

**Sinphar Pharmaceutical Co., Ltd.**  
**2026 Shareholders' Meeting Minutes**

**Time:** 10:00 a.m. on Tuesday, June 16, 2026

**Venue:** No. 95, Xinliao Rd., Zhongshan Village, Dongshan Township, Yilan County  
269, Taiwan (R.O.C.) (Vocational Training Center)

**Type of Meeting:** Physical Meeting

**Attendance:** The Company's total issued shares were 190,196,774 shares, and there are no non-voting shares under the Company Act. There were 138,196,682 shares represented by attending shareholders (including 10,765,441 shares of electronic voting). The attendance rate was 72.65%, and the attending shares had reached the number legally required for the shareholders' meeting.

**Chairperson:** Chih Wen Lee

**Recorder:** Hui Ling Hsu

**Attending Directors:**

Chih Wen Lee (Chairman), Yi Ta Lee (Vice Chairman), Ching Lung Lee (Independent Director and the Convener of Audit Committee), Yau Yuan Wen (Independent Director), Hsin Yu Chou (Independent Director), Hsiu Min Lin (Director), Hsiu Chi Kuo (Director), Ling Mo Chao (Director), Jehng Jer Guan (Director), Hung Chih Lin (Director), Neng Chun Yu (Director). All the directors totaling 11 directors attended the shareholders' meeting.

**Other Attendees:** Qing Chen (CPA)

**I. Call the Meeting to Order**

(The total shareholding of the shareholders present in person or by proxy constituted a quorum. The chairperson called the meeting to order.)

**II. Chairperson Remarks:** (omitted)

**III. Company Reports**

1. 2025 Business Report (Please refer to Attachment 1)
2. Audit Committee's Review Report on the 2025 Financial Statements  
(Please refer to Attachment 2)
3. Report on 2025 Remuneration Distribution for Directors and Employees  
(Please refer to the handbook)

4. Report on 2025 Remuneration of Directors

(Please refer to the handbook)

5. Status Report of Endorsements and Guarantees for Subsidiaries

(Please refer to the handbook)

6. Other Matters (Please refer to the handbook)

**IV. Ratifications**

**1.**

**Proposed by the Board**

**Proposal:**

Adoption of the 2025 Business Report and Financial Statements

**Explanation:**

The Company's financial statements for 2025 were audited by the CPAs, Ya Chuan Chang and Chin Feng Lin of Crowe (TW) CPAs. Also, the business report and financial statements have been approved by the Board and reviewed by the Audit Committee of the Company. Please refer to Attachment 1 and Attachment 3 for the documents mentioned above.

**Voting Results:**

Voting rights represented by the presence of shareholders: 138,196,682 votes 100%

In favor: 134,428,010 votes 97.27% (including votes casted electronically 7,007,327 votes)

Against and invalid: 52,598 votes 0.03% (including votes casted electronically 52,598 votes)

Abstained: 3,716,074 votes 2.68% (including votes casted electronically 3,705,516 votes)

**Resolution:**

The proposal was approved as proposed.

**2.****Proposed by the Board****Proposal:**

Adoption of 2025 Earnings Distribution

**Explanation:**

The 2025 earnings distribution table has been passed by the Board of Directors. The distribution status is as follows.

**Sinphar Pharmaceutical Co., Ltd.**  
**2025 Earnings Distribution Table**

Unit: NT\$

Items	Total
Unappropriated retained earnings at the beginning of period	27,967,052
Add (minus): Net income after tax in 2025	365,751,575
Other comprehensive income (Actuarial gains and losses)	(5,956,106)
Add (minus): Adjustments to retained earnings from changes in ownership interests in subsidiaries	(23,494,650)
Unappropriated retained earnings after adjusted	364,267,871
Allocation:	
Legal reserves	(33,630,082)
Retained earnings available for distribution	330,637,789
Distributable Items:	
Cash dividend	(190,196,774)
Stock dividend	(114,118,070)
Unappropriated retained earnings	26,322,945

Chairman: Chih Wen Lee    General Manager: Yu Liang Pei    Accounting Manager: Li Jung Hsieh

1. The Company will distribute dividends of NT\$304,314,844 from retained earnings, with cash dividend of NT\$190,196,774, which is NT\$1 per share, and stock dividend of NT\$114,118,070, which is 60 shares per thousand shares.
2. The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of Employee Welfare Committee. The Board of Directors is authorized to determine the ex-dividend date after the proposal is approved by the Shareholders' Meeting.
3. If the number of total shares outstanding changed which may cause a fluctuation of the ratios of dividend, therefore requiring adjustments, the Board of Director was proposed to be authorized to make such adjustments.

**Voting Results:**

Voting rights represented by the presence of shareholders: 138,196,682 votes 100%

In favor: 134,543,266 votes 97.35% (including votes casted electronically 7,122,583 votes)  
Against and invalid: 56,509 votes 0.04% (including votes casted electronically 56,509 votes)  
Abstained: 3,596,907 votes 2.60% (including votes casted electronically 3,586,349 votes)

**Resolution:**

The proposal was approved as proposed.

**V. Discussion**

**1.**

**Proposed by the Board**

**Proposal:**

Amendment to the Articles of Incorporation

**Explanation:**

To meet the needs of company development, the Company proposed to amend the Articles of Incorporation. Please refer to Attachment 4 for the amendment comparison table.

**Voting Results:**

Voting rights represented by the presence of shareholders: 138,196,682 votes 100%  
In favor: 134,541,444 votes 97.35% (including votes casted electronically 7,120,761 votes)  
Against and invalid: 54,308 votes 0.03% (including votes casted electronically 54,308 votes)  
Abstained: 3,600,930 votes 2.60% (including votes casted electronically 3,590,372 votes)

**Resolution:**

The proposal was approved as proposed.

**2.**

**Proposed by the Board**

**Proposal:**

Proposal for Issuing New Shares through Capitalization of Retained Earnings

**Explanation:**

1. To provide working capital, the Company will distribute stock dividend of NT\$114,118,070 from retained earnings, amounting to 11,411,807 shares, to issue new shares through capitalization. The par value shall be NT\$10 per share.
2. Based on the shareholding status inscribed on the shareholders list as of the record date, the stock distribution shall be 60 shares per thousand shares. Shareholders can request to consolidate fractional shares with the Company's shareholder service agent within the period of five days from the share transfer suspension date. In the event that fractional shares are not consolidated within such time period, or where consolidation produces a fraction of less than one share, then such fractional shares

will be converted to cash rounded to the nearest NT dollar in accordance with its par value and distributed to the shareholder. The remaining uncombined shares and fractional shares will be subscribed by persons designated by the chairman. If any distribution is conducted by book entry transfer, the fees will be paid by such fractional shares.

3. The rights and obligations of these newly issued shares from retained earnings of 2025 are the same as the outstanding shares. After the proposal is approved by the Shareholders' Meeting and submitted to the competent authority for approval, the Board of Directors is proposed to be authorized to determine the record date. If the distribution conditions shall be revised based on competent authority assessment or any factors, the Chairman is authorized to make such adjustment.
4. If the number of total shares outstanding has changed which may cause a fluctuation in the ratios of dividend, therefore requiring adjustments, the Board of Directors is proposed to be authorized to make such adjustments.

**Voting Results:**

Voting rights represented by the presence of shareholders: 138,196,682 votes 100%

In favor: 134,538,999 votes 97.35% (including votes casted electronically 7,118,316 votes)

Against and invalid: 57,742 votes 0.04% (including votes casted electronically 57,742 votes)

Abstained: 3,599,941 votes 2.60% (including votes casted electronically 3,589,383 votes)

**Resolution:**

The proposal was approved as proposed.

**VI. Extraordinary Motions:** None

**VII. Adjournment** (The meeting was closed at 10:24 a.m., June 16, 2026)

No shareholders raised questions or spoke in the shareholders' meeting.

Chairperson: Chih Wen Lee

Recorder: Hui Ling Hsu

## 2025 Business Report

Sinphar Group has officially entered its 49th year, marking a pivotal moment as the Group approaches the “Golden 50” milestone of sustainable operations. Reflecting on the past year, despite the continuous changes of the global political and economic environment, the Company has remained committed to three major development strategies, diversified development of generic drugs, enhanced capabilities in new drugs R&D, and the strategies and development of natural botanical products. In 2025, the operational performance sustained growth through profit structure optimization and brand marketing. The Company’s revenue reached NT\$3.371 billion, increased by 7% from the previous year. The net income for the period grew by over 20%, bringing the earnings per share (EPS) to NT\$1.92.

This growth is not only driven by revenue increases but also reflects the optimization of the profit structure of the Group. Over the past year, the Company continued to strengthen pharmaceutical channels and boosted sales for high value-added health supplements through precise market insights. The Company understands that in the highly competitive biotechnology industry, long-term profitability can only be ensured through product differentiation and the establishment of technical barriers. Thus, the Company has continuously invested in R&D, focusing on refining the quality of API and existing products, and launching several technical projects with high market potential. This has accumulated significant technology capital for the Group. In 2025, the Company launched over 10 new products across drugs, health supplements, and aesthetic medicine products. The Company also plans to introduce more new products in the coming year. At the same time, the Company will continue collaborating with Japanese pharmaceutical companies, cooperating on exports and acting as agent for high-quality Japanese products. By leveraging the high-standard capacity of our Yilan plant, we aim to gradually expand into the Japanese and ASEAN markets. The Company looks forward to strengthening our market competitiveness and growth through the continuous completion of our product lines and improving sales channels, steadily promoting new product launches and regulatory registrations.

Looking ahead, as Taiwan entered a super-aged society, the demand for preventive healthcare and precision skincare will grow rapidly. The Company will continue to accelerate the integration and upgrading of the intelligent technology and optimizing management efficiency. Beyond commercial breakthroughs, the Company has successfully integrated “health promotion” and “social responsibility” into corporate development. In addition to the Sinphar Yilan Marathon, the Company

strengthens collaborations with the elderly and dementia care facilities. By integrating these resources to meet the needs of aged society, the Company is moving toward becoming an all-age, comprehensive guardian of home health. On the way to “Golden 50” milestone, the Company sincerely thanks for your long-standing trust and support.

## 1.1 2025 Business Report

### 1.1.1 2025 Operational Performance

In 2025, the Company’s revenue reached NT\$3.371 billion, an increase of NT\$220.693 million over the previous year. Net profit after taxes was NT\$354.27 million and net profit attributable to the parent company was NT\$365.751 million, an increase of NT\$69.053 million and NT\$61.046 million respectively from 2024. The earnings per share was NT\$1.92, an increase of 20.00% from the previous year.

### 1.1.2 Budget Implementation

This is not applicable because financial forecasting was not disclosed.

### 1.1.3 Financial and Profitability Analysis

Unit: NT\$ thousand

		Year		
		2025	2024	Increase (Decrease) (%)
Item				
Financial Status	Revenue	3,371,321	3,150,628	7.00
	Gross Profit	1,456,891	1,237,016	17.77
	Net Profit (Loss)	354,270	285,217	24.21
	Net Profit (Loss)-Parent Company	365,751	304,705	20.03
	Net Loss-Non-controlling Interest	(11,481)	(19,488)	(41.09)
Profitability	Net Profit Margin (%)	10.51	9.05	16.13
	Earnings Per Share (NTD)	1.92	1.60	20.00

## 1.1.4 Research and Development

### A. Research and Development Expenses in Recent Two Years

Unit: NT\$ thousand

Item \ Year	2025	2024
R&D Expenses	145,368	151,362
Revenue	3,371,321	3,150,628
%	4.31%	4.80%

### B. Main Research and Development Activities in 2025

- (A) Food: 4 products
- (B) Cosmetics: 6 products
- (C) Drugs: 2 products
- (D) Product Improvement: 72 products
- (E) 17 Technical Projects

### C. Research and Development Progress

Item	Category	Code	Indication/ Application	R&D Progress/ Current Situation
1	Botanical new drugs/ Natural botanical materials	ST01	Dementia/ Brain Health/ Vitality/ Health food	Approved for phase II clinical trial by TFDA and U.S. FDA. Preparing for clinical trial. Acquired the health food certification for anti-aging.
2	Botanical new drugs	ST02	Drugs for chronic stable angina	Approved for phase II clinical trial by TFDA and U.S. FDA. Follow-up development is in progress
3	Botanical new drugs/ Natural botanical materials	SF01	Cancer adjuvant treatment agent/ Health food	Completed Druggability Research Part I and Part II in progress. Acquired the health food certification of assisting in modulating allergy constitution and immune modulation.
4	Natural botanical materials	GF159	Brain Health	Completed clinical efficacy trial proving the product has the function of improving memories, learning abilities, and sleep quality.
5	New small molecular drugs	SB01	Head and neck cancers	Received project funding from MOEA. Completed phase I clinical trial in Taiwan. Approved for phase II clinical trial by U.S. FDA. Approved for and completed phase II clinical trial by TFDA. The efficacy of drug and dose adjustment is under discussion.
6	New small molecular drugs	SB02	Cancer treatment	Formulation development before clinical trial. Deprescribing is under discussion.
7	Botanical new drugs	SB03 VEREGEN®	Genital wart (condyloma)	Acquired TFDA drug license to sell drug products in specialized channels (hospitals, clinics, and pharmacies).
8	Eye drops	SB04	Dry age-related macular degeneration	Successful international cooperation with South Korean AJU Pharm in granting authorization right to the Company. Approved for phase II/III clinical trial by TFDA. Dose adjustment is under discussion
9	Positively charged liposome	SB05 TNBC	Triple-negative breast cancer	Approved for the phase III clinical trial by FAMHP and TGA. Approved for the phase III clinical trial by TFDA, feasibility study is under discussion. Received project funding from MOEA.

Item	Category	Code	Indication/ Application	R&D Progress/ Current Situation
		SB05PC	Pancreatic cancer	<p>Approved for phase III clinical trial in the U.S., Taiwan, France, Hungary, South Korea, Russia, and Israel.  Received the grant of A+ Industrial Innovation R&amp;D Program by MOEA.  Completed final analysis of phase III clinical trial.  Project is under discussion.</p>
				Approved for phase III clinical trial by NMPA.

## 1.2 Business Plan for 2026

### Management Guideline and Marketing Strategies

“Public’s health is the ideal of Sinphar.” Sinphar upholds the philosophy of “life, health, and technology,” and develops drugs, health supplements, and aesthetic medicine products to guard public’s health and quality of life.

Sinphar is paying equal attention to R&D, production, and marketing. Based on the professional research and development, the Group combines the resources of the subsidiaries at home and abroad to make a comprehensive one-stop industry chain of R&D, production, packaging supplies and sales.

In recent years, the three major developments of the Group are new drugs R&D, natural botanical materials, and drugs. Sinphar develops specific products through efficient production and strengthened quality monitoring. Additionally, the Group enters global health market and maximizes value with diverse marketing tools and channels.

### Operation and Marketing Strategies in 2026

#### A. New Drugs Research and Development

- (A) SynCore Bio’s pipeline is still in progress.
- (B) Development and agency of global cancers generic drugs, agency of global new drugs for cancers, development of API for cancers and development of new dosage forms and new drugs.

#### B. Natural Botanical Materials

- (A) Based on long-term R&D and scientific data from the Group, Sinphar combines and develops natural botanical materials that strengthen brain health, heart health and immune system to create a niche.

- (B) Develop or introduce unique health supplement/functional food, focus on preventive medicine, accelerate product innovation, and improve various diseases caused by aging population and stress.
- (C) Develop monopolistic API, in addition to self-use, Sinphar actively expands the supply markets.
- (D) Independent research and development of natural materials with patent protected raw materials, control the source of raw materials, break through international regulatory barriers to expand into international markets.
- (E) Develop unique skincare ingredients to actively expand cosmeceutical market.

### **C. Drugs**

- (A) Develop preventive and niche products for all ages.
- (B) Focus on niche generic drug products. Through drug repurposing, develop new indication. The Group can shorten development schedule and reduce costs for better NHI price.
- (C) Diversify product development. Except for self-production, Sinphar also actively collaborates with foreign pharmaceutical companies. Recently, Sinphar introduced gastrointestinal and hypolipidemic drugs from Japan and entered the market successfully. With a growing aging population, Sinphar will further develop drugs for chronic illnesses to expand market share.
- (D) Expand technical cooperation with global pharmaceutical companies, Sinphar introduces manufacturing technologies in generic drugs to expedite product development.

### **D. Strengthen Quality System to Lay the Foundation for Sustainable Development**

- (A) Implement an integrated digital management system and establish routine digital management.
- (B) Handle abnormal quality with automated report which forward the report to related departments for timely investigation, and start a cross-departmental quality committee to establish improvement measures.
- (C) Continue to strengthen the manufacturing quality system and corresponding measures of laws.

- (D) Cooperate with external quality agencies to inspect quality and process of production to strengthen quality management system and quality monitoring.

#### **E. Diversified Marketing and Foreign Business**

- (A) After the steady growth of generic drugs market in Japan, Sinphar also obtained the GMP certification of food plant and HALAL certification from MUI, actively captures market shares of South East Asia and Islam in Asia.
- (B) Using different product strategies between Blue Ocean and Red Ocean to capture hospital and clinic market shares and create better profit structure.
- (C) In the post-pandemic era, online shopping became one of the most popular consumer sales channels. Sinphar actively expands e-commerce, telemarketing, and experiential marketing with Sinphar Health Park to integrate online and offline sales. This provides consumers with greater convenience in purchasing Sinphar's health and skincare products.
- (D) With B2C marketing model, the Company can quickly increase its market share of health supplements, build brand awareness of the unique patented products through advertising, events, and multichannel marketing.
- (E) Establish strategic alliances with international companies and to develop global market through the co-development of various kinds of pharmaceuticals.

#### **F. Set up Intelligent Plant to Improve Productivity to Meet Global Demand**

- (A) The plants implemented SAP, MES, and WMS systems. From purchase-sales-inventory management, product manufacturing and control, warehouse management, and to real-time inventory, we reduced cost and improved operation efficiency with computerized management. Complete computerized data meets global market demand and increases international competitiveness.
- (B) Sinphar spares no expense when investing in the replacement of software and hardware and implement AI and intelligent system for checking production compliance and preventing human error, improving manufacturing efficiency, and monitoring quality. We

combine the system with manufacturing automation, and plan to expand it to include logistics and sales and marketing systems.

(C) In response to projected increase in customer deliveries, Sinphar plans to build a new automated warehouse, equipped with a computer system that integrates warehouse with manufacturing and increases logistic efficiency.

(D) Sinphar simultaneously establishes an information security management system to protect enterprise resource management system, manufacturing execution system and the maintenance of machine room.

Chairman: Chih Wen Lee

General Manager: Yu Liang Pei

Accounting Manager: Li Jung Hsieh

**Sinphar Pharmaceutical Co., Ltd.**  
**Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements (including Consolidated Financial Statements), and Proposal for Earnings Distribution. The above-mentioned Financial Statements have been audited by CPAs, Ya Chuan Chang and Chin Feng Lin of Crowe (TW) CPAs and they have issued an audit report. The Business Report, Financial Statements, and Proposal for Earnings Distribution have been audited and determined to be no inappropriateness by the Audit Committee. According to Article 14 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sinphar Pharmaceutical Co., Ltd.

Audit Committee

Convener: Ching Lung Lee

March 10, 2026

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders of  
Sinphar Pharmaceutical Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of Sinphar Pharmaceutical Co., Ltd. (the "Company"), which comprise the parent company only balance sheet as of December 31, 2025 and 2024 and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025 and 2024, in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulation 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 Parent Company Only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

#### **Inventory Valuation**

Please refer to Note 4(7.) and 5(2.) in the accompanying parent company only financial statements for related disclosures of the Company's valuation of inventory accounting policies and critical accounting estimate and assumption.

The Company mainly engages in the production and sales of various types of drugs and food supplements. As the regulations to the pharmaceutical industry cause the cost to increase and meanwhile selling prices are less likely to be affected as they are covered by the health insurance system. Furthermore, the price of food supplement inventory fluctuates due to market competition and the impacts aroused from advertisements. Management assesses that the net realizable value of inventory involves material judgment. Hence, it is taken as a one of the key audit matters.

Our key audit procedures in response

Our procedures in relation to inventory valuation included:

1. Understand and evaluate the design and implementation of the internal control in relation to inventory.
2. Perform inventory counts, to identify if there are any inventories which are obsolete or damaged.
3. Obtain Inventory aging reports to analyses the changes in inventory age, and check the records of inventory changes to verify the correctness of inventory.
4. Evaluate the reasonableness of its inventory valuation policy of unmarketable items and obsolescence, and check the latest inventory sales price to evaluate the reasonableness of the net realizable value of the inventory.
5. Obtain evaluation documents for subsequent measurement of inventories and assess whether they have been measured in accordance with established accounting policies and review if the management's disclosure on the evaluation of inventory is presented fairly.

#### Revenue Recognition

Please refer to Note 4(17.) and 5(2.) in the accompanying parent company only financial statements for related disclosures of the Company's revenue recognition accounting policies and critical accounting estimate and assumption.

Some products of the Company provide discounts or sales incentives based on the terms of the sales contract. Since the recognition of the revenue is measured on the net basis of the related discounts and incentives, we consider the revenue recognition as a key audit matter.

Our key audit procedures in response

Our procedures in relation to the revenue recognition included:

1. Evaluate the design and implementation of the internal control in relation to the revenue recognition.
2. Perform sales contract checks to verify whether the records on the recognition of sales revenue agree with the related contract, and evaluate the fairness of the management's estimated sales discounts and sales incentives.
3. Assess whether the management's accounting treatments and disclosure in relation to sales discounts and sales incentives are presented fairly.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operation, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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, misrepresentation, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 parent company only financial statements or, if such disclosure 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for direction, supervision and performance of the investee 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 parent company only financial statements for the year ended December 31, 2025 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.

The engagement partners on the audit resulting in this independent auditors' report are Ya Quan Zhang and Chin Feng Lin.

Crowe (TW) CPAs  
Taipei, Taiwan  
The Republic of China

March 10, 2026

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.

**Sinphar Pharmaceutical Co., Ltd.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6 (1)	\$ 470,738	8	\$ 701,496	12
Financial assets at amortized cost – current	6 (2)	3,642	-	3,926	-
Notes receivable, net	6 (3)	137,975	2	146,625	2
Accounts receivable, net	6 (4) and 6(20)	526,313	9	467,592	8
Inventories	6 (5)	669,550	12	606,351	10
Prepayments		42,269	1	41,239	1
Other current assets	7 (3)	7,870	-	2,980	-
Total current assets		<u>1,858,357</u>	<u>32</u>	<u>1,970,209</u>	<u>33</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value					
through profit and loss, non-current	6 (6)	42,269	1	44,981	1
Financial assets at fair value through					
other comprehensive income, non-current	6 (6)	52,684	1	50,732	1
Investments accounted for using equity method	6 (7)	1,137,464	20	1,133,520	19
Property, plant and equipment	6 (8), 7 (3) and 8	2,300,584	40	2,320,362	39
Right-of-use assets	6 (9)	880	-	-	-
Investment property, net	6 (10) and 8	109,819	2	110,604	2
Intangible assets	6 (11) and 8	22,539	-	28,282	1
Deferred tax assets	6 (25)	195,485	3	185,366	3
Prepayments for equipment		49,019	1	29,114	1
Refundable deposits		16,980	-	18,498	-
Other non-current assets		17,430	-	20,346	-
Total non-current assets		<u>3,945,153</u>	<u>68</u>	<u>3,941,805</u>	<u>67</u>
<b>TOTAL</b>		<u>\$ 5,803,510</u>	<u>100</u>	<u>\$ 5,912,014</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	6 (12)	\$ 150,000	3	\$ 330,000	6
Contract liabilities-current	6 (20)	102,286	2	93,389	1
Notes payable		2	-	38	-
Accounts payable	7 (3)	231,333	4	186,539	3
Other payable	6 (13) and 7(3)	323,635	5	303,802	5
Current tax liabilities		51,170	1	36,918	1
Lease liabilities – current	6 (9)	576	-	-	-
Long-term loans - current portion	6 (14) and 8	45,746	1	348,976	6
Other current liabilities, others		44,063	1	42,494	1
Total current liabilities		<u>948,811</u>	<u>17</u>	<u>1,342,156</u>	<u>23</u>
<b>NONCURRENT LIABILITIES</b>					
Long-term loans	6 (14) and 8	1,269,898	22	1,175,941	20
Lease liabilities – non-current	6 (9)	308	-	-	-
Net defined benefit liability, non-current	6 (15)	22,265	-	15,089	-
Other non-current liabilities, others	6 (25) and 7(3)	118,355	2	115,627	2
Total non-current liabilities		<u>1,410,826</u>	<u>24</u>	<u>1,306,657</u>	<u>22</u>
Total liabilities		<u>2,359,637</u>	<u>41</u>	<u>2,648,813</u>	<u>45</u>
<b>EQUITY</b>					
Capital stock	6 (16)	<u>1,901,968</u>	<u>33</u> #	<u>1,811,398</u>	<u>31</u>
Capital surplus	6 (17)	<u>924,140</u>	<u>16</u>	<u>924,140</u>	<u>15</u>
Retained earnings	6 (18)				
Legal capital reserve		211,577	4	179,959	3
Special capital reserve		137,171	2	137,171	2
Unappropriated retained earnings		364,268	6	331,295	6
Total retained earnings		<u>713,016</u>	<u>12</u>	<u>648,425</u>	<u>11</u>
Other Equity	6 (19)	<u>(95,251)</u>	<u>(2)</u>	<u>(120,762)</u>	<u>(2)</u>
Total equity		<u>3,443,873</u>	<u>59</u>	<u>3,263,201</u>	<u>55</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 5,803,510</u>	<u>100</u>	<u>\$ 5,912,014</u>	<u>100</u>

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

## Sinphar Pharmaceutical Co., Ltd.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

ITEM	Note	2025		2024	
		Amount	%	Amount	%
NET REVENUE	6 (20) and 7 (3)	\$ 3,066,355	100	\$ 2,860,315	100
COST OF REVENUE	6 (5), 6(23) and 7 (3)	(1,772,307)	(58)	(1,726,564)	(60)
GROSS PROFIT		1,294,048	42	1,133,751	40
Less: Unrealized profit on sales		(3,435)	-	(768)	-
Add: Realized profit on sales		768	-	568	-
GROSS PROFIT		1,291,381	42	1,133,551	40
OPERATING EXPENSES	6 (23) and 7 (3)				
Selling expenses		(615,802)	(20)	(528,180)	(18)
Administrative expenses		(157,171)	(5)	(157,284)	(6)
Research and development expenses		(104,333)	(4)	(117,682)	(4)
Total operating expenses		(877,306)	(29)	(803,146)	(28)
NET OPERATIONS INCOME		414,075	13	330,405	12
NON-OPERATING INCOME AND EXPENSES					
Interest income		6,652	-	11,622	1
Other income	6 (21) and 7 (3)	37,893	1	36,953	1
Other gains and losses	6 (22) and 7 (3)	(17,586)	-	10,812	-
Finance costs	6 (24)	(32,812)	(1)	(35,657)	(1)
Share of the loss of subsidiaries and associated and joint ventures accounted for using equity method	6 (7)	(1,739)	-	(30,241)	(1)
Total non-operating income and expenses		(7,592)	-	(6,511)	-
INCOME BEFORE INCOME TAX		406,483	13	323,894	12
INCOME TAX (EXPENSE) BENEFIT	6 (25)	(40,732)	(1)	(19,189)	(1)
NET INCOME		365,751	12	304,705	11
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		(5,956)	-	11,471	-
Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income		65	-	(611)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method		(2,164)	-	(5,249)	-
		(8,055)	-	5,611	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		5,095	-	27,834	1
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		40	-	2	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,019)	-	(5,567)	-
		4,116	-	22,269	1
Other comprehensive income (loss) for the year, net of income tax		(3,939)	-	27,880	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 361,812	12	\$ 332,585	12
EARNINGS PER SHARE	6 (26)				
Basic earnings per share		\$ 1.92		\$ 1.60	
Diluted earnings per share		\$ 1.92		\$ 1.60	

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

**Sinphar Pharmaceutical Co., Ltd.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

ITEM	Capital Stock		Retained Earning			Other Equity Interests			Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Retained Earnings	Foreign Currency Translation Reserve	Unrealized Gain(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
Balance, January 1, 2024	\$ 1,677,221	\$ 924,140	\$ 142,979	\$ 121,367	\$ 369,802	\$ (92,720)	\$ (44,451)	\$ 3,098,338	
Appropriations of earnings									
Legal reserve appropriated	-	-	36,980	-	(36,980)	-	-	-	
Special reserve appropriated	-	-	-	15,804	(15,804)	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(167,722)	-	-	(167,722)	
Stock dividends of ordinary share	134,177	-	-	-	(134,177)	-	-	-	
Total appropriations of earnings	134,177	-	36,980	15,804	(354,683)	-	-	(167,722)	
Net profit in 2024	-	-	-	-	304,705	-	-	304,705	
Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	11,471	22,269	(5,860)	27,880	
Total comprehensive income (loss) in 2024	-	-	-	-	316,176	22,269	(5,860)	332,585	
Balance, December 31, 2024	1,811,398	924,140	179,959	137,171	331,295	(70,451)	(50,311)	3,263,201	
Appropriations of earnings									
Legal reserve appropriated	-	-	31,618	-	(31,618)	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(181,140)	-	-	(181,140)	
Stock dividends of ordinary shares	90,570	-	-	-	(90,570)	-	-	-	
Total appropriations of earnings	90,570	-	31,618	-	(303,328)	-	-	(181,140)	
Net profit in 2025	-	-	-	-	365,751	-	-	365,751	
Other comprehensive income (loss) in 2025, net of income tax	-	-	-	-	(5,956)	4,116	(2,099)	(3,939)	
Total comprehensive income (loss) in 2025	-	-	-	-	359,795	4,116	(2,099)	361,812	
Disposal of equity investments at fair value through other comprehensive income of subsidiaries	-	-	-	-	(23,494)	-	23,494	-	
Balance, December 31, 2025	\$ 1,901,968	\$ 924,140	\$ 211,577	\$ 137,171	\$ 364,268	\$ (66,335)	\$ (28,916)	\$ 3,443,873	

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

**Sinphar Pharmaceutical Co., Ltd.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
(In Thousands of New Taiwan Dollars)

ITEM	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 406,483	\$ 323,894
Adjustments for:		
Depreciation expense (including investment property)	169,775	159,846
Amortization expense	16,964	25,989
Interest expense	32,812	35,657
Interest income	(6,652)	(11,622)
Dividend income	(641)	-
Share of loss of subsidiaries and associates and joint ventures accounted for using equity method, net	1,739	30,241
Loss (gain) on disposal of property, plant and equipment	(165)	-
Unrealized profit on sales	3,435	768
Realized profit on sales	(768)	(568)
Changes in operating assets and liabilities:		
Notes receivable, net	8,650	17,275
Accounts receivable, net	(58,721)	(41,590)
Inventories	(63,199)	99,423
Prepayments	(1,030)	(5,458)
Other current assets	(5,594)	1,801
Contract liabilities	8,897	9,037
Notes payable	(36)	38
Accounts payable	44,794	(115,657)
Other payable	20,157	10,996
Other current liabilities	1,569	5,240
Net defined benefit liability	1,220	(8,992)
Other operating liabilities	1,061	12,737
Cash generated from operations	<u>580,750</u>	<u>549,055</u>
Interest received	6,652	11,622
Dividend received	641	-
Interest paid	(33,114)	(35,375)
Income taxes paid	(36,914)	(1,232)
Net cash generated from operating activities	<u>518,015</u>	<u>524,070</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments accounted for using equity method	-	(47,650)
Acquisition of financial assets at fair value through other comprehensive income	(1,887)	(41,207)
Acquisition of financial assets at amortized cost	(33,372)	(3,926)
Proceeds from disposal of financial assets at amortized cost	33,656	-
Acquisition of property, plant and equipment	(78,795)	(157,505)
Proceeds from disposal of property, plant and equipment	170	-
Decrease (increase) in refundable deposits	1,518	6,238
Acquisition of intangible assets	(6,136)	(16,179)
Increase in other non-current assets	(1,426)	(1,853)
Increase in prepayments for equipment	(90,819)	(54,722)
Net cash used in investing activities	<u>(177,091)</u>	<u>(316,804)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term loan	(180,000)	(30,000)
Proceeds from long-term debt	-	50,000
Repayments of long-term debt	(209,273)	(60,046)
Increase (decrease) in refundable deposits	(1,000)	1,000
Payments of the principal portion of lease liabilities	(269)	-
Cash dividends paid	(181,140)	(167,722)
Net cash used in financing activities	<u>(571,682)</u>	<u>(206,768)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(230,758)	498
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		
	701,496	700,998
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>\$ 470,738</u>	<u>\$ 701,496</u>

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders of  
Sinphar Pharmaceutical Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Sinphar Pharmaceutical Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulation 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 consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

#### Cash and Cash Equivalents

As of December 31, 2025, the cash and cash equivalent of the consolidated balance sheet was NT\$ 864,139 thousand, which represented 14% of the Group's consolidated total assets. As the Group is still in the research and development phase, it is necessary to maintain sufficient cash and cash equivalent balance to support future research and development costs. However, it is taken as a key audit matters due to cash and cash equivalent is a high-risk item.

Our key audit procedures in response

Our procedures in relation to cash and cash equivalent included:

1. Evaluate the design and implementation of internal control related to cash and cash equivalent, performed test count of cash on hand, checked the bank deposit balance with the bank statements, and send bank confirmation letter in accordance with the Auditing Standards No.505. “External confirmation”.
2. Performed a test audit of the supporting documents for large inflows and outflows of cash and bank deposits, paying attention to changes in cash and bank deposits immediately prior to and after the balance sheet date.

#### Inventory Valuation

Please refer to Note 4(8.) and 5(2.) in the accompanying consolidated financial statements for related disclosures of the Group’s valuation of inventory accounting policies and critical accounting estimate and assumption.

The Group mainly engages in the production and sales of various types of drugs and food supplements. As the regulations to the pharmaceutical industry cause the cost to increase and meanwhile the selling prices are less likely to be affected as they are covered by the health insurance system. Furthermore, the price of food supplement inventory fluctuates due to market competition and the impacts aroused from advertisements. Management assesses that the net realizable value of inventory involves material judgment. Hence, it is taken as a one of the key audit matters.

Our key audit procedures in response

Our procedures in relation to inventory valuation included:

1. Understand and evaluate the design and implementation of the internal control in relation to inventory.
2. Perform inventory counts, to identify if there are any inventories which are obsolete or damaged.
3. Obtain Inventory aging reports to analyses the changes in inventory age, and check the records of inventory changes to verify the correctness of inventory.
4. Evaluate the reasonableness of its inventory valuation policy of unmarketable items and obsolescence, and check the latest inventory sales price to evaluate the reasonableness of the net realizable value of the inventory.
5. Obtain evaluation documents for subsequent measurement of inventories and assess whether they have been measured in accordance with established accounting policies and review if the management’s disclosure on the evaluation of inventory is presented fairly.

#### Revenue Recognition

Please refer to Note 4(17.) and 5(2.) in the accompanying consolidated financial statements for related disclosures of the Group’s revenue recognition accounting policies and critical accounting estimate and assumption.

Some products of the Group provide discounts or sales incentives based on the terms of the sales contract. Since the recognition of the revenue is measured on the net basis of the related discounts and incentives, we consider the revenue recognition as a key audit matter.

Our key audit procedures in response

Our procedures in relation to the revenue recognition included:

1. Evaluate the design and implementation of the internal control in relation to the revenue recognition.

2. Perform sales contract checks to verify whether the records on the recognition of sales revenue agree with the related contract, and evaluate the fairness of the management's estimated sales discounts and sales incentives.
3. Assess whether the management's accounting treatments and disclosure in relation to sales discounts and sales incentives are presented fairly.

### Intangible Assets Impairment

Please refer to Note 4(13.) and 5(2.) in the accompanying consolidated financial statements for related disclosures of the Group's intangible assets impairment accounting policies and critical accounting estimate and assumption.

The accompanying consolidated financial statements for the year ended December 31, 2025 included intangible assets amounted to NT\$ 59,516 thousand, which represented 1% of the Group's consolidated total assets. The intangible assets of the Group are mainly for the patent technology licensing of the "positively charged liposomes EndoTag-1 anti-tumor drugs". The Group will continue to develop new drugs based on these patented technologies. Because the drugs are still under development, no cash inflow can be generated. As of the balance sheet date, the Group considers external and internal information in determining whether the intangible asset is impaired. If any indication of impairment exists, an assessment of the recoverable amount of the asset is required to confirm the impairment of the intangible asset. Since the impairment assessment performed by management involves critical judgement, we consider impairment assessment of intangible asset as a key audit matter.

Our key audit procedures in response

Our procedures in relation to management's assessment of indicators of impairment included:

1. Reviewing the assessment of indicators of impairment provided by the management, and discussing with management to evaluate the following items:
  - (1)The product characteristics, target markets, technical trends, and possible derivative products of research and development projects and the patented technology licensing are still competitive in the marketplace ;
  - (2)There is no significant delay in the progress of the main research and development projects ;
  - (3)The total market value of the Group is higher than the net assets as of the balance sheet date.
2. Evaluating the reasonableness of management's adoption of the key assumption and sensitivity analysis including the cash-generating units, forecast of cash flows, the possibility for product commercialization and the discount rate.

### **Other Matter**

We have also audited the parent company only financial statements of Sinphar Pharmaceutical Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

### **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 Regulation Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for 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 for the year ended December 31, 2025 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.

The engagement partners on the audit resulting in this independent auditors' report are Ya Quan Zhang  
And Chin Feng Lin.

Crowe (TW) CPAs

Taipei, Taiwan

Republic of China

March 10, 2026

For the convenience of readers and for information purpose only, the auditors' report and the acGrouping 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.

## Simphar Pharmaceutical Co., Ltd and Subsidiaries

### CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6 (1)	\$ 864,139	14	\$ 1,075,672	17
Financial assets at fair value					
through profit or loss – current	6 (2)	7,071	-	6,956	-
Financial assets at amortized cost – current	6 (3)	123,416	2	95,409	2
Notes receivable, net	6 (4)	138,640	2	147,116	2
Accounts receivable, net	6 (5) and 6(21)	575,218	9	494,784	8
Inventories	6 (6)	724,686	12	714,906	12
Prepayments	6 (7)	86,245	2	84,212	1
Other current assets	8	9,817	-	5,300	-
Total current assets		<u>2,529,232</u>	<u>41</u>	<u>2,624,355</u>	<u>42</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value					
through profit or loss, non-current	6 (2)	-	-	-	-
Financial assets at fair value through					
other comprehensive income, non-current	6 (8)	52,684	1	54,640	1
Property, plant and equipment	6 (9), 7(3) and 8	3,202,979	52	3,266,540	52
Right-of-use assets	6 (10) and 8	18,874	1	18,572	-
Intangible assets	6 (11) and 8	59,516	1	72,163	1
Deferred tax assets	6 (26)	195,485	3	185,366	3
Prepayments for equipment		58,532	1	30,698	1
Refundable deposits		18,305	-	19,410	-
Other non-current assets		17,443	-	26,511	-
Total non-current assets		<u>3,623,818</u>	<u>59</u>	<u>3,673,900</u>	<u>58</u>
<b>TOTAL</b>		<u>\$ 6,153,050</u>	<u>100</u>	<u>\$ 6,298,255</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	6 (12) and 8	\$ 188,000	3	\$ 370,000	5
Current contract liabilities	6 (21)	103,355	2	97,424	2
Notes payable		149	-	233	-
Accounts payable		210,344	3	185,212	3
Other payable	6 (13)	359,893	6	336,786	5
Current tax liabilities		55,578	1	39,363	1
Lease liabilities – current	6 (10)	576	-	-	-
Long-term loans - current portion	6 (14) and 8	48,118	1	351,290	6
Other current liabilities, others		45,468	1	42,501	1
Total current liabilities		<u>1,011,481</u>	<u>17</u>	<u>1,422,809</u>	<u>23</u>
<b>NONCURRENT LIABILITIES</b>					
Long-term loans	6 (14) and 8	1,272,759	20	1,181,205	19
Lease liabilities – non-current	6 (10)	308	-	-	-
Net defined benefit liability, non-current	6 (15)	22,265	1	15,089	-
Other non-current liabilities, others	6 (26)	131,060	2	132,975	2
Total non-current liabilities		<u>1,426,392</u>	<u>23</u>	<u>1,329,269</u>	<u>21</u>
Total liabilities		<u>2,437,873</u>	<u>40</u>	<u>2,752,078</u>	<u>44</u>
<b>EQUITY ATTRIBUTABLE TO</b>					
<b>SHAREHOLDERS OF THE PARENT</b>					
Capital stock	6 (16)	1,901,968	31	1,811,398	29
Capital surplus	6 (17)	924,140	15	924,140	15
Retained earnings	6 (18)				
Appropriated as legal capital reserve		211,577	4	179,959	3
Appropriated as special capital reserve		137,171	2	137,171	2
Unappropriated retained earnings		364,268	6	331,295	5
Total retained earnings		<u>713,016</u>	<u>12</u>	<u>648,425</u>	<u>10</u>
Others equity interests	6 (19)	(95,251)	(2)	(120,762)	(2)
Total equity attributable to					
shareholders of the parent		3,443,873	56	3,263,201	52
non-controlling interests	6 (20)	271,304	4	282,976	4
Total equity		<u>3,715,177</u>	<u>60</u>	<u>3,546,177</u>	<u>56</u>
Total liabilities and equity		<u>\$ 6,153,050</u>	<u>100</u>	<u>\$ 6,298,255</u>	<u>100</u>

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

**Sinphar Pharmaceutical Co., Ltd and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

ITEM	Note	2025		2024	
		Amount	%	Amount	%
OPERATING REVENUE	6 (21)	\$ 3,371,321	100	\$ 3,150,628	100
OPERATING COSTS	6 (6, 24)	(1,914,430)	(57)	(1,913,612)	(61)
GROSS PROFIT		1,456,891	43	1,237,016	39
OPERATING EXPENSES	6 (24) and 7 (3)				
Selling expenses		(641,692)	(19)	(543,126)	(17)
Administrative expenses		(252,973)	(8)	(248,522)	(8)
Research and development expenses		(145,368)	(4)	(151,362)	(5)
Expected credit impairment loss	6 (5)	-	-	(142)	-
Total operating expenses		(1,040,033)	(31)	(943,152)	(30)
NET OPERATIONS INCOME		416,858	12	293,864	9
NON-OPERATING INCOME AND EXPENSES					
Interest income		12,613	-	16,837	1
Other income	6 (22)	24,436	1	19,023	1
Other gains and losses	6 (23)	(18,536)	(1)	14,147	-
Finance costs	6 (25)	(33,847)	(1)	(36,771)	(1)
Total non-operating income and expenses		(15,334)	(1)	13,236	1
INCOME BEFORE INCOME TAX		401,524	11	307,100	10
INCOME TAX (EXPENSE) BENEFIT	6 (26)	(47,254)	(1)	(21,883)	(1)
NET INCOME		354,270	10	285,217	9
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		(5,956)	-	11,471	-
Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income		(3,302)	-	(8,779)	-
		(9,258)	-	2,692	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		6,147	-	33,683	1
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,019)	-	(5,567)	-
		5,128	-	28,116	1
Other comprehensive income (loss) for the year, net of income tax		(4,130)	-	30,808	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		\$ 350,140	10	\$ 316,025	10
PROFIT (LOSS) ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 365,751	10	\$ 304,705	10
Non-controlling interests		(11,481)	-	(19,488)	(1)
		\$ 354,270	10	\$ 285,217	9
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		\$ 361,812	10	\$ 332,585	11
Non-controlling interests		(11,672)	-	(16,560)	(1)
		\$ 350,140	10	\$ 316,025	10
EARNINGS PER SHARE	6 (27)				
Basic earnings per share		\$ 1.92		\$ 1.60	
Diluted earnings per share		\$ 1.92		\$ 1.60	

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

**Sinphar Pharmaceutical Co., Ltd and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

ITEM	Equity Attributable to Owners of Parent									Non-Controlling Interests	Total Equity
	Capital Stock		Retained Earning			Other Equity Interests			Total		
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Retained Earnings	Foreign Currency Translation Reserve	Unrealized Gain(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
Balance, January 1, 2024	\$ 1,677,221	924,140	142,979	121,367	369,802	(92,720)	(44,451)	3,098,338	299,536	3,397,874	
Appropriations of earnings											
Legal reserve appropriated	-	-	36,980	-	(36,980)	-	-	-	-	-	
Special reserve appropriated	-	-	-	15,804	(15,804)	-	-	-	-	-	
Cash dividends of ordinary share					(167,722)	-	-	(167,722)	-	(167,722)	
Stock dividends of ordinary share	134,177	-	-	-	(134,177)	-	-	-	-	-	
Total appropriations of earnings	134,177	-	36,980	15,804	(354,683)	-	-	(167,722)	-	(167,722)	
Net profit (loss) in 2024	-	-	-	-	304,705	-	-	304,705	(19,488)	285,217	
Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	11,471	22,269	(5,860)	27,880	2,928	30,808	
Total comprehensive income (loss) in 2024	-	-	-	-	316,176	22,269	(5,860)	332,585	(16,560)	316,025	
Balance, December 31, 2024	1,811,398	924,140	179,959	137,171	331,295	(70,451)	(50,311)	3,263,201	282,976	3,546,177	
Appropriations of earnings											
Legal reserve appropriated	-	-	31,618	-	(31,618)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(181,140)	-	-	(181,140)	-	(181,140)	
Stock dividends of ordinary shares	90,570	-	-	-	(90,570)	-	-	-	-	-	
Total appropriations of earnings	90,570	-	31,618	-	(303,328)	-	-	(181,140)	-	(181,140)	
Net profit (loss) in 2025	-	-	-	-	365,751	-	-	365,751	(11,481)	354,270	
Other comprehensive income (loss) in 2025, net of income tax	-	-	-	-	(5,956)	4,116	(2,099)	(3,939)	(191)	(4,130)	
Total comprehensive income (loss) in 2025	-	-	-	-	359,795	4,116	(2,099)	361,812	(11,672)	350,140	
Disposal of equity investments at fair value through other comprehensive income of subsidiaries	-	-	-	-	(23,494)	-	23,494	-	-	-	
Balance, December 31, 2025	\$ 1,901,968	\$ 924,140	\$ 211,577	\$ 137,171	\$ 364,268	\$ (66,335)	\$ (28,916)	\$ 3,443,873	\$ 271,304	\$ 3,715,177	

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

**Sinphar Pharmaceutical Co., Ltd and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands of New Taiwan Dollars)

ITEM	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 401,524	\$ 307,100
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation expense	230,360	224,048
Amortization expense	23,971	33,322
Expected credit impairment loss	-	142
Net loss (gain) on financial assets and liabilities at fair value through profit of loss	(115)	(296)
Interest expense	33,847	36,771
Interest income	(12,613)	(16,837)
Dividend income	(641)	-
Loss (gain) on disposal of property, plant and equipment	1,051	2,481
Changes in operating assets and liabilities:		
Notes receivable, net	8,476	19,097
Accounts receivable, net	(80,439)	(17,699)
Inventories	(9,780)	124,288
Prepayments	(2,033)	(5,162)
Other current assets	(5,798)	1,492
Contract liabilities	5,931	11,770
Notes payable	(84)	71
Accounts payable	25,132	(105,996)
Other payable	24,383	(3,908)
Other current liabilities	2,967	5,140
Net defined benefit liability	1,220	(8,992)
Other operating liabilities	(462)	12,628
Cash generated from operations	646,897	619,460
Interest received	13,180	15,845
Dividend received	641	-
Interest paid	(34,149)	(36,489)
Income taxes paid	(41,907)	(5,304)
Net cash generated from operating activities	584,662	593,512
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,887)	(41,207)
Proceeds from disposal of financial assets at fair value through other comprehensive income	541	-
Acquisition of financial assets at amortized cost	(153,147)	(95,409)
Proceeds from disposal of financial assets at amortized cost	125,140	-
Acquisition of property, plant and equipment	(95,115)	(179,143)
Proceeds from disposal of property, plant and equipment	49	482
Decrease (increase) in refundable deposits	1,105	6,914
Acquisition of intangible assets	(6,236)	(16,276)
Decrease (increase) in other non-current assets	4,518	(5,145)
Increase in prepayments for equipment	(99,594)	(61,294)
Net cash used in investing activities	(224,626)	(391,078)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term loan	(182,000)	(30,000)
Proceeds from long-term debt	-	50,000
Repayments of long-term debt	(211,618)	(62,363)
Increase (decrease) in redundable deposits	(999)	1,002
Payments of the principal portion of lease liabilities	(269)	-
Cash dividends paid	(181,140)	(167,722)
Net cash used in financing activities	(576,026)	(209,083)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	4,457	7,832
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(211,533)	1,183
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		
	1,075,672	1,074,489
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
	\$ 864,139	\$ 1,075,672

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

## Sinphar Pharmaceutical Co., Ltd.

## Amendment Comparison Table of the Articles of Incorporation

After Amendment	Current Article	Description
<p>Article 2: The scope of business of the Corporation shall be as follows:</p> <p>1. C802041 Manufacture of Drugs and Medicines</p> <p>2. F108021 Wholesale of Western Pharmaceutical</p> <p>3. F208021 Retail Sale of Western Pharmaceutical</p> <p>4. C802051 Manufacture of Chinese Medicines</p> <p>5. F108011 Wholesale of Traditional Chinese Medicine</p> <p>(Omitted)</p> <p>50. F107990 Wholesale of Other Chemical Products</p> <p>51. F399040 Retail Sale No Storefront</p> <p><u>52. C801100</u> <u>Manufacture of Synthetic Resin and Plastic Materials</u></p> <p><u>53. C805010</u> <u>Manufacture of Plastic Sheets, Pipes and Tubes</u></p> <p><u>54. C805020</u> <u>Manufacture of Plastic Films and Bags</u></p> <p><u>55. C805030</u> <u>Manufacture of Plastic Daily Necessities</u></p> <p><u>56. C805060</u> <u>Manufacture of Plastic Leathers Products</u></p> <p><u>57. C805070</u> <u>Manufacture of Reinforced</u></p>	<p>Article 2: The scope of business of the Corporation shall be as follows:</p> <p>1. C802041 Manufacture of Drugs and Medicines</p> <p>2. F108021 Wholesale of Western Pharmaceutical</p> <p>3. F208021 Retail Sale of Western Pharmaceutical</p> <p>4. C802051 Manufacture of Chinese Medicines</p> <p>5. F108011 Wholesale of Traditional Chinese Medicine</p> <p>6. CF01011 Medical Devices Manufacturing</p> <p>7. F108031 Wholesale of Medical Devices</p> <p>8. F208031 Retail Sale of Medical Apparatus</p> <p>9. C102010 Manufacture of Dairy Products</p> <p>(Omitted)</p> <p>42. I101090 Food Consulting</p> <p>43. IC01010 Medicine Inspection</p> <p>44. IG01010 Biotechnology Services</p> <p>45. J202010 Industry Innovation and Incubation Services</p> <p>46. E604010 Machinery Installation</p> <p>47. EZ05010</p>	<p>Amendment is made to meet business development needs and to reduce material costs and maintain stable supply quality.</p>

After Amendment	Current Article	Description
<p><u>Plastic Products</u> 58. C805990</p> <p><u>Manufacture of Other Plastic Products</u> 59. CB01010</p> <p><u>Manufacture of Mechanical Equipment</u> 60. CQ01010</p> <p><u>Mold and Die Manufacturing</u> 61. F106030</p> <p><u>Wholesale of Molds</u> 62. F107190</p> <p><u>Wholesale of Plastic Films and Bags</u> 63. F206030</p> <p><u>Retail Sale of Molds</u> 64. F207190</p> <p><u>Retail Sale of Plastic Films and Bags</u> 65. F601010</p> <p><u>Intellectual Property Rights</u> 66. ZZ99999</p> <p>All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Instrument and Meters Installation Engineering</p> <p>48. F207200</p> <p>Retail Sale of Chemical Feedstock</p> <p>49. F107200</p> <p>Wholesale of Chemical Feedstock</p> <p>50. F107990</p> <p>Wholesale of Other Chemical Products</p> <p>51. F399040</p> <p>Retail Sale No Storefront</p> <p>52. ZZ99999</p> <p>All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Article 5:</p> <p>The total capital stock of the Company shall be in the amount of <u>5,000,000,000</u> New Taiwan Dollars, divided into <u>500,000,000</u> shares, at ten New Taiwan Dollars each, and may be issued in installments. The Company shall reserve 100,000,000 New Taiwan Dollars, divided into 10,000,000 shares, at ten New Taiwan Dollars each, for issuing employee stock options.</p>	<p>Article 5:</p> <p>The total capital stock of the Company shall be in the amount of 2,500,000,000 New Taiwan Dollars, divided into 250,000,000 shares, at ten New Taiwan Dollars each, and may be issued in installments. The Company shall reserve 100,000,000 New Taiwan Dollars, divided into 10,000,000 shares, at ten New Taiwan Dollars each, for issuing employee stock options.</p>	<p>Amendment is made to meet the Company's long-term development needs.</p>
<p>Article 13:</p> <p>The number of Board of Directors of the Company shall be <u>seven to</u></p>	<p>Article 13:</p> <p>The number of Board of Directors of the Company shall be seven to</p>	<p>Amendment is made to meet the Company's long-term development</p>

After Amendment	Current Article	Description
<p><u>thirteen</u> directors and one to three supervisors. Each term is for three years and may be re-elected. The election of directors at the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders shall elect directors from among those listed in the slate of director candidates.</p> <p>Board of Directors must include no fewer than <u>three</u> independent directors, which shall no less than one-fifth of the total number of directors.</p> <p>The total shareholdings of all directors and supervisors shall meet the requirement as separately specified by the competent authority in charge of securities affairs.</p> <p>The Company set up the audit committee according to Article 14-4 of the Securities and Exchange Act. Supervisors' term is deemed expired upon establishing the audit committee. The audit committee shall assume all duties of supervisors.</p> <p>The Company may obtain liability insurance for directors and supervisors with respect to liabilities resulting from exercising their duties during their terms.</p>	<p>eleven directors and one to three supervisors. Each term is for three years and may be re-elected. The election of directors at the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders shall elect directors from among those listed in the slate of director candidates.</p> <p>Board of Directors must include no fewer than two to three independent directors, which shall no less than one-fifth of the total number of directors.</p> <p>The total shareholdings of all directors and supervisors shall meet the requirement as separately specified by the competent authority in charge of securities affairs.</p> <p>The Company set up the audit committee according to Article 14-4 of the Securities and Exchange Act. Supervisors' term is deemed expired upon establishing the audit committee. The audit committee shall assume all duties of supervisors.</p> <p>The Company may obtain liability insurance for directors and supervisors with respect to liabilities resulting from exercising their duties during their terms.</p>	<p>needs.</p>

After Amendment	Current Article	Description
<p>Article 21:</p> <p>These Articles of Incorporation are agreed to and signed on May 17, 1977. The first Amendment was on June 8, 1977, the second Amendment on April 20, 1978, the third Amendment on September 3, 1978, the fourth Amendment on March 15, 1980, (omitted), the thirty-ninth Amendment on June 21, 2022, the fortieth Amendment on June 19, 2025, <u>the forty-first Amendment on June 16, 2026.</u></p>	<p>Article 21:</p> <p>These Articles of Incorporation are agreed to and signed on May 17, 1977. The first Amendment was on June 8, 1977, the second Amendment on April 20, 1978, the third Amendment on September 3, 1978, the fourth Amendment on March 15, 1980, (omitted), the thirty-ninth Amendment on June 21, 2022, the fortieth Amendment on June 19, 2025.</p>	<p>Amended accordingly</p>