

台灣東洋藥品工業股份有限公司
TTY BIOPHARM COMPANY LIMITED

2025 Annual General Meeting
Meeting Handbook

Meeting Time: May 29, 2025

Meeting Location: 2F, No.19-10, Sanchong Rd., Nangang District, Taipei City
(International Convention Center, 2F, Building A, Nangang Software Park)

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I. Meeting Agenda

TTY Biopharm Co., Ltd. 2025 Annual General Meeting Agenda

Time: 9:00 AM, May 29, 2025

Location: 2F, No.19-10, Sanchong Rd., Nangang District, Taipei City
(International Convention Center, 2F, Building A, Nangang Software Park)

Meeting

Format: Physical Shareholders' Meeting

Meeting I. Call to Order (Report of Attendance)

Procedure: II. Chairman's Address

III. Report Items

1. Business Report for Fiscal Year 2024
2. Audit Committee's Review Report on the 2024 Financial Reports
3. Report on Communication between Audit Committee Members and the Head of Internal Audit
4. Report on the Distribution of Employee and Director Compensation for Fiscal Year 2024
5. Report on Directors' Remuneration Paid for Fiscal Year 2024
6. Report on the Distribution of Cash Dividends from 2024 Earnings
7. Report on Material Related Party Transactions for 2024

IV. Ratification Items

1. The Company's 2024 Business Report and Financial statements
2. The Company's Proposal for Distribution of 2024 Earnings

V. Discussion Items

1. Amendment to the Company's "Articles of Incorporation"

VI. Extraordinary Motions

VII. Adjournment

II. Report Items

Report No. 1

Proposal: Business Report for 2024, respectfully submitted for your review.

Explanation:

Please refer to Attachment I on pages 7-10 of this handbook for the Company's Business Report for Fiscal Year 2024.

Report No. 2

Proposal: The Audit Committee's Review Report on the 2024 Financial Reports is respectfully submitted for your review.

Explanation:

1. The Company's 2024 Financial Reports, Consolidated Financial Reports, Business Report, and Earnings Distribution Table have been reviewed by the Audit Committee, and the Audit Committee has issued its Review Report.
2. Please refer to Attachment II on page 11 of this handbook for the Audit Committee's Review Report.

Report No. 3

Proposal: The Report on Communication between Audit Committee Members and the Head of Internal Audit is respectfully submitted for your review.

Explanation:

Please refer to Attachment III on page 12 of this handbook for details on communication between Audit Committee Members and the Head of Internal Audit during Fiscal Year 2024.

Report No. 4

Proposal: The Report on the Distribution of Employee and Director Compensation for Fiscal Year 2024 is respectfully submitted for your review.

Explanation:

The Company's fiscal year 2024 profit (pre-tax profit before deducting employee and director compensation) totaled NT\$1,825,177,767. In accordance with Article 28 of the Company's Articles of Incorporation, 1.8125% is allocated as employee compensation, amounting to NT\$33,081,000, and 0.855% is allocated as director compensation, amounting to NT\$15,600,000. Both compensations will be distributed in cash.

Report No. 5

Proposal: The Report on Directors' Remuneration Paid for Fiscal Year 2024 is respectfully submitted for your review.

Explanation:

1. The Company's policies, standards, and composition for remuneration of regular directors and independent directors, and the correlation between remuneration amounts and factors such as responsibilities, risks, and time commitment:
Article 31 of the Company's Articles of Incorporation stipulates that directors shall be entitled to remuneration for performing their duties regardless of whether the Company operates at a profit or loss. The remuneration shall be determined by the Board of Directors based on their level of participation in the Company's operations, value of contributions, and with reference to industry standards. Additionally, if the Company has profits in the fiscal year, in accordance with Article 28 of the Company's Articles of Incorporation, no more than 2% shall be allocated as directors' compensation. The remuneration of independent directors is based on the Company's "Directors' Remuneration Distribution Rules" and is evaluated and recommended by the Remuneration Committee, approved by the Board of Directors, and does not participate in the distribution of directors' compensation. The Company regularly evaluates directors' remuneration in accordance with the "Performance Evaluation Measures for the Board of Directors and Functional Committees." The relevant performance assessments and reasonableness of compensation are recommended by the Remuneration Committee and submitted to the Board of Directors for approval.
2. Please refer to Attachment IV on page 13 of this handbook for details of Directors' Remuneration for 2024.

Report No. 6

Proposal: The Report on the Distribution of Cash Dividends from 2024 Earnings is respectfully submitted for your review.

Explanation:

1. According to Article 30, Paragraph 3 of the Company's Articles of Incorporation, when dividends are distributed in cash, the Board of Directors is authorized to approve such distribution with the attendance of at least two-thirds of the directors and the consent of a majority of the attending directors, and to report to the shareholders' meeting.
2. The Company's Board of Directors has resolved to appropriate NT\$1,044,329,828 from distributable earnings to distribute cash dividends to shareholders, which is NT\$4.2 per share. The cash dividends were distributed on April 25, 2025.

Report No. 7

Proposal: The Report on Material Related Party Transactions for 2024 is respectfully submitted for your review.

Explanation:

The Company did not have any material related party transactions in 2024.

III. Ratification Items

Report No. 1

Proposed by the Board of Directors

Proposal: The Company's Business Report and Financial Reports for 2024 are submitted for your approval.

Explanation:

1. The Company's Business Report, Financial Reports, and Consolidated Financial Reports for 2024 have been reviewed and approved by the Audit Committee and resolved by the Board of Directors.
2. The Financial Reports and Consolidated Financial Reports have been audited by CPAs Yi-Lien Han and Shu-Ying Chang of KPMG, who have issued an unqualified audit report.
3. The Company's Business Report, Financial Reports, and Consolidated Financial Reports for 2024 are presented in Attachment I on pages 7-10 and Attachment V on pages 14-30 of this handbook. They are hereby submitted for your approval.

Resolution:

Report No. 2

Proposed by the Board of Directors

Proposal: The Company's Proposal for Distribution of 2024 Earnings is submitted for your approval.

Explanation:

The Board of Directors has approved the Company's Earnings Distribution Table for 2024, which has been reviewed by the Audit Committee. Please refer to Attachment VI on page 31 of this handbook for the Earnings Distribution Table. It is hereby submitted for your approval.

Resolution:

IV. Discussion Items

Report No. 1

Proposed by the Board of Directors

Proposal: The Amendment to the Company's "Articles of Incorporation" is submitted for your resolution.

Explanation:

1. In response to Paragraph 6, Article 14 of the "Securities and Exchange Act" and the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, which supplemented regulations requiring listed companies to stipulate in their Articles of Incorporation that a certain percentage of annual earnings shall be set aside for salary adjustments or compensation distribution for entry-level employees, and to ensure a stable financial structure and balanced dividend principles, certain provisions of the Company's "Articles of Incorporation" are hereby amended.
2. Please refer to Attachment 7 on page 32-33 of this handbook for the comparison table of the amended "Articles of Incorporation."

Resolution:

V. Extraordinary Motions

VI. Adjournment

VII.Attachment

Attachment I

TTY Biopharm Company Limited

BUSINESS REPORT

1. Operating Results for 2024

(1) Implementation Results of Business Plan

The company's consolidated net operating revenue for 2024 was NT\$5,893,847 thousand, an increase of NT\$388,305 thousand or 7.05% compared to NT\$5,505,542 thousand in 2023. This growth was primarily attributable to a significant increase in overseas business performance during 2024. Net profit attributable to the parent company in 2024 was NT\$1,449,622 thousand, an increase of NT\$321,113 thousand or 28.45% compared to NT\$1,128,509 thousand in 2023. This increase was mainly due to higher operating revenues driving overall operating profit and net income growth. Additionally, our associated enterprises recognized milestone licensing revenue, which positively impacted our investment gains recognized under the equity method.

(2) Budget Implementation

The company's 2024 individual net operating revenue was NT\$4,984,797 thousand, with pre-tax net profit of NT\$1,449,622 thousand, achieving 117.16% of the annual budget target.

(3) Financial Receipts, Expenditures, and Profitability Analysis

Item \ Year		2024	2023
Financial Receipts and Expenditures	Interest Income (thousand NT\$)	10,121	2,671
	Interest Expense (thousand NT\$)	38,337	34,801
Profitability Analysis	Return on Assets (%)	15.48	12.79
	Return on Equity (%)	22.84	19.46
	Net Profit Margin (%)	29.08	23.04
	Earnings Per Share (NT\$)	5.83	4.54

(4) R&D Status

TTY Biopharm possesses professional pharmaceutical development and manufacturing capabilities, offering comprehensive solutions that encompass drug delivery systems and complete Contract Development and Manufacturing Organization (CDMO) services. From formulation development, analytical method development, process development, animal testing, and functional excipient synthesis to human clinical trials, GMP production, and CMC documentation preparation,

all processes comply with international standards. This ensures research and development outcomes can be effectively translated into clinical applications, focusing on meeting patient needs and enhancing healthcare accessibility.

The company will continue to drive research and innovation, focusing on enhancing global market competitiveness by developing high-barrier specialized dosage forms, biologics, and innovative drugs to ensure product portfolio diversity and competitive advantage. Through comprehensive disease product lines covering anti-cancer drugs, critical care medicines, and vaccines, TTY Biopharm provides diverse solutions while actively investing in therapeutic areas with high market growth potential, ensuring research achievements can be rapidly converted into commercial value.

Looking ahead, TTY Biopharm will continue to innovate and focus on developing specialized drug delivery technology platforms. By strengthening technological advantages, international collaboration, and market expansion, the company will continuously enhance its competitive edge.

2. Summary of Business Plan for 2025

(1) Management Policy

TTY Biopharm upholds the vision of “Enhancing Human Life Quality Through Scientific Technology” and continues to pursue excellence and stable growth, successfully positioning itself as “an innovative international biotech pharmaceutical company focused on specialized dosage form development and new drug research.” The company’s strategy will focus on research, development, and manufacturing of high value-added pharmaceuticals, expanding into international markets, and strengthening competitive advantages in high-barrier specialized dosage forms and biologics to secure its global market position. To accelerate internationalization, TTY Biopharm is actively deploying resources in the United States, Europe, and emerging markets through direct operations and strategic alliances, while optimizing pharmaceutical product lines through proprietary research and technology licensing to meet diverse market demands. In the future, the company will pursue its mission of “Providing Diverse Medical Solutions for Patients Worldwide,” focusing on cancer treatment and critical anti-infection fields, striving to become an international-level biotech pharmaceutical company that creates greater value for the global healthcare industry.

(2) Expected Sales Volume and Its Basis

For 2025, the company forecasts sales of 422,410 thousand oral dosage units and 6,030 thousand injectable units. The company’s expected sales volume is based on IQVIA statistical reports, while also considering potential future market supply and demand changes, new product development speed, and national health insurance policies.

(3) Important Production and Sales Policies

In the new year, TTY Biopharm will follow three major strategies: “Export of Difficult-to-Manufacture Generic Drugs,” “In-Licensing of International New Drugs,” and “Self-Manufactured

Domestic New Drugs,” continuing to create new growth patterns on the existing foundation. The company continues to optimize its production and sales policies to meet market demands and enhance competitive advantages, expanding market share and strengthening brand influence.

TTY Biopharm continues to deepen its international market deployment. While steadily operating in the Taiwan market, the company is actively expanding into Asian, European, American, and other emerging markets through direct operations and strategic partnerships to enhance brand competitiveness and revenue momentum. The company will strengthen product competitiveness in core areas such as oncology, critical care, vaccines, and anesthetic drugs, while actively introducing innovative international pharmaceuticals to meet the needs of various regional markets. Simultaneously, manufacturing facilities will be optimized according to market and regulatory requirements to ensure compliance with international quality standards while improving production efficiency and supply chain stability. Additionally, by strengthening supply chain management to reduce costs and ensure market competitive advantage, TTY Biopharm will continue to solidify its competitiveness in the global market.

3. Future Company Development Strategy

Corporate Vision: “Enhancing Human Life Quality Through Scientific Technology.”

Corporate Mission and Strategies: “Dedicated to developing and manufacturing specialized dosage form drugs (patentable or with high-barrier characteristics), biologics, new medical technologies, and new drugs to perfect TTY’s product portfolio; continuously strengthening the R&D platform for high-barrier dosage form drugs and extending their benefits to various disease domains”; “Specializing in and deepening international development in the areas of anti-cancer, critical care, anti-infection, and specialized dosage form drug development and manufacturing”; “Becoming one of the world’s most innovative biotech pharmaceutical companies”; “Being the best partner for international biotech pharmaceutical companies in drug development and international market marketing.”

In future development, TTY Biopharm will not only bring current R&D results to market through certification to maximize benefits but will also continue to expand international market channels and actively seek international cooperation opportunities. The company will achieve development goals through the following key strategies:

1. Optimizing product portfolios and target selection to ensure coverage of diverse disease treatment areas and balancing early, middle, and late-stage drug development to ensure continuous enhancement of enterprise competitiveness, generate revenue growth, and integrate the value chain.
2. Deepening international cooperation, promoting innovative R&D, and accelerating the development of high technical threshold drugs that meet unmet medical needs, including specialized dosage form generics, new drugs, and drug delivery platforms. This will strengthen technical and manufacturing advantages, enhance international market competitiveness and brand visibility, and expand global business territory.
3. Keeping abreast of international regulatory dynamics and optimizing and upgrading manufacturing facilities to maintain competitive advantages. Simultaneously strengthening the CDMO (Contract Development and Manufacturing Organization) business model to enhance service capabilities in

international markets and expand global business territory.

4. Enhancing manufacturing capacity and supply chain management through acquisitions, strategic alliances, and joint ventures; strengthening the integration of R&D and production; optimizing end-to-end management from drug development to manufacturing; and ensuring production efficiency and market competitiveness.
 5. Continuously optimizing production processes to ensure the supply chain has international mass production capabilities. Simultaneously expanding production capacity scale through precise resource investment and profit/loss assessment to improve cost-effectiveness, ensure market competitive advantages, and strengthen international market supply capabilities and competitiveness.
 6. Introducing international talent to enhance global competitiveness, and integrating cross-disciplinary expertise through organizational revitalization and management innovation. With "science, regulations, business operations, and supply chain management" as the core areas of development, we cultivate professionals with a global perspective and drive the company toward a new stage of internationalization.
 7. Continuously optimizing internal organizational structure based on operational strategy and synergy considerations to improve operational efficiency and overall competitiveness. Simultaneously promoting standardization of licensing agreements to accelerate international business partnerships, expand domestic and overseas markets, strengthen global business deployment, and ensure maximization of company interests.
- 4. Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment**

In the face of increasingly intense global market competition and supply chain uncertainties in the post-pandemic era, TTY Biopharm is actively responding to changes in the external environment. The company will continue to optimize production and operational management to ensure stable supply and meet market demands. TTY Biopharm will also continue to adjust and respond to regulatory changes in the US and European markets, while simultaneously strengthening product compliance strategies to ensure conformity with regulatory standards in various countries and maintain competitive advantages in international markets.

To reduce operational risks and enhance corporate resilience, the company will deepen capital operations and cost control, optimize market response mechanisms, and diversify market risks through strategic cooperation and licensing agreements. These efforts will expand business deployment, improve profitability, ensure long-term stable development, and continuously strengthen global market competitiveness.

Chairman: Chuan Lin

President: Ching-Lan Hou

Chief Accountant: Wei-Chuan Wang

Attachment II

TTY Biopharm Company Limited

Audit Committee's Review Report

The Company's Business Report for fiscal year 2024, Financial Reports (including Consolidated Financial Reports), and Profit Distribution Proposal have been prepared by the Board of Directors. The Financial Reports (including Consolidated Financial Reports) have been audited by CPAs Yi-Lien Han and Shu-Ying Chang of KPMG, who have issued their Audit Report. The aforementioned documents have been examined by the Audit Committee and found to be accurate and complete. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review and approval.

Respectfully submitted to

The 2025 Annual General Meeting of TTY Biopharm Company Limited

Convener of the Audit Committee, Ming-Dao Chang

February 25, 2025

Attachment III

TTY Biopharm Company Limited

Communication between the Audit Committee Members and the Head of Internal Audit in 2024

According to the Company's "Regulations on Communication Procedures between the Audit Committee and the Internal Audit Unit," the Head of Internal Audit shall report to the Independent Directors on audit operations, communicate audit findings, report on the implementation and effectiveness of follow-up actions, and discuss the annual audit plan at least quarterly during Audit Committee meetings. Additionally, a private meeting between the Independent Directors and the Head of Internal Audit is held annually to thoroughly communicate on issues of concern to the Independent Directors. The Independent Directors also evaluate the overall performance of the internal audit annually and provide recommendations for audit focus areas for the following year.

The summary of communications between the Audit Committee members and the Head of Internal Audit for fiscal year 2024 is as follows:

Date	Key Communication Points	Implementation Results
March 08, 2024 The 3rd Term, 2024 First Audit Committee Meeting	Report on Internal Control Audit Items from November 2023 to January 2024	No comments from Independent Directors
May 7, 2024 The 3rd Term, 2024 2nd Audit Committee Meeting	Report on Internal Control Audit Items from February to March 2024	No comments from Independent Directors
August 8, 2024 The 4th Term, 2024 2nd Audit Committee Meeting	Report on Internal Control Audit Items from April to June 2024 Independent Director's Opinions: In light of recent cybersecurity incidents at other companies, it is recommended that the Audit Department include cybersecurity in the audit plan and strengthen cybersecurity testing or related defense mechanisms to ensure information security.	No significant anomalies were found during the information security inspection control operations executed in December.
November 13, 2024 The 4th Term, 2024 3rd Audit Committee Meeting	Report on audit items from July to September 2024	No comments from Independent Directors
December 24, 2024 Private meeting between the Head of Internal Audit and Independent Directors	1. Audit Plan for fiscal year 2025 2. Implementation of corresponding measures for ERP system integration 3. Compliance with global internal audit standards 4. Continued use of technology to improve audit efficiency	No comments from Independent Directors
December 24, 2024 The 4th Term, 2024 4th Audit Committee Meeting	1. Report on Internal Control Audit Items from October to November 2024 2. Formulation of the audit plan for fiscal year 2025	No comments from Independent Directors

Attachment IV

Details of Directors' Remuneration for 2024

Remuneration of Non-Independent Directors and Independent Directors:

Unit: NT\$ Thousands

Title		Name	Directors' Remuneration								Total of items A, B, C, and D and ratio to Net Income After Tax (%)		Remuneration received as an employee								Total of items A, B, C, D, E, F, and G and ratio to Net Income After Tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
			Compensation (A)		Severance Pay and Pensions (B)		Directors' Remuneration (C)		Allowances for Business Execution (D)				Salary, Bonuses, and Special Disbursements (E)		Severance Pay and Pensions (F)		Employee Remuneration (G)						
			The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports			
Non-Independent Directors	Chairman	Chuan Lin	8,662	9,412	0	0	3,600	3,600	40	64	12,302.85	13,076.90	381	381	0	0	0	0	0	0	12,683.87	13,457.93	None
	Vice Chairman	Wen-Hwa Chang	240	240	0	0	2,400	2,400	50	50	2,690.19	2,690.19	0	0	0	0	0	0	0	0	2,690.19	2,690.19	None
	Director	Dawan Technology Co., Ltd.	0	0	0	0	2,400	2,400	0	0	2,400.17	2,400.17	0	0	0	0	0	0	0	0	2,400.17	2,400.17	None
		Representative: Carl Hsiao	0	0	0	0	0	0	65	102	65.00	102.01	381	381	0	0	0	0	0	0	446.03	483.03	None
	Director	Tze-Kaing Yang	0	0	0	0	2,400	2,400	55	55	2,455.17	2,455.17	0	0	0	0	0	0	0	0	2,455.17	2,455.17	None
	Director	Ted Hsu	0	0	0	0	1,416	1,416	20	20	1,436.10	1,436.10	0	0	0	0	0	0	0	0	1,436.10	1,436.10	None
	Director	Ying-Ying Liao	0	0	0	0	2,400	2,400	35	35	2,435.17	2,435.17	0	0	0	0	0	0	0	0	2,435.17	2,435.17	None
Independent Director	Former Director	Hsiu-Chi Chang	0	0	0	0	984	984	20	20	1,004.07	1,004.07	0	0	0	0	0	0	0	0	1,004.07	1,004.07	None
	Independent Director	Ming-Ling Hsueh	2,541	2,541	0	0	0	0	140	140	2,681.18	2,681.18	0	0	0	0	0	0	0	0	2,681.18	2,681.18	None
	Independent Director	Ann-Lii Cheng	1,555	1,555	0	0	0	0	85	85	1,640.11	1,640.11	0	0	0	0	0	0	0	0	1,640.11	1,640.11	None
	Independent Director	Ming-Dao Chang	1,555	1,555	0	0	0	0	85	85	1,640.11	1,640.11	0	0	0	0	0	0	0	0	1,640.11	1,640.11	None
	Former Independent Director	Duei Tsai	993	993	0	0	0	0	55	55	1,048.07	1,048.07	0	0	0	0	0	0	0	0	1,048.07	1,048.07	None
	Former Independent Director	Tien-Fu Lin	993	993	0	0	0	0	55	55	1,048.07	1,048.07	0	0	0	0	0	0	0	0	1,048.07	1,048.07	None
1. Please describe the independent Directors' remuneration policy, system, standards, and structure, and explain the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment: The Company's independent Directors receive monthly compensation in accordance with the Company's "Directors' Remuneration Distribution Regulations" and do not participate in the annual distribution of directors' remuneration. Their compensation is determined with reference to industry standards and based on their level of participation in the Company's operations and the value of their contributions, as resolved by the Company's Remuneration Committee and Board of Directors.																							
2. In addition to the disclosures in the above table, remuneration received by the Company's directors in the most recent fiscal year for providing services to all companies included in the financial reports (such as serving as non-employee consultants to the parent company/all companies in the financial reports/invested businesses): None.																							

Attachment V

Financial Reports and Consolidated Financial Reports for 2024

Independent Auditors' Report

To the Board of Directors
TTY Biopharm Company Limited:

Opinion

We have audited the accompanying financial statements of TTY Biopharm Company Limited (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” .

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 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.

Other Matter

We did not audit the financial statements of PharmaEngine, Inc. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, are based solely on the report of another auditor. The investment in PharmaEngine, Inc. accounted for using the equity method constituted 11.48% and 9.32% of total assets as of December 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method constituted 17.74% and 3.49% of pre-tax net income for the years ended December 31, 2024 and 2023, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 financial statements are stated as follows:

1. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(p) of the financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Company's sales is mainly from selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence in sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation;
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue;
- Inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

2. Inventory valuation

Please refer to Notes 4(g), and 5 of the financial statements for the accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimation uncertainty.

Key audit matters:

The Company's primary operating items are manufacturing and processing various kinds of pharmaceuticals. The pharmaceutical industry in Taiwan is susceptible to the constant amendments of its law, resulting in large price fluctuation of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Company's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

- Overviewing the stock ageing list, and analyzing the movement of stock ageing by period;
- Obtaining the certificate documents to verify the correctness of the stock's expiry date; and
- Sampling the replacement cost and market price of inventories, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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:

1. Identify and assess the risks of material misstatement of the 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.
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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 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.

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		<u>December 31, 2024</u>		<u>December 31, 2023</u>				<u>December 31, 2024</u>		<u>December 31, 2023</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a)and (s))	\$ 755,565	8	518,381	6	2100	Short-term borrowings (notes 6(j)and (s))	\$ 1,200,000	12	1,450,000	16
1150	Notes receivable, net (notes 6(b)and (s))	11,824	-	18,969	-	2130	Contract liabilities-current(note 6(p))	33,300	1	12,792	-
1170	Accounts receivable, net (notes 6(b)and (s))	1,067,466	11	1,057,996	11	2150	Notes payable (note 6(s))	33,867	-	55,688	1
1180	Accounts receivable due from related parties, net (notes 6(b), (s)and 7)	93,582	1	90,255	1	2170	Accounts payable (note 6(s))	262,323	3	221,854	2
1200	Other receivables, net (notes 6(s)and 7)	22,120	-	28,683	-	2230	Current tax liabilities	196,308	2	153,709	2
130X	Inventories (note 6(c))	1,111,050	12	985,066	11	2200	Other payables (notes 6(q)and (s))	526,119	5	580,023	6
1410	Prepayments	40,627	-	64,908	1	2280	Current lease liabilities(note 6(s))	573	-	3,252	-
1470	Other current assets (note 6(i))	5,499	-	4,132	-	2300	Other current liabilities	14,515	-	14,345	-
		3,107,733	32	2,768,390	30	2320	Long-term liabilities, current portion (notes 6(k)and (s))	400,000	4	-	-
Non-current assets:								2,667,005	27	2,491,663	27
1517	Non-current financial assets at fair value through other comprehensive income (note 6(d) and (s))	11,992	-	11,992	-	Non-Current liabilities:					
1550	Investments accounted for using equity method, net (note 6(e))	3,957,390	40	3,566,941	39	2540	Long-term borrowings (notes 6(k)and (s))	100,000	1	400,000	5
1600	Property, plant and equipment (note 6(f))	2,214,990	22	2,252,718	24	2570	Deferred tax liabilities (note 6(m))	359,239	4	318,745	4
1755	Right-of-use assets	566	-	6,256	-	2580	Non-current lease liabilities (note 6(s))	-	-	3,047	-
1760	Investment property, net(note 6(g))	111,192	1	111,912	1	2640	Net defined benefit liability, non-current (note 6(l))	17,539	-	27,402	-
1780	Intangible assets (note 6(h))	118,558	1	151,583	2	2645	Guarantee deposits received(notes 6(s)and 7)	3,190	-	3,149	-
1840	Deferred tax assets(note 6(m))	54,289	1	46,815	1	2650	Credit balance of investments accounted for using equity method (note 6(e))	4,204	-	4,481	-
1915	Prepayments for business facilities	36,203	-	15,583	-	2670	Other non-current liabilities (note 6(s))	-	-	33,400	-
1920	Refundable deposits paid(note 6(s))	22,400	-	42,297	-			484,172	5	790,224	9
1984	Other non-current financial assets(notes 6(i), (r), (s)and 8)	176,817	2	177,056	2		Total liabilities	3,151,177	32	3,281,887	36
1990	Other non-current assets (note 6(i))	89,495	1	71,684	1		Equity (note 6(n)):				
		6,793,892	68	6,454,837	70	3100	Capital stock	2,486,500	25	2,486,500	27
						3200	Capital surplus (note 6(e))	317,036	3	316,618	3
						3310	Legal reserve	1,499,516	15	1,389,227	15
						3320	Special reserve	198,071	2	198,071	2
						3350	Unappropriated retained earnings	2,190,637	22	1,594,709	17
						3400	Other equity interest	58,688	1	(43,785)	-
							Total equity	6,750,448	68	5,941,340	64
Total assets		\$ 9,901,625	100	9,223,227	100	Total liabilities and equity		\$ 9,901,625	100	9,223,227	100

(English Translation of Financial Statements Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p) and 7)	\$ 4,984,797	100	4,897,249	100
5000	Operating costs (notes 6(c), (h), (l) and 12)	2,142,747	43	2,022,980	41
	Gross profit	2,842,050	57	2,874,269	59
5910	Less: Unrealized profit (loss) from sales	29,550	-	20,922	-
5920	Add: Realized profit (loss) from sales	20,922	-	18,253	-
	Gross profit, net	2,833,422	57	2,871,600	59
6000	Operating expenses (notes 6(h), (l) and 12):				
6100	Selling expenses	1,035,672	21	945,842	19
6200	Administrative expenses (note 6(q))	335,955	6	327,872	7
6300	Research and development expenses	242,934	5	274,581	6
6450	Expected credit losses (note 6(b))	600	-	-	-
		1,615,161	32	1,548,295	32
	Net operating income	1,218,261	25	1,323,305	27
	Non-operating income and losses (notes 6(r) and 7):				
7100	Interest income	10,121	-	2,671	-
7010	Other income	14,148	-	14,360	-
7020	Other losses and gains, net (note 6(f))	46,142	1	(69,367)	(1)
7050	Finance costs, net	(38,337)	(1)	(34,801)	(1)
7070	Share of profit of subsidiaries and associates accounted for using equity method, net (note 6(e))	526,163	11	181,385	4
		558,237	11	94,248	2
	Profit before tax	1,776,498	36	1,417,553	29
7950	Less: Income tax expenses (note 6(m)):	326,876	7	289,044	6
	Profit for the period	1,449,622	29	1,128,509	23
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(l))	9,292	-	(25,959)	(1)
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	(2,570)	-
8330	Share of other comprehensive loss of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	113,243	2	19,534	1
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	122,535	2	(8,995)	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss				
8361	Exchange differences on translation	133,464	3	1,053	-
8380	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	44	-	(10)	-
8399	Income tax related to components of other comprehensive loss that may be reclassified to profit or loss	(26,700)	(1)	(1,963)	-
	Components of other comprehensive income (loss) that may be reclassified to profit or loss	106,808	2	(920)	-
8300	Other comprehensive income (loss) for the period, net of tax	229,343	4	(9,915)	-
	Total comprehensive income for the period	\$ 1,678,965	33	1,118,594	23
	Earnings per share, net of tax (note 6(o))				
	Basic earnings per share	\$ 5.83		4.54	
	Diluted earnings per share	\$ 5.82		4.53	

(English Translation of Financial Statements Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance on January 1, 2023	\$ 2,486,500	312,180	1,278,935	198,071	1,447,515	(83,359)	18,582	(64,777)	5,658,424
Net income	-	-	-	-	1,128,509	-	-	-	1,128,509
Other comprehensive income	-	-	-	-	(25,959)	(920)	16,964	16,044	(9,915)
Total comprehensive income	-	-	-	-	1,102,550	(920)	16,964	16,044	1,118,594
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	110,292	-	(110,292)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(845,410)	-	-	-	(845,410)
Other changes in capital surplus:									
Changes in equity of investments accounted for using equity method	-	647	-	-	-	-	-	-	647
Other changes in capital surplus	-	109	-	-	-	-	-	-	109
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	8,787	-	8,787	8,787
Changes in ownership interests in subsidiaries	-	3,682	-	-	(3,493)	-	-	-	189
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,839	-	(3,839)	(3,839)	-
Balance on December 31, 2023	2,486,500	316,618	1,389,227	198,071	1,594,709	(75,492)	31,707	(43,785)	5,941,340
Net income	-	-	-	-	1,449,622	-	-	-	1,449,622
Other comprehensive income	-	-	-	-	9,292	106,808	113,243	220,051	229,343
Total comprehensive income	-	-	-	-	1,458,914	106,808	113,243	220,051	1,678,965
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	110,289	-	(110,289)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(870,275)	-	-	-	(870,275)
Other changes in capital surplus:									
Changes in equity of investments accounted for using equity method	-	284	-	-	-	-	-	-	284
Other changes in capital surplus	-	134	-	-	-	-	-	-	134
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	117,578	-	(117,578)	(117,578)	-
Balance on December 31, 2024	\$ 2,486,500	317,036	1,499,516	198,071	2,190,637	31,316	27,372	58,688	6,750,448

TTY BIOPHARM COMPANY LIMITED

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,776,498	1,417,553
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	141,546	147,062
Amortization expense	42,164	32,596
Expected credit losses	600	-
Interest expense	38,337	34,802
Interest income	(10,121)	(2,671)
Share of profit of investments accounted for using the equity method	(526,163)	(181,385)
Losses on disposal of property, plant and equipment	79	1,885
Losses on disposal of investments accounted for using equity method	-	8,787
Impairment loss on financial assets	-	26,950
Impairment loss on non-financial assets	-	54,466
Reversal of impairment loss on non-financial assets	(2,000)	-
Unrealized profit from sales	29,550	20,922
Realized profit from sales	(20,922)	(18,253)
Gain from lease modification	(46)	-
Others	(6,341)	(2,496)
Total adjustments to reconcile (loss) profit	(313,317)	122,665
Changes in operating assets and liabilities:		
Notes receivable	7,145	(410)
Accounts receivable	(13,397)	(99,328)
Other receivable	6,563	(5,227)
Inventories	(125,984)	(47,200)
Other current assets	22,914	(31,783)
Total changes in operating assets	(102,759)	(183,948)
Current contract liabilities	20,508	(15,437)
Notes payable	(21,821)	(61,756)
Accounts payable	40,469	7,848
Other payable	(54,181)	(13,044)
Other current liabilities	170	(6,960)
Net defined benefit liability	(571)	(39,370)
Decrease in other non-current liabilities	(33,400)	-
Total changes in operating liabilities	(48,826)	(128,719)
Total changes in operating assets and liabilities	(151,585)	(312,667)
Total adjustments	(464,902)	(190,002)
Cash inflow generated from operations	1,311,596	1,227,551
Interest received	10,121	2,671
Dividends received	89,929	106,716
Interest paid	(38,060)	(34,364)
Income taxes paid	(277,957)	(267,239)
Net cash flows from operating activities	1,095,629	1,035,335
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	290,250	89,132
Acquisition of property, plant and equipment	(88,258)	(57,983)
Proceeds from disposal of property, plant and equipment	3,632	7,012
Increase (decrease) in refundable deposits paid	19,897	(16,843)
Acquisition of intangible assets	(8,118)	(21,052)
Decrease in other financial assets	239	602
Increase in prepayments for business facilities	(35,142)	(14,977)
Increase in other non-current assets	(18,832)	(54,029)
Net cash flows (used in) from investing activities	163,668	(68,138)
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,050,000	10,280,000
Decrease in short-term loans	(8,300,000)	(10,180,000)
Proceeds from long-term borrowings	500,000	400,000
Repayments of long-term borrowings	(400,000)	(400,000)
Increase in guarantee deposits received	41	-
Payment of lease liabilities	(2,019)	(3,140)
Cash dividends paid	(870,275)	(845,410)
Dividends unclaimed by shareholders	134	109
Net cash flows used in financing activities	(1,022,119)	(748,441)
Effect of exchange rate changes on cash and cash equivalents	6	14
Net increase in cash and cash equivalents	237,184	218,770
Cash and cash equivalents at beginning of period	518,381	299,611
Cash and cash equivalents at end of period	\$ 755,565	518,381

Independent Auditors’ Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

We have audited the consolidated financial statements of TTY Biopharm Company Limited and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, 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 with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’ s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of PharmaEngine Inc, an associate of the Group, which represented investment in another entity accounted for using the equity method. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, is based solely on the report of another auditor. The investment in the investee company constituted 10.46% and 8.70% of consolidated total assets as of December 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method constituted 16.71% and 3.48% of pre-tax net income for the years ended December 31, 2024 and 2023, respectively.

We have audited the financial statements of TTY Biopharm Company Limited as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion with another matter section, thereon.

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 of the current period. 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 consolidated financial statements are stated as follows:

1. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(p) of the consolidated financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Group's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence in sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation;
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue;
- Inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

2. Inventory valuation

Please refer to Notes 4(h) and 5 of the consolidated financial statements for the accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimation uncertainty.

Key audit matters:

The Group's primary operating items are manufacturing and processing various kinds of pharmaceuticals. The pharmaceutical industry in Taiwan is susceptible to the constant amendments of its law, resulting in large price fluctuation of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Group's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

- Overviewing the stock ageing list, analyzing the movement of stock ageing by period;
- Obtaining the certificate documents to verify the correctness of the stock's expiry date; and
- Sampling the replacement cost and market price of inventories, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Group.

3. Goodwill Impairment Assessment

Please refer to Notes 4(n) non-financial asset impairment of the consolidated financial statements for the accounting policies on the impairment assessment of intangible assets; for significant accounting assumptions and judgments regarding goodwill, please refer to Note 5(c); for explanations on the goodwill impairment assessment, please refer to Note 6(j) Intangible Assets of the consolidated financial statements.

Key audit matters:

The goodwill of TTY Group arises from the premium paid (the acquisition price exceeding the book value) for acquiring 51% of ordinary shares outstanding of each of TOP Pharm Medicalware Co., Ltd. (TOP PM) and TOP Biological Technology Co., Ltd. (TOP BT) in 2024. The primary risk lies in the management's subjective judgment in assessing future cash flow assumptions, which are highly uncertain and may affect the evaluation of recoverable value. Therefore, the goodwill impairment test is one of the most critical assessment items for the accountant in auditing the financial statements of TTY Group.

Auditing procedures performed:

The primary audit procedures performed by the accountant for the aforementioned key audit matter include obtaining management's impairment assessment data for cash-generating units, evaluating the reasonableness of the valuation methods used by management to measure the recoverable amount, and assessing the assumptions and sensitivities used, including the appropriateness of cash-generating unit identification, cash flow forecasts, and discount rates. Additionally, the accountant considers the adequacy of management's disclosures in the financial statements.

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 IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines it 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 the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor’ s 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 auditor’ s 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor’ s 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 auditor’ s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves 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 the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

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

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a), (f) and (u))	\$ 2,772,615	25	2,621,020	27	2100	Short-term borrowings (notes 6(l) and (u))	\$ 1,200,000	11	1,450,000	15
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (u))	77,015	1	79,228	1	2130	Contract liabilities-current (note 6(r))	34,340	-	14,234	-
1150	Notes receivable, net (notes 6(c), (f) and (u))	22,847	-	33,441	-	2150	Notes payable (notes 6(f) and (u))	50,399	-	56,134	1
1170	Accounts receivable, net (notes 6(c), (f) and (u))	1,323,440	12	1,269,462	13	2170	Accounts payable (notes 6(f) and (u))	275,759	3	238,530	2
1180	Accounts receivable due from related parties, net (notes 6(c), (u) and 7)	7,385	-	40,830	-	2219	Other payables (notes 6(s) and (u))	649,139	6	645,748	7
1200	Other receivables, net (notes 6(u) and 7)	23,181	-	28,809	-	2230	Current tax liabilities (note 6(f))	228,802	2	156,965	2
130X	Inventories (notes 6(d), (f) and 9)	1,270,007	12	1,095,956	11	2280	Current lease liabilities (notes 6(f) and (u))	930	-	5,863	-
1410	Prepayments	57,911	1	79,015	1	2300	Other current liabilities (note 6(f))	23,040	-	16,271	-
1476	Other current financial assets (notes 6(f), (k) and (u))	232,000	2	116,309	1	2320	Long-term liabilities, current portion (notes 6(m) and (u))	400,000	4	-	-
1470	Other current assets (note 6(k))	6,667	-	6,364	-						
		5,793,068	53	5,370,434	54	Non-current liabilities:					
Non-current assets:						2540	Long-term borrowings (notes 6(m) and (u))	100,000	1	400,000	4
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (u))	198,205	2	194,467	2	2570	Deferred tax liabilities (note 6(o))	359,239	3	318,745	3
1550	Investments accounted for using the equity method, net (note (e))	1,719,819	16	1,355,738	14	2580	Non-current lease liabilities (notes 6(f) and (u))	10,199	-	3,047	-
1600	Property, plant and equipment (notes 6(f), (h) and 9)	2,235,004	21	2,278,114	24	2640	Net defined benefit liability, non-current (note 6(n))	17,539	-	27,402	-
1755	Right-of-use assets (note 6(f))	11,116	-	8,824	-	2645	Guarantee deposits received (note 6(u))	2,440	-	2,428	-
1760	Investment property, net (note 6(i))	132,194	1	132,843	1	2670	Other non-current liabilities (note 6(u))	-	-	33,400	-
1780	Intangible assets (notes 6(f), (j) and 9)	371,341	3	164,009	2						
1840	Deferred tax assets (note 6(o))	58,523	1	48,709	-	Total liabilities					
1915	Prepayments for business facilities	40,233	-	18,734	-	Equity attributable to owners of parent (note 6(p)):					
1920	Refundable deposits paid (note 6(u))	30,463	-	47,770	-	3100	Share capital	2,486,500	23	2,486,500	25
1984	Other non-current financial assets (notes 6(k), (u) and 8)	176,817	2	177,056	2	3200	Capital surplus (note 6(e))	317,036	3	316,618	3
1990	Other non-current assets (notes 6(f), (k) and 9)	95,983	1	78,211	1	3310	Legal reserve	1,499,516	14	1,389,227	14
		5,069,698	47	4,504,475	46	3320	Special reserve	198,071	2	198,071	2
						3350	Unappropriated retained earnings	2,190,637	20	1,594,709	16
						3400	Other equity interest	58,688	1	(43,785)	-
						Equity attributable to owners of parent:					
						36XX	Non-controlling interests (notes 6(g) and (p))	760,492	7	564,802	6
						Total equity					
						Total liabilities and equity					
Total assets		\$ 10,862,766	100	9,874,909	100			\$ 10,862,766	100	9,874,909	100

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(r) and 7)	\$ 5,893,847	100	5,505,542	100
5000	Operating costs (notes 6(d), (j), (n) and 12)	2,479,113	42	2,218,466	40
	Gross profit	3,414,734	58	3,287,076	60
5910	Less: Unrealized profit (loss) from sales	12,053	-	13,490	-
5920	Add: Realized profit (loss) from sales	13,490	-	8,544	-
	Gross profit, net	3,416,171	58	3,282,130	60
6000	Operating expenses (notes 6(j), (n), (s) and 12):				
6100	Selling expenses	1,284,233	22	1,175,771	21
6200	Administrative expenses	465,327	8	425,422	8
6300	Research and development expenses	271,392	4	310,438	6
6450	Expected credit losses (reversal gain) (note 6(c))	1,363	-	(1,934)	-
	Total operating expenses	2,022,315	34	1,909,697	35
	Net operating income	1,393,856	24	1,372,433	25
	Non-operating income and expenses (note 6(t)):				
7100	Interest income	85,760	1	80,197	1
7010	Other income	12,833	-	10,783	-
7020	Other gains and losses, net (notes 6(h), (j) and 7)	31,930	1	(139,926)	(3)
7050	Finance costs, net	(38,739)	(1)	(35,360)	-
7060	Share of profit of associates accounted for using the equity method, net (note 6(e))	400,047	7	131,338	2
7055	Total non-operating income and expenses	491,831	8	47,032	-
	Profit before tax	1,885,687	32	1,419,465	25
7950	Less: Income tax expenses (note 6(o))	366,333	6	300,864	4
	Profit for the period	1,519,354	26	1,118,601	21
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(n))	9,292	-	(25,959)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	220,157	4	37,444	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(11,102)	-	(3,066)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	218,347	4	8,419	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	133,568	2	354	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(26,700)	-	(1,963)	-
	Components of other comprehensive income loss that will be reclassified to profit or loss	106,868	2	(1,609)	-
8300	Other comprehensive income	325,215	6	6,810	-
	Total comprehensive income for the period	\$ 1,844,569	32	1,125,411	21
	Profit attributable to:				
8610	Owners of parent	\$ 1,449,622	25	1,128,509	21
8620	Non-controlling interests	69,732	1	(9,908)	-
		\$ 1,519,354	26	1,118,601	21
	Comprehensive income attributable to:				
	Owners of parent	\$ 1,678,965	29	1,118,594	21
	Non-controlling interests	165,604	3	6,817	-
		\$ 1,844,569	32	1,125,411	21
	Earnings per share, net of tax (note 6(q))				
9750	Basic earnings per share	\$ 5.83		4.54	
9850	Diluted earnings per share	\$ 5.82		4.53	

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital	Retained earnings				Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	\$ 2,486,500	312,180	1,278,935	198,071	1,447,515	(83,359)	18,582	(64,777)	5,658,424	574,857	6,233,281
Net income	-	-	-	-	1,128,509	-	-	-	1,128,509	(9,908)	1,118,601
Other comprehensive income	-	-	-	-	(25,959)	(920)	16,964	16,044	(9,915)	16,725	6,810
Total comprehensive income	-	-	-	-	1,102,550	(920)	16,964	16,044	1,118,594	6,817	1,125,411
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	110,292	-	(110,292)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(845,410)	-	-	-	(845,410)	-	(845,410)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	647	-	-	-	-	-	-	647	-	647
Other changes in capital surplus	-	109	-	-	-	-	-	-	109	-	109
Disposal of investments accounted for using equity method	-	-	-	-	-	8,787	-	8,787	8,787	-	8,787
Changes in ownership interests in subsidiaries	-	3,682	-	-	(3,493)	-	-	-	189	(124)	65
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	9,990	9,990
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,839	-	(3,839)	(3,839)	-	-	-
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,738)	(26,738)
Balance at December 31, 2023	2,486,500	316,618	1,389,227	198,071	1,594,709	(75,492)	31,707	(43,785)	5,941,340	564,802	6,506,142
Net income	-	-	-	-	1,449,622	-	-	-	1,449,622	69,732	1,519,354
Other comprehensive income	-	-	-	-	9,292	106,808	113,243	220,051	229,343	95,872	325,215
Total comprehensive income	-	-	-	-	1,458,914	106,808	113,243	220,051	1,678,965	165,604	1,844,569
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	110,289	-	(110,289)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(870,275)	-	-	-	(870,275)	-	(870,275)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	253	-	-	-	-	-	-	253	-	253
Other changes in capital surplus	-	134	-	-	-	-	-	-	134	-	134
Changes in ownership interests in subsidiaries	-	31	-	-	-	-	-	-	31	23	54
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	51,453	51,453
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	117,578	-	(117,578)	(117,578)	-	-	-
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(21,390)	(21,390)
Balance at December 31, 2024	\$ 2,486,500	317,036	1,499,516	198,071	2,190,637	31,316	27,372	58,688	6,750,448	760,492	7,510,940

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,885,687	1,419,465
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	155,842	154,284
Amortization expenses	46,507	46,615
Expected (reversal of) credit losses	1,363	(1,934)
Interest expenses	38,739	35,360
Interest income	(85,760)	(80,197)
Dividend income	(6,528)	(6,464)
Shares of profit of investments accounted for using the equity method	(400,047)	(131,338)
Losses on disposal of property, plant and equipment	946	1,927
Losses on disposal of investments	-	8,787
Impairment loss on financial assets	-	26,950
Impairment loss on non-financial assets	6,799	116,184
Unrealized profit from sales	12,053	13,490
Realized profit from sales	(13,490)	(8,544)
Gain from lease modification	(127)	-
Other	-	4,650
Total adjustments to reconcile (loss) profit	(243,703)	179,770
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	15,201	1,253
Accounts receivable	35,071	(116,162)
Other receivables	3,861	(4,988)
Inventories	(161,267)	(56,752)
Prepayments and other current assets	24,263	(29,582)
Total changes in operating assets	(82,871)	(206,231)
Changes in operating liabilities:		
Contract liabilities	20,106	(18,892)
Notes payable	(40,649)	(62,044)
Accounts payable	(10,209)	11,949
Other payable	(5,633)	(28,043)
Other current liabilities	6,162	(17,114)
Net defined benefit liability	(571)	(39,370)
Total changes in operating liabilities	(30,794)	(153,514)
Total changes in operating assets and liabilities	(113,665)	(359,745)
Total adjustments	(357,368)	(179,975)
Cash inflow generated from operations	1,528,319	1,239,490
Interest received	87,878	86,039
Dividends received	68,697	78,481
Interest paid	(38,462)	(34,986)
Income taxes paid	(297,056)	(283,711)
Net cash flows from operating activities	1,349,376	1,085,313
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,489)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	221,121	9,121
Net cash outflow from acquisition of subsidiaries	(242,870)	-
Acquisition of property, plant and equipment	(89,138)	(60,197)
Proceeds from disposal of property, plant and equipment	3,927	7,013
Decrease (Increase) in refundable deposits paid	20,285	(18,176)
Acquisition of intangible assets	(9,135)	(21,230)
(Increase) decrease in other financial assets	(90,452)	159,430
Increase in prepayments for business facilities	(36,021)	(18,154)
Increase in other non-current assets	(18,791)	(60,440)
Net cash flows used in investing activities	(243,563)	(2,633)
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,050,000	10,280,000
Decrease in short-term loans	(8,300,000)	(10,200,000)
Proceeds from long-term borrowings	500,000	400,000
Repayments of long-term borrowings	(400,000)	(428,448)
Increase in guarantee deposits received	8	-
Payment of lease liabilities	(9,767)	(5,722)
Cash dividends paid	(870,275)	(845,410)
Dividends unclaimed by shareholders	188	-
Cash dividends paid to non-controlling interests	(21,390)	(26,738)
Change in non-controlling interests	-	9,990
Net cash flows used in financing activities	(1,051,236)	(816,328)
Effect of exchange rate changes on cash and cash equivalents	97,018	(2,656)
Net increase in cash and cash equivalents	151,595	263,696
Cash and cash equivalents at beginning of period	2,621,020	2,357,324
Cash and cash equivalents at end of period	\$ 2,772,615	2,621,020

Attachment VI

TTY Biopharm Company Limited

Earnings Distribution Table

2024

Unit: NT\$

Item	Amount	Notes
Unappropriated Retained Earnings at Beginning of Period	614,144,606	Remeasurement of defined benefit pension plan liability, and recognition of gains and losses from subsidiaries' disposal of equity instrument investments measured at fair value through other comprehensive income transferred directly to retained earnings. Cash Dividend of NT\$4.20 per share
Less: 2024 Retained Earnings Adjustments	126,870,184	
Add: Net Income After Tax for 2024	1,449,621,759	
Less: Appropriation of 10% Legal Reserve	(157,649,194)	
Less: Appropriation of Special Reserve	0	
Distributable Earnings for the Current Period:	2,032,987,355	
Distribution Items:		
Cash Dividends	1,044,329,828	
Unappropriated Retained Earnings at End of Period	988,657,527	

Note 1: The share capital is calculated based on 248,649,959 shares.

Note 2: The current earnings distribution shall prioritize the earnings from fiscal year 2024.

Chairman: Chuan Lin

President: Ching-Lan Hou

Chief Accountant:
Wei-Chuan Wang

Attachment VII

TTY Biopharm Company Limited

Comparison Table of Articles of Incorporation Before and After Amendment

Original Text	Amended Text	Reason for Amendment
<p>Article 28</p> <p>If the Company has profits in the fiscal year, 0.5% to 10% shall be set aside as employee compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be set aside first.</p> <p>The aforementioned employee compensation may be distributed in the form of stock or cash. The conditions and distribution method shall be determined by the Board of Directors. Directors' compensation shall only be distributed in cash.</p>	<p>Article 28</p> <p>If the Company has profits in the fiscal year, 0.5% to 10% shall be set aside as employee compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be set aside first.</p> <p><u>The amount of employee compensation allocated in the preceding paragraph shall distribute no less than 0.5 percent to frontline employees, and</u> may be distributed in the form of stock or cash. The conditions and distribution method shall be determined by the Board of Directors. Directors' compensation shall only be distributed in cash.</p>	<p>In response to Article 14, Paragraph 6 of the "Securities and Exchange Act" and the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, the allocation ratio for frontline employee compensation has been added, and this article has been amended accordingly.</p>
<p>Article 30</p> <p>The Company adopts a stable principle for its dividend policy. When the Company has profits after the annual closing of accounts, after paying taxes, offsetting accumulated losses, allocating the legal reserve and appropriating or reversing the special reserve in accordance with Article 29, at least 70% of the remaining profits shall be distributed as shareholders' dividends, which may be in the form of cash or stock. The proportion of cash dividends shall not be less than 70% of the total dividends.</p> <p>(Omitted below)</p>	<p>Article 30</p> <p>The Company adopts a stable principle for its dividend policy. When the Company has a profit at the end of the fiscal year, after paying taxes in accordance with Article 29, covering accumulated losses, appropriating legal reserve, and appropriating or reversing special reserve as required by law, the remaining amount, <u>less the share of profits recognized from equity method investments in affiliated companies, plus the cash dividends distributed by affiliated companies recognized under the equity method to the Company,</u> no less than 70 percent shall be distributed as shareholder dividends, which may be in the form of cash or stock. The</p>	<p>To ensure stability of the financial structure and the principle of dividend balance, the basis for dividend distribution has been amended.</p>

Original Text	Amended Text	Reason for Amendment
	proportion of cash dividends distributed shall not be less than 70 percent of the total dividends. (Omitted below)	
Article 34 These Articles of Incorporation were established on June 23, 1960 First Amendment was made on June 17, 1966 : Forty-first Amendment was made on May 31, 2023	Article 34 These Articles of Incorporation were established on June 23, 1960 First Amendment was made on June 17, 1966 : Forty-first Amendment was made on May 31, 2023 <u>Forty-second Amendment was made on May 29, 2025</u>	Addition of amendment date.

VIII. Appendix

Appendix I

(Prior to the amendment at this shareholders' meeting)

TTY Biopharm Company Limited

Articles of Incorporation

Chapter 1. General Provisions

Article 1. The Company is organized in accordance with the provisions of the Company Act and is named TTY Biopharm Co., Ltd., with the English name TTY BIOPHARM COMPANY LIMITED.

Article 2. The business scope of the Company is as follows:

1. C801010 Basic Chemical Industrial
2. C802041 Manufacture of Drugs and Medicines
3. F108021 Wholesale of Western Pharmaceutical
4. F208021 Retail Sale of Western Pharmaceutical
5. F108031 Wholesale of Medical Devices
6. F208031 Retail Sale of Medical Apparatus
7. C802060 Veterinary Drug Manufacturing
8. C802070 Agro-pesticide Manufacturing
9. C802080 Environmental Agents Manufacturing
10. C802100 Cosmetics Manufacturing
11. C804020 Industrial Rubber Products Manufacturing
12. C804990 Other Rubber Products Manufacturing
13. C901020 Glass and Glass Products Manufacturing
14. CF01011 Medical Device Manufacturing
15. F102170 Wholesale of Foods and Groceries
16. F203010 Retail Sale of Food, Grocery and Beverage
17. IG01010 Biotechnology Services
18. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The Company may establish external endorsement and guarantee procedures in accordance with government regulations, which must be approved by the shareholders' meeting. All guarantees shall only take effect after being approved by the Board of Directors and recorded in the minutes of the Board meeting.

Article 4. The Company's total investment amount may exceed forty percent of its paid-in capital. All investment-related matters shall only take effect after being approved by the Board of Directors and recorded in the minutes of the Board meeting.

Article 5. The Company is headquartered in Taipei City and may establish branch offices at

- other appropriate locations when necessary.
- Article 6. The Company's public announcements shall be handled in accordance with Article 28 of the Company Act.
- Chapter 2. Shares
- Article 7. The Company's total authorized capital is set at NT\$5 billion, divided into 500 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue shares in installments.
- Article 8. The Company may issue shares without printing physical stock certificates, but shall register with a centralized securities depository institution.
- Article 9. The transfer, registration, inheritance, gifting, pledge establishment, loss, destruction, or other stock-related operations of the Company's shares shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations.
- Article 10. Changes to the shareholders' register shall not be made within sixty days prior to an Annual General Meeting, within thirty days prior to a special shareholders' meeting, or within five days prior to the record date for distribution of dividends, bonuses, or other benefits.
- Chapter 3. Shareholders' Meeting
- Article 11. The shareholders' meeting shall be convened at least once annually as a regular meeting, which shall be called by the Board of Directors within six months after the end of each fiscal year. Special meetings shall be convened as necessary in accordance with law.
- The Company may hold shareholders' meetings via video conference or other methods announced by the competent authority. When adopting video conferencing, the conditions, operational procedures, and other matters to be followed shall be handled in accordance with the regulations of the competent authority.
- Article 12. Unless otherwise provided by law, each share of the Company shall have one voting right.
- Article 13. If a shareholder is unable to attend a shareholders' meeting, they may issue a proxy form printed by the Company to appoint a proxy to attend on their behalf. The procedure shall be handled in accordance with Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
- Article 14. Unless otherwise provided by the Company Act, resolutions of the shareholders' meeting shall be adopted by a majority vote of the shareholders present who represent more than half of the total outstanding shares.

Article 15. The matters resolved at a shareholders' meeting shall be recorded in the minutes, which shall be signed or sealed by the chairperson and distributed to all shareholders within twenty days after the meeting.

The distribution of the minutes mentioned in the preceding paragraph may be made by public announcement. The minutes shall record the year, month, day, venue, name of the chairperson, method of resolution, summary of the proceedings and their results, and shall be permanently preserved during the existence of the Company. The attendance book of shareholders present and the proxy forms shall be kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, these documents shall be retained until the conclusion of the litigation.

Chapter 4. Director

Article 16. The Company shall have seven to eleven directors. The number of directors to be elected shall be determined by the Board of Directors, and a candidate nomination system shall be adopted whereby directors shall be elected from among the nominees listed in the roster of director candidates at the shareholders' meeting. Directors shall serve a term of three years and may be re-elected to serve consecutive terms.

Among the aforementioned number of directors, the number of independent directors shall not be fewer than three and shall not be fewer than one-third of the board seats. The professional qualifications, shareholding, restrictions on concurrent positions, nomination and election methods, and other matters to be complied with regarding independent directors shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 17. In case no election of new directors is effected after the expiration of the term of office of existing directors, their term of office shall be extended until the new directors take office. The total shareholding percentage of all directors of the Company shall comply with the standards prescribed in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority.

Article 18. When a vacancy of one-third of directors occurs, the Board of Directors shall convene a shareholders' meeting to hold a by-election in accordance with the law. The term of office of the newly elected directors shall be limited to the remaining term of the original directors.

Article 19. The Board of Directors shall convene a meeting quarterly.

The convening of a Board meeting shall state the reasons and notify all directors seven days in advance. However, in case of emergency, a meeting may be called at any time.

The notice in the preceding paragraph may be made in writing, by fax, email, or

other methods.

Article 20. The Board of Directors may establish an Audit Committee, Remuneration Committee, or other functional committees as required for business operations. The Audit Committee shall be composed of all independent directors.

The responsibilities, organizational regulations, exercise of powers, and other matters to be followed by the Audit Committee mentioned in the preceding paragraph shall be handled in accordance with the relevant regulations of the securities regulatory authority and the Company.

Article 21. The directors shall form the Board of Directors. The directors shall elect one person from among themselves as the Chairman of the Board by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors, and may elect a Vice Chairman in the same manner.

Article 22. When the Chairman of the Board requests a leave of absence or cannot exercise their powers for any reason, their proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 23. Directors shall attend Board meetings in person. When a director is appointed as a proxy, the appointment shall be handled in accordance with Article 205 of the Company Act. When a Board meeting is held via video conference, directors who participate in the meeting via video conference shall be deemed as attending in person.

Article 24. All business policies and important matters of the Company shall be decided by resolutions of the Board of Directors. Unless otherwise stipulated in the Company Act, resolutions of the Board of Directors shall be adopted by a majority vote of the directors present at a meeting attended by a majority of directors.

Article 25. The Company shall purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other related parties due to the lawful execution of their duties.

Chapter 5. Managers

Article 26. The Company may appoint managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6. Accountant

Article 27. The Company's fiscal year shall be from January 1 to December 31 of each year, with a final accounting at the end of the year. At the end of each fiscal year, the Board of Directors shall prepare the following statements and submit them to the regular shareholders' meeting for approval in accordance with the law:

1. BUSINESS REPORT.
2. FINANCIAL REPORTS.
3. PROPOSAL FOR PROFIT DISTRIBUTION OR LOSS OFFSETTING.

Article 28. If the Company has profits in the fiscal year, 0.5% to 10% shall be set aside as employee compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be set aside first.

The aforementioned employee compensation may be distributed in the form of stock or cash. The conditions and distribution method shall be determined by the Board of Directors. Directors' compensation shall only be distributed in cash.

Article 29. If the Company has profits in its annual final accounts, it shall first pay taxes, make up for accumulated losses, and then set aside ten percent as legal reserve. However, this restriction shall not apply when the legal reserve has reached the amount of the Company's paid-in capital. After the aforementioned calculation, the remaining amount plus the undistributed earnings from the previous period shall first be set aside or reversed as special reserve in accordance with laws or regulations of the competent authority. At the end of each fiscal year, the Board of Directors shall consider factors such as the Company's profitability, capital and financial structure, future operational needs, accumulated earnings and legal reserves, market competition, and shareholders' interests to formulate a profit distribution proposal, which shall be implemented after resolution by the shareholders' meeting.

The allocation of the legal reserve mentioned in the preceding paragraph shall be based on "the current after-tax net profit plus the amount of items other than the current after-tax net profit included in the current year's undistributed earnings."

Article 30. The Company adopts a stable principle for its dividend policy. When the Company has profits after the annual closing of accounts, after paying taxes, offsetting accumulated losses, allocating the legal reserve and appropriating or reversing the special reserve in accordance with Article 29, at least 70% of the remaining profits shall be distributed as shareholders' dividends, which may be in the form of cash or stock. The proportion of cash dividends shall not be less than 70% of the total dividends.

Based on the principles of stable financial structure and balanced dividends, if the Company has no distributable profits in the current year, or if the Company has profits but the profit amount is significantly lower than the actual profit distribution of the Company in the previous year, all or part of the reserves or undistributed earnings from previous periods may be distributed in accordance with laws or regulations of the competent authority. If there are disposals of real estate, equity investments, or intangible assets in the current year, the difference between the disposal amount and the acquisition cost, or income received due to litigation or commercial disputes, all or part of such difference or income may be

retained, and the distribution ratio limitation in Paragraph 1 of this Article shall not apply.

If all or part of the dividends and bonuses or legal reserve and capital reserve are to be distributed in cash, the Board of Directors is authorized to make such distribution by a resolution adopted by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors, and subsequently report to the shareholders' meeting.

Article 31. When the directors of the Company perform their duties, regardless of whether the Company has operating profits or losses, the Company may pay them remuneration. The remuneration shall be determined by the Board of Directors according to their level of participation in the Company's operations, the value of their contribution, and with reference to the common industry standards.

Chapter 7. Supplementary Provisions

Article 32. The organizational regulations and procedural rules of the Company shall be separately established by the Board of Directors.

Article 33. Matters not specified in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 34. These Articles of Incorporation were established on June 23, 1960

First Amendment was made on June 17, 1966

Second Amendment was made on June 17, 1967

Third Amendment was made on January 22, 1968

Fourth Amendment was made on September 20, 1969

Fifth Amendment was made on September 11, 1978

Sixth Amendment was made on September 30, 1980

Seventh Amendment was made on November 25, 1982

Eighth Amendment was made on March 28, 1986

Ninth Amendment was made on February 2, 1989

Tenth Amendment was made on May 10, 1990

Eleventh Amendment was made on October 12, 1991

Twelfth Amendment was made on December 2, 1993

Thirteenth Amendment was made on July 24, 1995

Fourteenth Amendment was made on July 25, 1997

Fifteenth Amendment was made on October 7, 1997

Sixteenth Amendment was made on November 27, 1997

Seventeenth Amendment was made on May 22, 1998

Eighteenth Amendment was made on June 25, 1999

Nineteenth Amendment was made on March 24, 2000

Twentieth Amendment was made on December 22, 2000

Twenty-first Amendment was made on June 8, 2001

Twenty-second Amendment was made on June 8, 2001
Twenty-third Amendment was made on May 13, 2002
Twenty-fourth Amendment was made on May 13, 2002
Twenty-fifth Amendment was made on May 19, 2003
Twenty-sixth Amendment was made on May 19, 2003
Twenty-seventh Amendment was made on June 1, 2004
Twenty-eighth Amendment was made on June 1, 2004
Twenty-ninth Amendment was made on June 10, 2005
Thirtieth Amendment was made on June 14, 2006
Thirty-first Amendment was made on June 19, 2009
Thirty-second Amendment was made on June 25, 2010
Thirty-third Amendment was made on June 22, 2012
Thirty-fourth Amendment was made on June 25, 2013
Thirty-fifth Amendment was made on June 16, 2015
Thirty-sixth Amendment was made on June 24, 2016
Thirty-seventh Amendment was made on June 16, 2017
Thirty-eighth Amendment was made on November 22, 2018
Thirty-ninth Amendment was made on June 12, 2020
Fortieth Amendment was made on May 26, 2022
Forty-first Amendment was made on May 31, 2023

TTY Biopharm Company Limited

Chairman Chuan Lin

Appendix II

TTY Biopharm Company Limited Rules of Procedure for Shareholder's Meetings

1. Unless otherwise provided by law, shareholders' meetings shall be conducted in accordance with these Rules.
2. A sign-in book shall be provided at the shareholders' meeting for attending shareholders to sign in, or attending shareholders may submit sign-in cards in lieu of signing in.
For shareholders' meetings held via video conference, shareholders who wish to attend via video conference shall register with the Company two days before the meeting.
3. Attendance and voting at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated based on the sign-in book or the submitted sign-in cards, plus the number of shareholders checking in on the video conference platform, and the number of shares exercised through written or electronic means. The Company shall process shareholder check-ins thirty minutes before the start of the shareholders' meeting. For video conference shareholders' meetings, check-in shall be accepted on the video conference platform thirty minutes before the meeting begins. Shareholders who complete the check-in process shall be deemed as attending the shareholders' meeting in person.
4. The venue of the shareholders' meeting shall be held at the Company's location or at a place convenient for shareholders to attend and suitable for holding shareholders' meetings. The meeting shall not commence earlier than 9 a.m. or later than 3 p.m. The venue and time of the meeting shall give full consideration to the opinions of independent directors.
When the Company convenes a video conference shareholders' meeting, it shall not be restricted by the venue limitations in the preceding paragraph, but the chairperson and the minute recorder shall be at the same location in the country.
5. If the shareholders' meeting is convened by the Board of Directors, the Chairman of the Board shall serve as the chairperson. When the Chairman of the Board is on leave or unable to exercise their powers for any reason, the Vice Chairman shall act as the proxy. When the Vice Chairman is on leave or unable to exercise their powers for any reason, the Chairman shall appoint one director to act as the proxy. If the Chairman does not appoint a proxy, the directors shall elect one from among themselves to serve as the proxy.
If the shareholders' meeting is convened by any other person with convening rights other than the Board of Directors, that convener shall serve as the chairperson.
6. The Company may appoint attorneys, certified public accountants, or relevant personnel to attend the shareholders' meeting. Personnel handling the affairs of the shareholders' meeting shall wear identification badges or armbands.
7. The proceedings of the shareholders' meeting shall be audio and video recorded continuously without interruption, and the recordings shall be kept for at least one year.
For shareholders' meetings held via video conference, the Company shall record and preserve data regarding shareholders' registration, sign-in, check-in, questions, votes, and the

Company's vote counting results. The Company shall also make an uninterrupted audio and video recording of the entire video conference meeting.

The data and audio/video recordings mentioned in the preceding paragraph shall be properly preserved by the Company during its existence, and the audio/video recordings shall be provided to the service provider entrusted with video conference affairs for preservation.

8. When the meeting time arrives, the chairperson shall immediately announce the commencement of the meeting. However, if shareholders representing less than half of the total issued shares are present, the chairperson may announce a delay in the meeting. The number of delays shall be limited to two times, and the total time of delay shall not exceed one hour. If, after two delays, the number of shareholders present still represents less than one-third of the total issued shares, the chairperson shall announce the adjournment of the meeting. For shareholders' meetings held via video conference, the Company shall also announce the adjournment on the video conference platform. If, after two delays, the number of shareholders present still does not constitute a quorum but represents more than one-third of the total issued shares, a tentative resolution may be made in accordance with Paragraph 1, Article 175 of the Company Act.

If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total issued shares, the chairperson may submit the tentative resolution to the shareholders' meeting for another vote in accordance with Article 174 of the Company Act.

9. If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board. All related proposals (including extraordinary Motions and amendments to the original proposals) shall be voted on separately. The meeting shall proceed according to the scheduled agenda and may not be changed without a resolution of the shareholders' meeting. If a shareholders' meeting is convened by any person with convening rights other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis. The chairperson shall not announce adjournment of the meeting before the conclusion of deliberation on the agenda items (including extraordinary motions) referred to in the preceding two paragraphs without a resolution.

After the meeting is adjourned, shareholders shall not elect another chairperson to continue the meeting at the same location or at another venue.

10. Before speaking, attending shareholders must complete a speaker's slip stating the summary of their speech, shareholder account number (or attendance card number), and account name. The chairperson shall determine the order of speaking.

Shareholders who submit a speaker's slip but do not speak shall be deemed as not having spoken. If the content of the speech differs from that recorded on the speaker's slip, the content of the actual speech shall prevail.

While a shareholder is speaking, other shareholders shall not speak or interrupt unless they have obtained the consent of the chairperson and the speaking shareholder. The chairperson shall stop any violators.

11. For the same proposal, each shareholder may not speak more than twice without the consent of the chairperson, and each speech shall not exceed five minutes.

If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda item, the chairperson may stop their speech.

For shareholders' meetings held via video conference, shareholders participating by video conference may submit questions in text form on the video conference platform after the chairperson announces the commencement of the meeting and before the announcement of adjournment. For each proposal, questions may not be submitted more than twice, and each submission is limited to 200 characters.

12. When a legal entity is entrusted to attend a shareholders' meeting, the legal entity may appoint only one person to represent it.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on the same proposal.

13. After a shareholder has spoken, the chairperson may personally respond or designate relevant personnel to respond.

14. When the chairperson considers that the discussion on a proposal has reached a level suitable for voting, the chairperson may announce the end of the discussion, put the proposal to a vote, and arrange adequate voting time.

15. The personnel responsible for monitoring and counting the votes for proposals shall be appointed by the chairperson. However, the monitoring personnel must have shareholder status.

16. During the meeting, the chairperson may announce a recess at an appropriate time. In the event of force majeure, the chairperson may rule to temporarily suspend the meeting and announce the time to resume the meeting depending on the circumstances.

If the venue of the meeting becomes unavailable for continued use before the conclusion of the deliberation on the agenda items (including extraordinary motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or resume the meeting within five days.

For shareholders' meetings held via video conference, if prior to the chairperson's announcement of adjournment, the video conference platform or participation via video conference is disrupted due to natural disasters, incidents, or other force majeure events for a continuous period of thirty minutes or more, the meeting shall be postponed or resumed within five days. Article 182 of the Company Act shall not apply in such cases.

When the Company convenes a shareholders' meeting with video conference assistance and encounters the inability to continue the video conference as mentioned in the preceding paragraph, if the total number of shares in attendance, after deducting the number of shares represented by shareholders attending through video conference, still reaches the legal quorum required for a shareholders' meeting, the meeting shall continue without the need to postpone or resume the meeting in accordance with the preceding paragraph.

17. Voting on proposals shall be approved by a majority of the voting rights of the attending shareholders, unless otherwise provided by the Company Act and the Articles of Incorporation. During voting, the chairperson or a person designated by the chairperson shall announce the total voting rights of the attending shareholders before shareholders vote on each proposal.

The counting of votes for voting or election proposals shall be conducted openly at the shareholders' meeting venue, and the voting results, including the number of votes counted, shall be announced on the spot after the counting is completed and recorded.

When the Company holds a shareholders' meeting via video conference, shareholders participating by video conference shall cast their votes on various proposals and election proposals through the video conference platform after the chairperson announces the commencement of the meeting, and shall complete voting before the chairperson announces the end of voting. Those who vote after the deadline shall be deemed as abstaining.

For shareholders' meetings held via video conference, votes shall be counted at once after the chairperson announces the end of voting, and the results of the voting and election shall be announced.

18. When there are amendments or alternative proposals for the same proposal, the chairperson shall determine the order of voting along with the original proposal. If one of the proposals is approved, the other proposals shall be deemed rejected and no further voting shall be required.
19. The chairperson may direct disciplinary personnel (or security personnel) to assist in maintaining order at the meeting venue. When disciplinary personnel (or security personnel) are present to assist in maintaining order, they shall wear armbands with the words "Disciplinary Personnel."
20. These Rules shall be implemented after being approved by the shareholders' meeting, and the same shall apply when the Rules are amended.

Appendix III

TTY Biopharm Company Limited Shareholding Status of All Directors

Book Closure Date: March 31, 2025

Title	Name	Number of shares registered in the shareholders' register
Chairman	Chuan Lin	120,000
Vice Chairman	Wen-Hwa Chang	4,409,800
Director	Dawan Technology Co., Ltd. Representative: Carl Hsiao	23,559,732
Director	Tze-Kaing Yang	—
Director	Ted Hsu	—
Director	Ying-Ying Liao	—
Independent Director	Ming-Ling Hsueh	—
Independent Director	Ann-Lii Cheng	—
Independent Director	Ming-Dao Chang	—

- Notes:
1. As of March 31, 2025, the total number of issued shares of the Company is 248,649,959 shares.
 2. The statutory minimum number of shares that all directors should hold is 12,000,000 shares, and the number of shares registered in the shareholders' register is 28,089,532 shares.