

**TTY BIOPHARM COMPANY LIMITED**  
**Year 2025 Annual General Shareholders' Meeting Minutes**  
**(Translation Version)**

**Time:** May 29, 2025 (Thursday) 9:00 AM

**Location:** 2F, No.19-10, Sanchong Rd., Nangang District, Taipei City

(International Convention Center, 2F, Building A, Nangang Software Park)

**Meeting type:** Physical Shareholders' Meeting

**Total outstanding TTY shares:** 248,649,959 shares

**Total shares represented by shareholder present in person or by proxy:** 196,695,300 shares

**Percentage of shares held by shareholder present in person or by proxy:** 79.10%

**Director Present:** Chuan Lin, Wen-Hwa Chang, Carl Hsiao, Tze-Kaing Yang, Ted Hsu, Ying-Ying Liao, Ming-Ling Hsueh (Independent Director), Ann-Lii Cheng (Independent Director), Ming-Dao Chang (Independent Director & Chairman of the Audit Committee)

**Attendance:** Ching-Lan Hou, General Manager ; Stu-Ying Chang, CPA of KPMG ; Wen-Peng Lin , Lawyer of Giant Era International Law Office

**Chairman:** Chuan Lin

**Recorder:** Kuo-Chiang Chang

**Meeting procedures**

**I. Calling to the Meeting Order**

The aggregate shareholding of the shareholder present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**II. Chairman's Address (omitted)**

**III. Report Items**

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

#### IV. Ratification Items

##### Item One:

(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 Stu-Ying Chang of KPMG, who have issued an "Unmodified Opinion".
3. The Company's Business Report, Financial Reports, and Consolidated Financial Reports for 2024 are presented in Attachment 1 and Attachment 5 of this handbook. They are hereby submitted for your approval.

##### Voting Results :

Shares represented at the time of voting:196,695,300

Voting Results	Percentage of the total represented share present
Votes in favor: 187,719,830 votes (Including 41,042,543 electronic votes)	95.43%
Votes against: 28,973votes (Including 28,973 electronic votes)	0.01%
Votes invalid:0 votes	0.00%
Votes abstained and not voted: 8,946,497 votes (Including 8,946,497 electronic votes)	4.54%

**RESOLVED**, 95.43% of total represented voting rights present voted for and this proposal was approved as proposed.

##### Item Two:

(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 6 of this handbook for the Earnings Distribution Table. It is hereby submitted for your approval.

##### Voting Results :

Shares represented at the time of voting:196,695,300

Voting Results	Percentage of the total represented share present
Votes in favor: 187,785,011 votes (Including 41,107,724 electronic votes)	95.47%
Votes against: 28,730 votes (Including 28,730 electronic votes)	0.01%
Votes invalid:0 votes	0.00%
Votes abstained and not voted: 8,881,559 votes (Including 8,881,559 electronic votes)	4.51%

**RESOLVED**, 95.47% of total represented voting rights present voted for and this proposal was approved as proposed.

## V. Discussion Items

**Item One:** (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 of this handbook for the comparison table of the amended "Articles of Incorporation."

### Voting Results :

**Shares represented at the time of voting:196,695,300**

Voting Results	Percentage of the total represented share present
Votes in favor: 187,782,189 votes (Including 41,104,902 electronic votes)	95.46%
Votes against: 29,784 votes (Including 29,784 electronic votes)	0.01%
Votes invalid:0 votes	0.00%
Votes abstained and not voted: 8,883,327 votes (Including 8,883,327 electronic votes)	4.51%

**RESOLVED**, 95.46% of total represented voting rights present voted for and this proposal was approved as proposed.

**VI. Extraordinary Motions:** None.

**VII. Adjournment:** The Chairman announced the meeting adjourned at 9:19 am on May 29, 2025.

(There is no question from shareholders at this Annual General Shareholders' Meeting; the minutes of the shareholder's general meeting record the essentials and results, the contents, procedures and shareholder speeches of the meeting are still subject to the audio-visual records of the meeting.)

## 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 0.85	13,076 0.90	381	381	0	0	0	0	0	0	12,683 0.87	13,457 0.93	None
	Vice Chairman	Wen-Hwa Chang	240	240	0	0	2,400	2,400	50	50	2,690 0.19	2,690 0.19	0	0	0	0	0	0	0	0	2,690 0.19	2,690 0.19	None
	Director	Dawan Technology Co., Ltd.	0	0	0	0	2,400	2,400	0	0	2,400 0.17	2,400 0.17	0	0	0	0	0	0	0	0	2,400 0.17	2,400 0.17	None
		Representative: Carl Hsiao	0	0	0	0	0	0	65	102	65 0.00	102 0.01	381	381	0	0	0	0	0	0	446 0.03	483 0.03	None
	Director	Tze-Kaing Yang	0	0	0	0	2,400	2,400	55	55	2,455 0.17	2,455 0.17	0	0	0	0	0	0	0	0	2,455 0.17	2,455 0.17	None
	Director	Ted Hsu	0	0	0	0	1,416	1,416	20	20	1,436 0.10	1,436 0.10	0	0	0	0	0	0	0	0	1,436 0.10	1,436 0.10	None
	Director	Ying-Ying Liao	0	0	0	0	2,400	2,400	35	35	2,435 0.17	2,435 0.17	0	0	0	0	0	0	0	0	2,435 0.17	2,435 0.17	None
	Former Director	Hsiu-Chi Chang	0	0	0	0	984	984	20	20	1,004 0.07	1,004 0.07	0	0	0	0	0	0	0	0	1,004 0.07	1,004 0.07	None
Independent Director	Independent Director	Ming-Ling Hsueh	2,541	2,541	0	0	0	0	140	140	2,681 0.18	2,681 0.18	0	0	0	0	0	0	0	0	2,681 0.18	2,681 0.18	None
	Independent Director	Ann-Lii Cheng	1,555	1,555	0	0	0	0	85	85	1,640 0.11	1,640 0.11	0	0	0	0	0	0	0	0	1,640 0.11	1,640 0.11	None
	Independent Director	Ming-Dao Chang	1,555	1,555	0	0	0	0	85	85	1,640 0.11	1,640 0.11	0	0	0	0	0	0	0	0	1,640 0.11	1,640 0.11	None
	Former Independent Director	Duei Tsai	993	993	0	0	0	0	55	55	1,048 0.07	1,048 0.07	0	0	0	0	0	0	0	0	1,048 0.07	1,048 0.07	None
	Former Independent Director	Tien-Fu Lin	993	993	0	0	0	0	55	55	1,048 0.07	1,048 0.07	0	0	0	0	0	0	0	0	1,048 0.07	1,048 0.07	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 of 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>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
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	-	-
<b>Non-current assets:</b>								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	-	<b>Non-Current liabilities:</b>					
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	-	<b>Total liabilities</b>		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	<b>Equity (note 6(n)):</b>		3,151,177	32	3,281,887	36
1990	Other non-current assets (note 6(i))	89,495	1	71,684	1	3100	Capital stock	2,486,500	25	2,486,500	27
		6,793,892	68	6,454,837	70	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)	-
						<b>Total equity</b>		6,750,448	68	5,941,340	64
<b>Total assets</b>		<b>\$ 9,901,625</b>	<b>100</b>	<b>9,223,227</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 9,901,625</b>	<b>100</b>	<b>9,223,227</b>	<b>100</b>

(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)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes 6(p) and 7)	\$ 4,984,797	100	4,897,249	100
5000	<b>Operating costs</b> (notes 6(c), (h), (l) and 12)	2,142,747	43	2,022,980	41
	<b>Gross profit</b>	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	-
	<b>Gross profit, net</b>	2,833,422	57	2,871,600	59
6000	<b>Operating expenses</b> (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
	<b>Net operating income</b>	1,218,261	25	1,323,305	27
	<b>Non-operating income and losses</b> (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
	<b>Profit before tax</b>	1,776,498	36	1,417,553	29
7950	Less: Income tax expenses (note 6(m)):	326,876	7	289,044	6
	<b>Profit for the period</b>	1,449,622	29	1,128,509	23
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
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	-	-	-	-
	<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>	122,535	2	(8,995)	-
8360	<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b>				
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)	-
	<b>Components of other comprehensive income (loss) that may be reclassified to profit or loss</b>	106,808	2	(920)	-
8300	<b>Other comprehensive income (loss) for the period, net of tax</b>	229,343	4	(9,915)	-
	<b>Total comprehensive income for the period</b>	<b>\$ 1,678,965</b>	<b>33</b>	<b>1,118,594</b>	<b>23</b>
	<b>Earnings per share, net of tax</b> (note 6(o))				
	Basic earnings per share	<b>\$ 5.83</b>		<b>4.54</b>	
	Diluted earnings per share	<b>\$ 5.82</b>		<b>4.53</b>	

See accompanying notes to financial statements.

(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
<b>Balance on January 1, 2023</b>	<b>\$ 2,486,500</b>	<b>312,180</b>	<b>1,278,935</b>	<b>198,071</b>	<b>1,447,515</b>	<b>(83,359)</b>	<b>18,582</b>	<b>(64,777)</b>	<b>5,658,424</b>
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)	-
<b>Balance on December 31, 2024</b>	<b>\$ 2,486,500</b>	<b>317,036</b>	<b>1,499,516</b>	<b>198,071</b>	<b>2,190,637</b>	<b>31,316</b>	<b>27,372</b>	<b>58,688</b>	<b>6,750,448</b>

See accompanying notes to financial statements.

## 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
<b>Cash flows from (used in) operating activities:</b>		
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
<b>Cash flows from (used in) investing activities:</b>		
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)
<b>Cash flows from (used in) financing activities:</b>		
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

See accompanying notes to financial statements.

## **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.

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

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

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

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

**TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023			
		Amount	%	Amount	%			Amount	%	Amount	%		
Assets						Liabilities and Equity							
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		
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	-		
1150	Notes receivable, net (notes 6(c), (f) and (u))		22,847	-	33,441	-	2150	Notes payable (notes 6(f) and (u))		50,399	-		
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		
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		
1200	Other receivables, net (notes 6(u) and 7)		23,181	-	28,809	-	2230	Current tax liabilities (note 6(f))		228,802	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	-		
1410	Prepayments		57,911	1	79,015	1	2300	Other current liabilities (note 6(f))		23,040	-		
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	-				2,862,409	26		
			5,793,068	53	5,370,434	54				2,583,745	27		
Non-current assets:						Non-current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (u))		198,205	2	194,467	2	2540	Long-term borrowings (notes 6(m) and (u))		100,000	1		
1550	Investments accounted for using the equity method, net (note (e))		1,719,819	16	1,355,738	14	2570	Deferred tax liabilities (note 6(o))		359,239	3		
1600	Property, plant and equipment (notes 6(f), (h) and 9)		2,235,004	21	2,278,114	24	2580	Non-current lease liabilities (notes 6(f) and (u))		10,199	-		
1755	Right-of-use assets (note 6(f))		11,116	-	8,824	-	2640	Net defined benefit liability, non-current (note 6(n))		17,539	-		
1760	Investment property, net (note 6(i))		132,194	1	132,843	1	2645	Guarantee deposits received (note 6(u))		2,440	-		
1780	Intangible assets (notes 6(f), (j) and 9)		371,341	3	164,009	2	2670	Other non-current liabilities (note 6(u))		-	-		
										489,417	4		
										3,351,826	30		
										3,368,767	34		
						Total liabilities							
						Equity attributable to owners of parent (note 6(p)):							
						3100	Share capital		2,486,500	23	2,486,500	25	
						3200	Capital surplus (note 6(e))		317,036	3	316,618	3	
						3310	Legal reserve		1,499,516	14	1,389,227	14	
						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:		6,750,448	63	5,941,340	60	
						36XX	Non-controlling interests (notes 6(g) and (p))		760,492	7	564,802	6	
							Total equity		7,510,940	70	6,506,142	66	
							Total liabilities and equity		\$	10,862,766	100	9,874,909	100
Total assets		\$	10,862,766	100	9,874,909	100							

See accompanying notes to financial statements.

(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)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(r) and 7)</b>	\$ 5,893,847	100	5,505,542	100
5000	<b>Operating costs (notes 6(d), (j), (n) and 12)</b>	2,479,113	42	2,218,466	40
	<b>Gross profit</b>	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	-
	<b>Gross profit, net</b>	3,416,171	58	3,282,130	60
6000	<b>Operating expenses (notes 6(j), (n), (s) and 12):</b>				
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)	-
	<b>Total operating expenses</b>	2,022,315	34	1,909,697	35
	<b>Net operating income</b>	1,393,856	24	1,372,433	25
	<b>Non-operating income and expenses (note 6(t)):</b>				
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	<b>Total non-operating income and expenses</b>	491,831	8	47,032	-
	<b>Profit before tax</b>	1,885,687	32	1,419,465	25
7950	<b>Less: Income tax expenses (note 6(o))</b>	366,333	6	300,864	4
	<b>Profit for the period</b>	1,519,354	26	1,118,601	21
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
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	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
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	<b>Other comprehensive income</b>	325,215	6	6,810	-
	<b>Total comprehensive income for the period</b>	<b>\$ 1,844,569</b>	<b>32</b>	<b>1,125,411</b>	<b>21</b>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 1,449,622	25	1,128,509	21
8620	Non-controlling interests	69,732	1	(9,908)	-
		<b>\$ 1,519,354</b>	<b>26</b>	<b>1,118,601</b>	<b>21</b>
	<b>Comprehensive income attributable to:</b>				
	Owners of parent	\$ 1,678,965	29	1,118,594	21
	Non-controlling interests	165,604	3	6,817	-
		<b>\$ 1,844,569</b>	<b>32</b>	<b>1,125,411</b>	<b>21</b>
	<b>Earnings per share, net of tax (note 6(q))</b>				
9750	Basic earnings per share	<b>\$ 5.83</b>		<b>4.54</b>	
9850	Diluted earnings per share	<b>\$ 5.82</b>		<b>4.53</b>	

See accompanying notes to financial statements.

(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
<b>Balance at January 1, 2023</b>	\$ 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)
<b>Balance at December 31, 2024</b>	<b>\$ 2,486,500</b>	<b>317,036</b>	<b>1,499,516</b>	<b>198,071</b>	<b>2,190,637</b>	<b>31,316</b>	<b>27,372</b>	<b>58,688</b>	<b>6,750,448</b>	<b>760,492</b>	<b>7,510,940</b>

See accompanying notes to financial statements.

## 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
<b>Cash flows from (used in) operating activities:</b>		
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
<b>Total adjustments to reconcile (loss) profit</b>	<b>(243,703)</b>	<b>179,770</b>
<b>Changes in operating assets and liabilities:</b>		
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)
<b>Total changes in operating assets</b>	<b>(82,871)</b>	<b>(206,231)</b>
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)
<b>Total changes in operating liabilities</b>	<b>(30,794)</b>	<b>(153,514)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(113,665)</b>	<b>(359,745)</b>
<b>Total adjustments</b>	<b>(357,368)</b>	<b>(179,975)</b>
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)
<b>Net cash flows from operating activities</b>	<b>1,349,376</b>	<b>1,085,313</b>
<b>Cash flows from (used in) investing activities:</b>		
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)
<b>Net cash flows used in investing activities</b>	<b>(243,563)</b>	<b>(2,633)</b>
<b>Cash flows from (used in) financing activities:</b>		
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
<b>Net cash flows used in financing activities</b>	<b>(1,051,236)</b>	<b>(816,328)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>97,018</b>	<b>(2,656)</b>
<b>Net increase in cash and cash equivalents</b>	<b>151,595</b>	<b>263,696</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,621,020</b>	<b>2,357,324</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,772,615</b>	<b>2,621,020</b>

## 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.