S Biomedical Ltd.	Taiwan	Trading of skincare products and daily necessities	157,000	157,000	-	100	19,085	(37,034)	-	Note 1

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees
Year ended December 31, 2025

Table 6

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at December 31, 2025			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Chlitina International Limited	Chlitina (Southeast Asia) Holding	Singapore	Investing	\$ 6,092	\$ -	2,000,000	100	\$ 6,286	(\$ 2)	\$ -	Note 1
Hong Kong Chlitina International Limited	Hong Kong Crystal-Asia International Limited	Hong Kong	Investing	-	69,642.00	-	-	-	-	-	Note 1, 4
Hong Kong Chlitina International Limited	Hong Kong W-Champion International Limited	Hong Kong	Investing	61,865	61,865	2,950,000	100	55,845	-	-	Note 1
Hong Kong Chlitina International Limited	Hong Kong W-Amber International Limited	Hong Kong	Investing	1,013,011	874,650	189,303,060	100	242,615	(72,460)	-	Note 1
Hong Kong Chlitina International Limited	Yong Li Trading Company Limited	Vietnam	Dealer of skincare products	78,260	65,731	-	100	18,211	(8,252)	-	Note 1
Hong Kong Chlitina International Limited	HUAPAO SDN. BHD.	Malaysia	Dealer of skincare products	3,502	3,502	500,000	100	2,296	(470)	-	Note 1
Hong Kong Chlitina International Limited	General Biologicals Corp.	Taiwan	Manufacturing of medical appliances	177,624	177,624	11,805,203	16.67	112,607	(230,659)	-	Note 1, 2
Hong Kong Chlitina International Limited	U-NEURON BIOMEDICAL INC.	Taiwan	Cosmetic, biotechnology services	119,640	119,640	3,780,000	9.81	107,279	(56,938)	-	Note 1, 2
Hong Kong Chlitina International Limited	Hong Kong Jing Tai International Investment Limited	Hong Kong	Investment consulting and general trade	4,392	4,392	1,000,000	100	3,308	(95)	-	Note 1
Hong Kong Chlitina International Limited	PT PINING BEAUTY INDONESIA	Indonesia	Importing trade goods and management consulting	-	-	-	100	-	-	-	Note 1

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees
Year ended December 31, 2025

Table 6

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at December 31, 2025			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Yong Li Trading Company Limited	Vinh Le Company Limited	Vietnam	Dealer of skincare products	\$ 3,003	\$ 3,003	-	100	(\$ 6,871)	(\$ 2,100)	\$ -	Note 1, 3
Chlitina (China) Trade Limited	Hong Kong Crystal International Services Limited	Hong Kong	Investing, dealer of skincare products and supplementary health care products	2,754	2,754	100,000	100	2,343	(76)	-	Note 1
W-Champion International Limited	W-Champion Marketing Limited	British Virgin Islands	Investing	31,783	31,783	930,000	100	39	(1)	-	Note 1
W-Amber International Limited	W-Amber Marketing Limited	British Virgin Islands	Investing	56,280	56,280	1,150,000	100	45	(2)	-	Note 1
Hong Kong Jing Tai International Investment Limited	WAN JU International Investment Limited	Taiwan	Investing	2,000	2,000	200,000	100	1,530	(71)	-	Note 1

Note 1: The 'share of profit (loss) of investee' column should fill in the Company recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period.

Note 2: For the year ended December 31, 2025, the investment loss on General Biologicals Corp. and U-Neuron Biomedical Inc. was \$49,233 and \$5,140, respectively.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

Note 4: Hong Kong Crystal Asia had completed the liquidation and dissolution in April 2025.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2025

Table 7

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chlitina (China) Trade Limited	Dealer of skincare products and health food	\$ 308,631	2	\$ -	\$ -	\$ -	\$ -	\$ 756,560	100	\$ 756,560	\$ 6,386,529	\$ -	
Shanghai Zhe Mei Technology Training Co., Ltd.	Cosmetology training services	78,302	2	-	-	-	-	1,059	100	1,059	38,234	-	
Weishuo (Shanghai) Daily Product Limited	Production and trading of skincare products	64,207	2	-	-	-	-	31,504	100	31,504	934,509	-	
Weihsu (Shanghai) Health Management Consulting Co.,Ltd	Investing, dealer of skincare products and supplementary health care products	815,579	2	-	-	-	-	(65,940)	100	(65,940)	64,659	-	
Crystal Asia Shanghai Limited	Dealer of skincare products and health food	105,110	2	-	-	-	-	(1,671)	100	(1,671)	40,575	-	
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Enterprise management consulting and investing	9,889	2	-	-	-	-	(319)	100	(319)	1,595	-	
Shanghai Yuanshuo Management Consulting Limited	Enterprise management consulting and investing	497,646	2	-	-	-	-	(49,304)	100	(49,304)	(44,748)	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2025

Table 7

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Medical cosmetology services	\$ 29,810	2	\$ -	\$ -	\$ -	\$ -	(\$ 4,275)	100	(\$ 4,275)	(\$ 29,229)	\$ -	
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Medical cosmetology services	73,823	2	-	-	-	-	(7,733)	100	(7,733)	(7,935)	-	
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Medical cosmetology services	90,799	2	-	-	-	-	(21,327)	100	(21,327)	(17,541)	-	
Jinghe Clinic (Nanjing) Co., Ltd.	Dealer of general practice and foods	5,181	2	-	-	-	-	3,447	100	3,447	-	-	
Shanghai Hedeng Clinic Co., Ltd.	Dealer of general practice	19,884	2	-	-	-	-	(12,778)	100	(12,778)	392	-	
Hainan Shoumao Investment Limited	Enterprise management consulting and investing	151,515	2	-	-	-	-	(2,378)	100	(2,378)	136,044	-	
Shanghai Jiekan Trading Co., Ltd.	Dealer of skincare products and health food	75,593	2	-	-	-	-	2,797	100	2,797	52,758	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2025

Table 7

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Yongxiang Trading Co., Ltd.	Retail of cosmetics and manicure service	\$ 88,399	2	\$ -	\$ -	\$ -	\$ -	(\$ 6,378)	100	(\$ 6,378)	\$ 53,129	\$ -	

Company name	Ending balance of accumulated remittance from Taiwan to Mainland China	Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Not applicable to foreign issuer.	\$ -	\$ -	Note 4

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.(the investee in the third area is Chlitina Group Limited)
- (3) Others

Note 2: In the 'share of profit (loss)' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B.The financial statements were audited by R.O.C. parent company's CPA.
 - C.Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The Company was primary listing by foreign issuer and was not restricted to the ceiling of investment of investors in Mainland China regulated by Investment Commission, Ministry of Economic Affairs.