

**TTY BIOPHARM COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of TTY Biopharm Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of TTY Biopharm Company Limited and its subsidiaries as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months and nine months ended September 30, 2024 and 2023, for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$287,942 thousand, constituting 2.89% of consolidated total assets as of September 30, 2023; total liabilities amounting to \$48,178 thousand, constituting 1.35% of consolidated total liabilities as of September 30, 2023; and total comprehensive income (loss) amounting to \$22,420 thousand and \$5,644 thousand, constituting 4.95% and 0.54% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2023, respectively.

Furthermore, as stated in Note 6(e), the investments accounted for using the equity method of TTY Biopharm Company Limited and its subsidiaries amounting to \$562,329 thousand and \$464,465 thousand as of September 30, 2024 and 2023, respectively, and the related share of profit amounting to \$24,894 thousand, \$12,358 thousand, \$62,050 thousand and \$50,817 thousand for the three months and nine months periods ended respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TTY Biopharm Company Limited and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of PharmaEngine, Inc., an associate of TTY Biopharm Company Limited and its subsidiaries, which represented as investment accounted for using the equity method. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for PharmaEngine, Inc., is based solely on the review report of another auditor. The investment in PharmaEngine, Inc. accounted for using the equity method amounted to \$880,933 thousand and \$852,799 thousand, constituting 8.28% and 8.56% of consolidated total assets as of September 30, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method amounted to \$16,590 thousand, \$14,540 thousand, \$59,897 thousand and \$42,709 thousand, constituting 3.32%, 2.88%, 4.92% and 3.58% of consolidated total profit before tax for the three months and nine months ended September 30, 2024 and 2023,.

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

KPMG

Taipei, Taiwan (Republic of China)
November 13, 2024

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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollar)

| Assets | | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | | Liabilities and Equity | | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | |
|----------------------------|--|----------------------|------------|-------------------|------------|--------------------|------------|---|---|----------------------|------------|-------------------|------------|--------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | Current liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (notes 6(a), (f) and (t)) | \$ 2,657,688 | 25 | 2,621,020 | 27 | 2,522,794 | 25 | 2100 | Short-term borrowings (notes 6(k) and (t)) | \$ 1,900,000 | 18 | 1,450,000 | 15 | 1,780,000 | 18 |
| 1120 | Current financial assets at fair value through other comprehensive income (notes 6(b) and (t)) | 98,307 | 1 | 79,228 | 1 | 72,384 | 1 | 2130 | Contract liabilities-current (note 6(q)) | 29,641 | - | 14,234 | - | 26,226 | - |
| 1150 | Notes receivable, net (notes 6(c), (f) and (t)) | 25,113 | - | 33,441 | - | 30,292 | - | 2150 | Notes payable (notes 6(f) and (t)) | 60,972 | 1 | 56,134 | 1 | 55,786 | 1 |
| 1170 | Accounts receivable, net (notes 6(c), (f) and (t)) | 1,321,692 | 12 | 1,269,462 | 13 | 1,269,984 | 13 | 2170 | Accounts payable (notes 6(f) and (t)) | 243,308 | 2 | 238,530 | 2 | 158,956 | 2 |
| 1180 | Accounts receivable due from related parties, net (notes 6(c), (t) and 7) | 30,121 | - | 40,830 | - | 22,039 | - | 2219 | Other payables (notes 6(r) and (t)) | 534,629 | 5 | 645,748 | 7 | 604,694 | 6 |
| 1200 | Other receivables, net (notes 6(t) and 7) | 66,936 | 1 | 28,809 | - | 26,939 | - | 2230 | Current tax liabilities (note 6(f)) | 120,485 | 1 | 156,965 | 2 | 127,651 | 1 |
| 130X | Inventories (notes 6(d), (f) and 9) | 1,437,969 | 14 | 1,095,956 | 11 | 1,347,103 | 14 | 2280 | Current lease liabilities (notes 6(f) and (t)) | 7,024 | - | 5,863 | - | 5,377 | - |
| 1410 | Prepayments | 62,253 | 1 | 79,015 | 1 | 39,472 | - | 2300 | Other current liabilities (note 6(f)) | 24,901 | - | 16,271 | - | 22,465 | - |
| 1476 | Other current financial assets (notes 6(f), (j) and (t)) | 127,000 | 1 | 116,309 | 1 | 116,829 | 1 | 2320 | Long-term liabilities, current portion (notes 6(l) and (t)) | 400,000 | 4 | - | - | 14,354 | - |
| 1470 | Other current assets (note 6(j)) | 35,932 | - | 6,364 | - | 17,800 | - | | | 3,320,960 | 31 | 2,583,745 | 27 | 2,795,509 | 28 |
| | | <u>5,863,011</u> | <u>55</u> | <u>5,370,434</u> | <u>54</u> | <u>5,465,636</u> | <u>54</u> | Non-current liabilities: | | | | | | | |
| Non-current assets: | | | | | | | | 2540 | Long-term borrowings (notes 6(l) and (t)) | - | - | 400,000 | 4 | 400,000 | 4 |
| 1517 | Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (t)) | 195,001 | 2 | 194,467 | 2 | 199,330 | 2 | 2570 | Deferred tax liabilities | 318,745 | 3 | 318,745 | 3 | 305,443 | 3 |
| 1550 | Investments accounted for using the equity method, net (note (e)) | 1,443,262 | 14 | 1,355,738 | 14 | 1,317,264 | 13 | 2580 | Non-current lease liabilities (notes 6(f) and (t)) | 5,351 | - | 3,047 | - | 3,896 | - |
| 1600 | Property, plant and equipment (notes 6(f), (h) and 9) | 2,256,773 | 21 | 2,278,114 | 24 | 2,297,714 | 24 | 2640 | Net defined benefit liability, non-current | 26,923 | - | 27,402 | - | 1,934 | - |
| 1755 | Right-of-use assets (note 6(f)) | 12,319 | - | 8,824 | - | 9,194 | - | 2645 | Guarantee deposits received (note 6(t)) | 2,440 | - | 2,428 | - | 2,431 | - |
| 1760 | Investment property, net | 132,751 | 1 | 132,843 | 1 | 133,612 | 1 | 2670 | Other non-current liabilities (note 6(t)) | - | - | 33,400 | - | 47,200 | 1 |
| 1780 | Intangible assets (notes 6(f), (i) and 9) | 390,579 | 4 | 164,009 | 2 | 230,030 | 2 | | | <u>353,459</u> | <u>3</u> | <u>785,022</u> | <u>7</u> | <u>760,904</u> | <u>8</u> |
| 1840 | Deferred tax assets | 48,716 | - | 48,709 | - | 47,111 | 1 | Total liabilities | | <u>3,674,419</u> | <u>34</u> | <u>3,368,767</u> | <u>34</u> | <u>3,556,413</u> | <u>36</u> |
| 1915 | Prepayments for business facilities | 4,745 | - | 18,734 | - | 18,262 | - | Equity attributable to owners of parent (note 6(o)): | | | | | | | |
| 1920 | Refundable deposits paid (note 6(t)) | 34,213 | - | 47,770 | - | 27,546 | - | 3100 | Share capital | 2,486,500 | 23 | 2,486,500 | 25 | 2,486,500 | 25 |
| 1984 | Other non-current financial assets (notes 6(j), (t) and 8) | 177,214 | 2 | 177,056 | 2 | 150,194 | 2 | 3200 | Capital surplus (note 6(e)) | 317,016 | 3 | 316,618 | 3 | 312,903 | 3 |
| 1990 | Other non-current assets (notes 6(f), (j) and 9) | 86,138 | 1 | 78,211 | 1 | 60,978 | 1 | 3310 | Legal reserve | 1,499,516 | 14 | 1,389,227 | 14 | 1,389,227 | 14 |
| | | <u>4,781,711</u> | <u>45</u> | <u>4,504,475</u> | <u>46</u> | <u>4,491,235</u> | <u>46</u> | 3320 | Special reserve | 198,071 | 2 | 198,071 | 2 | 198,071 | 2 |
| | | | | | | | | 3350 | Unappropriated retained earnings | 1,646,839 | 15 | 1,594,709 | 16 | 1,419,361 | 14 |
| | | | | | | | | 3400 | Other equity interest | 61,947 | 2 | (43,785) | - | 16,258 | - |
| Total assets | | <u>\$ 10,644,722</u> | <u>100</u> | <u>9,874,909</u> | <u>100</u> | <u>9,956,871</u> | <u>100</u> | | Equity attributable to owners of parent: | 6,209,889 | 59 | 5,941,340 | 60 | 5,822,320 | 58 |
| | | | | | | | | 36XX | Non-controlling interests (notes 6(g) and (o)) | 760,414 | 7 | 564,802 | 6 | 578,138 | 6 |
| | | | | | | | | Total equity | | <u>6,970,303</u> | <u>66</u> | <u>6,506,142</u> | <u>66</u> | <u>6,400,458</u> | <u>64</u> |
| | | | | | | | | Total liabilities and equity | | <u>\$ 10,644,722</u> | <u>100</u> | <u>9,874,909</u> | <u>100</u> | <u>9,956,871</u> | <u>100</u> |

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 three months and nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

| | For the three months ended September 30 | | | | For the nine months ended September 30 | | | | |
|------|---|-----------|--------|-----------|--|-----------|--------|-----------|-----|
| | 2024 | | 2023 | | 2024 | | 2023 | | |
| | Amount | % | Amount | % | Amount | % | Amount | % | |
| 4000 | Operating revenue (notes 6(q) and 7) | | | | | | | | |
| | \$ | 1,533,464 | 100 | 1,432,880 | 100 | 4,181,720 | 100 | 3,860,775 | 100 |
| 5000 | Operating costs (notes 6(d), (m) and 12) | | | | | | | | |
| | | 582,364 | 38 | 490,522 | 34 | 1,649,981 | 39 | 1,448,589 | 38 |
| | Gross profit | | | | | | | | |
| | | 951,100 | 62 | 942,358 | 66 | 2,531,739 | 61 | 2,412,186 | 62 |
| 5910 | Less: Unrealized profit (loss) from sales | | | | | | | | |
| | | 5,568 | - | (1,159) | - | 18,365 | - | 10,066 | - |
| 5920 | Add: Realized profit (loss) from sales | | | | | | | | |
| | | - | - | - | - | 13,490 | - | 8,544 | - |
| | Gross profit, net | | | | | | | | |
| | | 945,532 | 62 | 943,517 | 66 | 2,526,864 | 61 | 2,410,664 | 62 |
| 6000 | Operating expenses (notes 6(m), (r) and 12): | | | | | | | | |
| 6100 | Selling expenses | | | | | | | | |
| | | 325,520 | 21 | 257,536 | 18 | 902,193 | 22 | 805,479 | 21 |
| 6200 | Administrative expenses | | | | | | | | |
| | | 107,372 | 7 | 96,653 | 7 | 348,807 | 8 | 309,941 | 8 |
| 6300 | Research and development expenses | | | | | | | | |
| | | 61,132 | 5 | 84,891 | 6 | 230,175 | 5 | 213,317 | 5 |
| 6450 | Expected (reversal of) credit losses (note 6(c)) | | | | | | | | |
| | | 904 | - | 33 | - | 2,293 | - | (1,859) | - |
| | Total operating expenses | | | | | | | | |
| | | 494,928 | 33 | 439,113 | 31 | 1,483,468 | 35 | 1,326,878 | 34 |
| | Net operating income | | | | | | | | |
| | | 450,604 | 29 | 504,404 | 35 | 1,043,396 | 26 | 1,083,786 | 28 |
| | Non-operating income and expenses (note 6(s)): | | | | | | | | |
| 7100 | Interest income | | | | | | | | |
| | | 18,629 | 1 | 19,257 | 1 | 61,764 | 1 | 57,383 | 1 |
| 7010 | Other income | | | | | | | | |
| | | 2,908 | - | 2,698 | - | 8,604 | - | 8,088 | - |
| 7020 | Other gains and losses, net (note 7) | | | | | | | | |
| | | (3,130) | - | (37,751) | (2) | 9,838 | - | (24,109) | (1) |
| 7050 | Finance costs, net | | | | | | | | |
| | | (10,930) | (1) | (9,812) | - | (28,414) | (1) | (26,250) | - |
| 7060 | Share of profit of associates accounted for using the equity method, net (note 6(e)) | | | | | | | | |
| | | 41,484 | 3 | 26,898 | 2 | 121,947 | 3 | 93,526 | 2 |
| 7055 | Total non-operating income and expenses | | | | | | | | |
| | | 48,961 | 3 | 1,290 | 1 | 173,739 | 3 | 108,638 | 2 |
| | Profit before tax | | | | | | | | |
| | | 499,565 | 32 | 505,694 | 36 | 1,217,135 | 29 | 1,192,424 | 30 |
| 7950 | Less: Income tax expenses (note 6(n)) | | | | | | | | |
| | | 90,469 | 6 | 113,752 | 8 | 241,336 | 6 | 254,146 | 6 |
| | Profit for the period | | | | | | | | |
| | | 409,096 | 26 | 391,942 | 28 | 975,799 | 23 | 938,278 | 24 |
| 8300 | Other comprehensive income: | | | | | | | | |
| 8310 | Components of other comprehensive income (loss) that will not be reclassified to profit or loss | | | | | | | | |
| 8316 | Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income | | | | | | | | |
| | | 47,392 | 3 | 537 | - | 240,733 | 6 | 35,462 | 1 |
| 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 | | | | | | | | |
| | | (7,382) | - | 1,612 | - | (9,633) | - | (3,907) | - |
| 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 | | | | | | | | |
| | | 40,010 | 3 | 2,149 | - | 231,100 | 6 | 31,555 | 1 |
| 8360 | Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | | | | |
| 8361 | Exchange differences on translation | | | | | | | | |
| | | 11,622 | 1 | 59,230 | 4 | 97,053 | 2 | 68,736 | 2 |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | | | | | | | | |
| | | - | - | - | - | - | - | - | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | | | | |
| | | 11,622 | 1 | 59,230 | 4 | 97,053 | 2 | 68,736 | 2 |
| 8300 | Other comprehensive income | | | | | | | | |
| | | 51,632 | 4 | 61,379 | 4 | 328,153 | 8 | 100,291 | 3 |
| | Total comprehensive income for the period | | | | | | | | |
| | \$ | 460,728 | 30 | 453,321 | 32 | 1,303,952 | 31 | 1,038,569 | 27 |
| | Profit attributable to: | | | | | | | | |
| 8610 | Owners of parent | | | | | | | | |
| | \$ | 372,634 | 24 | 376,336 | 27 | 915,116 | 22 | 923,710 | 24 |
| 8620 | Non-controlling interests | | | | | | | | |
| | | 36,462 | 2 | 15,606 | 1 | 60,683 | 1 | 14,568 | - |
| | \$ | 409,096 | 26 | 391,942 | 28 | 975,799 | 23 | 938,278 | 24 |
| | Comprehensive income attributable to: | | | | | | | | |
| | Owners of parent | | | | | | | | |
| | \$ | 403,631 | 26 | 437,451 | 31 | 1,138,426 | 27 | 1,008,583 | 26 |
| | Non-controlling interests | | | | | | | | |
| | | 57,097 | 4 | 15,870 | 1 | 165,526 | 4 | 29,986 | 1 |
| | \$ | 460,728 | 30 | 453,321 | 32 | 1,303,952 | 31 | 1,038,569 | 27 |
| | Earnings per share, net of tax (note 6(p)) | | | | | | | | |
| 9750 | Basic earnings per share | | | | | | | | |
| | \$ | 1.50 | | 1.51 | | 3.68 | | 3.71 | |
| 9850 | Diluted earnings per share | | | | | | | | |
| | \$ | 1.50 | | 1.51 | | 3.67 | | 3.71 | |

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 nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar)

| | Equity attributable to owners of parent | | | | | | | | | | | |
|---|---|-----------------|-------------------|-----------------|----------------------------------|-------------------------------------|---|-----------------------------|---|----------|---------------------------|--------------|
| | Share capital | | Retained earnings | | | Total other equity interest | | | | | Non-controlling interests | Total equity |
| | 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 | | | |
| 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 | - | - | - | - | 923,710 | - | - | - | 923,710 | 14,568 | 938,278 | |
| Other comprehensive income | - | - | - | - | - | 68,751 | 16,122 | 84,873 | 84,873 | 15,418 | 100,291 | |
| Total comprehensive income | - | - | - | - | 923,710 | 68,751 | 16,122 | 84,873 | 1,008,583 | 29,986 | 1,038,569 | |
| 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 | - | 571 | - | - | - | - | - | - | 571 | - | 571 | |
| Other changes in capital surplus | - | 109 | - | - | - | - | - | - | 109 | - | 109 | |
| Changes in ownership interests in subsidiaries | - | 43 | - | - | - | - | - | - | 43 | 33 | 76 | |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | 3,838 | - | (3,838) | (3,838) | - | - | - | |
| Distribution of dividend by subsidiaries to non-controlling interests | - | - | - | - | - | - | - | - | - | (26,738) | (26,738) | |
| Balance at September 30, 2023 | \$ 2,486,500 | 312,903 | 1,389,227 | 198,071 | 1,419,361 | (14,608) | 30,866 | 16,258 | 5,822,320 | 578,138 | 6,400,458 | |
| Balance at January 1, 2024 | \$ 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 | - | - | - | - | 915,116 | - | - | - | 915,116 | 60,683 | 975,799 | |
| Other comprehensive income | - | - | - | - | - | 96,977 | 126,333 | 223,310 | 223,310 | 104,843 | 328,153 | |
| Total comprehensive income | - | - | - | - | 915,116 | 96,977 | 126,333 | 223,310 | 1,138,426 | 165,526 | 1,303,952 | |
| 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 | - | 233 | - | - | - | - | - | - | 233 | - | 233 | |
| 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 September 30, 2024 | \$ 2,486,500 | 317,016 | 1,499,516 | 198,071 | 1,646,839 | 21,485 | 40,462 | 61,947 | 6,209,889 | 760,414 | 6,970,303 | |

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 Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

| | For the nine months ended | |
|---|---------------------------|------------------|
| | September 30 | |
| | 2024 | 2023 |
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 1,217,135 | 1,192,424 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expenses | 116,223 | 116,108 |
| Amortization expenses | 29,223 | 35,618 |
| Expected (reversal of) credit losses | 2,293 | (1,859) |
| Interest expenses | 28,414 | 26,250 |
| Interest income | (61,764) | (57,383) |
| Dividend income | (6,528) | (6,464) |
| Shares of profit of investments accounted for using the equity method | (121,947) | (93,526) |
| Losses on disposal of property, plant and equipment | 864 | 105 |
| Impairment loss on non-financial assets | - | 54,540 |
| Reversal of impairment loss on non-financial assets | (2,000) | - |
| Unrealized profit from sales | 18,365 | 10,066 |
| Realized profit from sales | (13,490) | (8,544) |
| Other | (115) | - |
| Total adjustments to reconcile profit | (10,462) | 74,911 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Notes receivable | 12,935 | 4,402 |
| Accounts receivable | 12,858 | (97,710) |
| Other receivables | (2,963) | (2,557) |
| Inventories | (329,233) | (307,787) |
| Prepayments and other current assets | (9,264) | (3,596) |
| Total changes in operating assets | (315,667) | (407,248) |
| Changes in operating liabilities: | | |
| Contract liabilities | 15,407 | (6,947) |
| Notes payable | (24,276) | (48,591) |
| Accounts payable | (42,464) | (67,896) |
| Other payable | (119,901) | (15,629) |
| Other current liabilities | 8,092 | (10,979) |
| Net defined benefit liability | (479) | (38,880) |
| Total changes in operating liabilities | (163,621) | (188,922) |
| Total changes in operating assets and liabilities | (479,288) | (596,170) |
| Total adjustments | (489,750) | (521,259) |
| Cash inflow generated from operations | 727,385 | 671,165 |
| Interest received | 64,813 | 63,291 |
| Dividends received | 68,697 | 78,481 |
| Interest paid | (28,172) | (25,371) |
| Income taxes paid | (284,366) | (275,995) |
| Net cash flows from operating activities | 548,357 | 511,571 |
| Cash flows from (used in) investing activities: | | |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 183,100 | 9,121 |
| Net cash outflow from acquisition of subsidiaries | (242,870) | - |
| Acquisition of property, plant and equipment | (68,247) | (38,501) |
| Proceeds from disposal of property, plant and equipment | 2,525 | 7,014 |
| Decrease in refundable deposits paid | 16,540 | 2,050 |
| Acquisition of intangible assets | (7,122) | (14,610) |
| Decrease in other financial assets | 14,151 | 158,822 |
| Increase in prepayments for business facilities | (988) | (17,683) |
| Increase in other non-current assets | (7,925) | (43,206) |
| Net cash flows (used in) from investing activities | (110,836) | 63,007 |
| Cash flows from (used in) financing activities: | | |
| Increase in short-term loans | 7,050,000 | 7,680,000 |
| Decrease in short-term loans | (6,600,000) | (7,270,000) |
| Proceeds from long-term borrowings | 400,000 | 400,000 |
| Repayments of long-term borrowings | (400,000) | (414,092) |
| Increase in guarantee deposits received | 6 | - |
| Payment of lease liabilities | (7,362) | (4,268) |
| Decrease in other non-current liabilities | (5,800) | - |
| Cash dividends paid | (891,665) | (872,148) |
| Dividends unclaimed by shareholders | 188 | 184 |
| Net cash flows used in financing activities | (454,633) | (480,324) |
| Effect of exchange rate changes on cash and cash equivalents | 53,780 | 71,216 |
| Net increase in cash and cash equivalents | 36,668 | 165,470 |
| Cash and cash equivalents at beginning of period | 2,621,020 | 2,357,324 |
| Cash and cash equivalents at end of period | \$ 2,657,688 | 2,522,794 |

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

TTY Biopharm Company Limited (the “Company”) was established on July 22, 1960. The Company’s registered office address is 3F., No. 3-1, Park St., Nangang Dist., Taipei City 115, Taiwan. The main activities of the Company and its subsidiaries (the “Group”) are producing a variety of pharmaceuticals and chemical drugs. Please refer to Note 14.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on November 13, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|--------------------------------|
| IFRS 18 “Presentation and Disclosure in Financial Statements” | <p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. | January 1, 2027 |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for the annual consolidated financial statements.

Except for the following accounting policies, the significant policies adopted in the consolidated financial statements are consistent with Note 4 in the consolidated financial statement for the year ended December 31, 2023.

(b) Basis of consolidation

(i) List of subsidiaries included in the consolidated financial statements:

| Investor | Subsidiary | Nature of business | Shareholding | | | Notes |
|-----------------|--|---|---------------------------|--------------------------|---------------------------|--------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
| The Company | Xudong Haipu International Co., Ltd. | Investing activities | 100.00 % | 100.00 % | 100.00 % | |
| The Company | Worldco International Co., Ltd. | Investing activities and selling medicine | 100.00 % | 100.00 % | 100.00 % | |
| The Company | American Taiwan Biopharma Philippines Inc.(ATBP) | Selling medicine | 87.00 % | 87.00 % | 87.00 % | |
| The Company | TSH Biopharm Co., Ltd.(TSH) | Selling medicine | 56.48 % | 56.48 % | 56.48 % | |
| The Company | EnhanX Biopharm Inc.(EnhanX) | Developing medicine | 20.83 % | 20.83 % | 20.83 % | |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| Investor | Subsidiary | Nature of business | Shareholding | | | Notes |
|--------------------------------------|---|---|--------------------|-------------------|--------------------|----------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
| The Company | Chuang Yi Biotech Co., Ltd.(CYB) | Selling functional food | 23.12 % | 23.12 % | 49.05 % | (Note 2 and 6) |
| The Company | TTY Biopharm Turkey Saglik Urunleri Sanayi ve Ticaret Limited Sirketi(TTY-Turkey) | Selling medicine | - % | - % | 100.00 % | (Note 1) |
| Worldco International Co., Ltd. | Worldco Biotech (Chengdu) Pharmaceutical Ltd. | Selling medicine | 100.00 % | 100.00 % | 100.00 % | |
| Worldco International Co., Ltd. | TTY Biopharm Mexico S.A. de C.V.(TTY-Mexico) | Selling medicine | 50.00 % | 50.00 % | 50.00 % | (Note 5) |
| Xudong Haipu International Co., Ltd. | EnhanX Biopharm Inc.(EnhanX) | Developing medicine | 29.17 % | 29.17 % | 29.17 % | |
| Xudong Haipu International Co., Ltd. | TTY Biopharm Korea Co., Ltd. (TTY-Korea) | Selling medicine | 100.00 % | 100.00 % | 100.00 % | |
| Xudong Haipu International Co., Ltd. | TTY Biopharm Mexico S.A. de C.V.(TTY-Mexico) | Selling medicine | 50.00 % | 50.00 % | 50.00 % | (Note 5) |
| EnhanX Biopharm Inc. | EnhanX Biopharm B.V. | Developing medicine | 100.00 % | 100.00 % | 100.00 % | (Note 3) |
| TSH Biopharm Co., Ltd. | Chuang Yi Biotech Co., Ltd.(CYB) | Selling functional food | 51.60 % | 51.60 % | 3.89 % | (Note 2 and 6) |
| TSH Biopharm Co., Ltd. | TOP Pharm Medicalware Co., Ltd.(TOP PM) | Selling medicine | 51.00 % | - % | - % | (Note 4) |
| TSH Biopharm Co., Ltd. | TOP Biological Technology Co., Ltd.(TOP BT) | Selling medicine | 51.00 % | - % | - % | (Note 4) |
| Chuang Yi Biotech Co., Ltd. | Immortal Fame Global Ltd. | Import and export trading and investment activities | 100.00 % | 100.00 % | 100.00 % | (Note 6) |
| Immortal Fame Global Ltd. | Chuang Yi (Shanghai) Trading Co., Ltd. | Selling functional food | 100.00 % | 100.00 % | 100.00 % | (Note 6) |

(Note 1) TTY Turkey had been liquidated on October 27, 2023 based on a resolution approved during the Company's board meeting held on November 4, 2022.

(Note 2) Due to the organizational restructuring of the Group, TSH participated in the capital increase of CYB, wherein the Company failed to do so, resulting in the shareholding percentages of TSH and the Company to increase and decrease to 51.60% and 23.12%, respectively, based on the resolution approved during the board meeting held on November 2, 2023. The above transaction did not have any impact on the consolidated financial report.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(Note 3) In order to reduce the operating costs of the Group, a resolution was decided by the Board of Directors of EnhanX on December 28, 2023 to liquidate EnhanX B.V.. The liquidation procedures are still in progress and have been approved by the Dutch Chamber of Commerce.

(Note4) TSH acquired 51% ordinary shares outstanding of each TOP Pharm Medicalware Co., Ltd. (TOP PM) and TOP Biological Technology Co., Ltd. (TOP BT) on April 9, 2024, resulting in both subsidiaries to be included in the Group's consolidated financial report.

(Note5) In order to reduce the operating costs of the Group, a resolution was decided during the Board of Directors on December 23, 2022 to liquidate TTY-Mexico. The liquidation procedures are still in progress.

(Note 6) Non-significant subsidiaries whose financial statements have not been reviewed on September 30, 2023.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as noncurrent.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(f) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023:

(a) Acquisitions of subsidiaries

The fair value of the Group acquisition of the subsidiary intangible assets has been measured provisionally pending completion of an independent valuation. The fair value recognized by the Group is based on the Group interpretation of the underlying contract, consideration of the possible adjudication results of the request, and independent legal advice. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised. Refer to note 6(f) for further description of the acquisitions of subsidiaries.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the consolidated interim financial statements for the current period and the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|---------------|-------------------------------------|------------------------------------|-------------------------------------|
| Cash on hand | \$ 2,272 | 3,149 | 3,156 |
| Cash in banks | 1,231,166 | 1,297,556 | 832,028 |
| Time deposits | <u>1,424,250</u> | <u>1,320,315</u> | <u>1,687,610</u> |
| Total | <u>\$ 2,657,688</u> | <u>2,621,020</u> | <u>2,522,794</u> |

- (i) The above cash and cash equivalents were not pledged as collateral.
- (ii) Time deposits which do not meet the definition of cash equivalents are accounted for under other financial assets—current, please refer to Note 6(j).
- (iii) Please refer to Note 6(t) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial asset at fair value through other comprehensive income-current and non-current

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|---|-------------------------------------|------------------------------------|-------------------------------------|
| The equity investments at fair value through other comprehensive income: | | | |
| Domestic common stock—Lumosa Therapeutics Co., Ltd. | \$ 98,307 | 79,228 | 72,384 |
| Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares B | 150,000 | 149,750 | 149,500 |
| Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares C | 3,032 | 3,188 | 3,252 |
| Domestic preferred stock—Union Bank of Taiwan Preferred Shares A | 20,960 | 20,520 | 20,640 |
| International unlisted stock—CellMax Ltd. | 9,017 | 9,017 | 11,376 |
| Domestic unlisted stock—ExoOne Bio. Co., Ltd. | 11,992 | 11,992 | 14,562 |
| | <u>\$ 293,308</u> | <u>273,695</u> | <u>271,714</u> |

- (i) The Group designated the investments as equity securities at fair value through other comprehensive income because the Group intends to hold the investments for long-term strategic and not for trading purposes.
- (ii) For the year ended December 31, 2023, the Group did not participate in the capital increase of ExoOne Bio. Co., Ltd., resulting in its shareholding ratio to drop from 7.78% to 5.94%.
- (iii) The Group sold its share amounting to \$221,121 thousand and \$9,121 thousand, resulting in a gain on disposal of \$208,176 thousand and \$6,796 thousand of which attributable to the Group amounting \$117,578 thousand and \$3,838 thousand for the nine months ended September 30, 2024 and 2023, respectively. The gain on disposal of strategic investments has already been reclassified from other comprehensive income to retained earnings.
- (iv) Please refer to Note 6(t) for information on credit and market risk.
- (v) The above financial assets were not pledged as collateral.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Notes receivable and accounts receivable (including related parties)

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| Notes receivable | \$ 25,155 | 33,441 | 30,307 |
| Accounts receivable | 1,326,292 | 1,271,809 | 1,274,337 |
| Accounts receivable-related parties | 30,121 | 40,830 | 22,039 |
| Less: allowance for expected credit losses | (4,642) | (2,347) | (4,368) |
| | <u>\$ 1,376,926</u> | <u>1,343,733</u> | <u>1,322,315</u> |

The Group applies the simplified approach to evaluating its expected credit losses (ECLs), i.e., the Group recognizes the impairment provision for lifetime ECLs for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contract, and forward-looking information has been incorporated. Analysis of the expected credit losses on note and accounts receivable is as follows:

| | <u>September 30, 2024</u> | | |
|----------------------------|---|---|---|
| | <u>Face value of notes receivable and accounts receivable</u> | <u>Weighted average loss rate</u> | <u>Allowance for expected credit losses</u> |
| Not overdue | \$ 1,374,048 | 0%~1% | 3,289 |
| 1 to 90 days overdue | 5,517 | 1%~11.52% | 221 |
| More than 181 days overdue | 2,003 | 52.93%~100% | 1,132 |
| | <u>\$ 1,381,568</u> | | <u>4,642</u> |
| | <u>December 31, 2023</u> | | |
| | <u>Face value of notes receivable and accounts receivable</u> | <u>Weighted average loss rate</u> | <u>Allowance for expected credit losses</u> |
| Not overdue | \$ 1,342,406 | 0%~1% | 1,730 |
| 1 to 90 days overdue | 3,358 | 1%~8.14% | 315 |
| 91 to 180 days overdue | 38 | 2%~21.78% | 24 |
| More than 181 days overdue | 278 | 100% | 278 |
| | <u>\$ 1,346,080</u> | | <u>2,347</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | September 30, 2023 | | |
|----------------------------|---|---|---|
| | Face value of notes receivable and accounts receivable | Weighted average loss rate | Allowance for expected credit losses |
| Not overdue | \$ 1,319,092 | 0%~1% | 1,733 |
| 1 to 90 days overdue | 5,260 | 1%~4.5% | 324 |
| More than 181 days overdue | 2,331 | 51%~100% | 2,311 |
| | \$ 1,326,683 | | 4,368 |

The movements in the allowance for notes and accounts receivable were as follows:

| | For the nine months ended September 30, | |
|---|--|--------------|
| | 2024 | 2023 |
| Balance at January 1 | \$ 2,347 | 6,221 |
| Expected credit losses recognized | 2,293 | - |
| Reversal of expected credit losses | - | (1,859) |
| Effect of changes in foreign exchange rates | 2 | 6 |
| Balance at September 30 | \$ 4,642 | 4,368 |

As of September 30, 2024, December 31, 2023 and September 30, 2023, the notes receivable and accounts receivable for the Group were not pledged as collateral.

(d) Inventories

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-------------------------------|------------------------------|-------------------------------|
| Merchandise | \$ 532,123 | 307,381 | 546,439 |
| Finished goods | 279,987 | 175,679 | 191,009 |
| Work in process | 277,818 | 281,116 | 329,639 |
| Raw materials | 305,750 | 225,498 | 262,755 |
| Materials | 69,555 | 63,375 | 63,550 |
| Subtotal | 1,465,233 | 1,053,049 | 1,393,392 |
| Goods in transit | 86,501 | 137,896 | 44,060 |
| Total | 1,551,734 | 1,190,945 | 1,437,452 |
| Less: allowance for inventory market decline and obsolescence | (113,765) | (94,989) | (90,349) |
| Net amount | \$ 1,437,969 | 1,095,956 | 1,347,103 |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The details of operating costs were as follows:

| | <u>For the three months ended</u> <u>September 30,</u> | | <u>For the nine months ended</u> <u>September 30,</u> | |
|---|---|----------------|--|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Inventories have been sold | \$ 572,673 | 500,362 | 1,623,520 | 1,439,551 |
| Cost of services | 368 | 569 | 1,121 | 1,324 |
| Write-off of inventories from cost to net realizable value and disposal (reversal) of inventories | 9,323 | (10,409) | 25,340 | 7,714 |
| | <u>\$ 582,364</u> | <u>490,522</u> | <u>1,649,981</u> | <u>1,448,589</u> |

In 2023, the Group recognized reversal of write-off inventories due to return of payment from suppliers for defective products.

- (ii) As of September 30, 2024, December 31, 2023 and September 30, 2023, the inventories were not pledged as collateral.
- (e) Investments accounted for using the equity method

- (i) The components of investments accounted for using the equity method at the reporting date were as follows:

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|------------|-------------------------------------|------------------------------------|-------------------------------------|
| Associates | <u>\$ 1,443,262</u> | <u>1,355,738</u> | <u>1,317,264</u> |

- 1) As of September 30, 2024, December 31, 2023 and September 30, 2023, the associate which the Group invested had a quoted market price was as follows:

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|----------------|-------------------------------------|------------------------------------|-------------------------------------|
| Carrying value | <u>\$ 880,933</u> | <u>859,603</u> | <u>852,799</u> |
| Fair value | <u>\$ 2,315,079</u> | <u>2,728,948</u> | <u>2,245,239</u> |

- 2) For the nine months ended September 30, 2024 and 2023, as PharmaEngine, Inc. amortized the compensation cost of employee stock options and the employee stock options expired, the Group's equity has changed and its capital reserve was credit by \$233 thousand and \$571 thousand, respectively.

- (ii) Associate that had materiality was as follows:

| <u>Associate</u> | <u>Nature of relationship</u> | <u>Country of registration</u> | <u>Equity ownership</u> | | |
|--------------------|---|--------------------------------|---------------------------|--------------------------|---------------------------|
| | | | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| PharmaEngine, Inc. | Research for new drugs and drug development especially for Asian diseases | Taiwan | 18.00 % | 18.00 % | 18.00 % |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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The following was the summary of financial information about the Group's significant associates, adjusted for the amounts included in the Group's IFRS financial statements to reflect the fair value adjustments made upon acquisition of the shares in the associates and adjustments for differences in accounting policies:

- Summary financial information on PharmaEngine, Inc.

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-------------------------------|------------------------------|-------------------------------|
| Current assets | \$ 4,035,626 | 3,923,020 | 3,867,197 |
| Non-current assets | 23,037 | 30,899 | 32,697 |
| Current liabilities | (75,198) | (83,863) | (62,455) |
| Non-current liabilities | (2,047) | (7,143) | (12,321) |
| Net assets | <u>\$ 3,981,418</u> | <u>3,862,913</u> | <u>3,825,118</u> |
| Net assets attributable to investee's owners | <u>\$ 3,981,418</u> | <u>3,862,913</u> | <u>3,825,118</u> |

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|---------------|--|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating revenue | \$ 218,224 | 245,942 | 644,597 | 580,345 |
| Profit from continuing operations | \$ 92,171 | 80,781 | 332,765 | 237,277 |
| Other comprehensive loss | - | - | - | - |
| Total comprehensive income | <u>\$ 92,171</u> | <u>80,781</u> | <u>332,765</u> | <u>237,277</u> |
| Comprehensive income attributable to investee's owners | <u>\$ 92,171</u> | <u>80,781</u> | <u>332,765</u> | <u>237,277</u> |

| | For the nine months ended September 30, | |
|---|--|----------------|
| | 2024 | 2023 |
| Net assets attributable to the Group, January 1 | \$ 695,325 | 696,974 |
| Changes in capital surplus of associates | 233 | 571 |
| Comprehensive income attributable to the Group | 59,897 | 42,709 |
| Cash dividends received from associates | (38,800) | (51,733) |
| Net assets attributable to the Group, September 30 | 716,655 | 688,521 |
| Add: Goodwill | 164,278 | 164,278 |
| Carrying amount of interest in associates, September 30 | <u>\$ 880,933</u> | <u>852,799</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(iii) Summary financial information on individually insignificant associates

The Group's financial information about investments accounted for using the equity method that are individually insignificant was as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
|--|---|------------------------------|--|---------------|
| Carrying amount of individually insignificant associates | <u>\$ 562,329</u> | <u>496,135</u> | <u>464,465</u> | |
| | For the three months ended September 30, | | For the nine months ended September 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Attributable to the Group: | | | | |
| Profit from continuing operations | \$ 24,894 | 12,358 | 62,050 | 50,817 |
| Other comprehensive income (loss) | 34,976 | 4,878 | 32,388 | (4,505) |
| Total comprehensive income | <u>\$ 59,870</u> | <u>17,236</u> | <u>94,438</u> | <u>46,312</u> |

(iv) Collateral

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group did not provide any investment accounted for using equity method as collateral.

(v) The unreviewed financial statements of investments accounted for using equity method

Except for PharmaEngine, Inc., the share of profit and other comprehensive income of the Group's investments accounted for using the equity method were calculated based on the financial statements that have not been reviewed by independent auditors.

(f) Business combination

On April 9, 2024 (the acquisition date), the Group acquired 51% ordinary shares outstanding of each TOP PM and TOP BT, both companies engaged in the manufacturing and sales of health supplements, for a consideration price of \$301,451 thousand, resulting in the Group to obtain control over them.

The acquisition of both subsidiaries will expand the Group's scale of business operations, improve its operating performance and increase its competitiveness.

(i) Consideration transferred

| | TOP PM | TOP BT |
|------|-------------------|---------------|
| Cash | <u>\$ 257,121</u> | <u>44,330</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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- (ii) The following table summarizes the recognized amounts of identifiable assets acquired and liabilities assumed at the acquisition date.

| | <u>TOP PM</u> | <u>TOP BT</u> |
|-------------------------------|------------------|---------------|
| Cash and cash equivalents | \$ 55,135 | 3,446 |
| Notes and accounts receivable | 49,520 | 11,255 |
| Inventories | 5,185 | 7,584 |
| Other financial assets | 25,000 | - |
| Property, plant and equipment | 215 | 4,967 |
| Right-of-use assets | 4,955 | 1,949 |
| Intangible assets | 318 | - |
| Other non-current assets | 2,894 | 3,640 |
| Notes and accounts payable | (37,105) | (11,391) |
| Lease liabilities | (5,049) | (2,023) |
| Current tax liabilities | (5,356) | (1,182) |
| Other current liabilities | (8,397) | (554) |
| | <u>\$ 87,315</u> | <u>17,691</u> |

The Group is reviewing the information above during the measurement period. If there is information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provision amounts, or any additional provisions as at the acquisition date, then the acquisition accounting will be revised.

- (iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows.

| | <u>TOP PM</u> | <u>TOP BT</u> |
|--|-------------------|---------------|
| Consideration transferred | \$ 257,121 | 44,330 |
| Add: Non-controlling interest in the acquiree, if any (proportionate share of the fair value of the identifiable net assets) | 42,784 | 8,669 |
| Less: Fair value of identifiable net assets | (87,315) | (17,691) |
| Goodwill | <u>\$ 212,590</u> | <u>35,308</u> |

- (iv) Pro forma information

From April 9, 2024, the acquisition date, both TOP PM and TOP BT contributed the revenue and net income of \$175,014 thousand and \$26,071 thousand to the Group's operating results.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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If the acquisition had occurred on January 1, 2024, the management estimates that the Group's consolidated revenue and consolidated net income would have been \$4,258,884 thousand, and \$979,941 thousand, respectively.

(g) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

| <u>Subsidiary</u> | <u>Country of registration</u> | <u>Non-controlling interests and voting rights ratio</u> | | |
|---------------------------------|--------------------------------|--|--------------------------|---------------------------|
| | | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| TSH Biopharm Co., Ltd. | Taiwan | 43.52 % | 43.52 % | 43.52 % |
| Chuang Yi Biotech Co., Ltd. | Taiwan | 25.28 % | 25.28 % | 47.06 % |
| TOP Pharm Medicalware Co., Ltd. | Taiwan | 49.00 % | - % | - % |

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRS endorsed by the FSC, which was included in the fair value adjustments and the adjustments of differences in accounting principles at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Summary financial information on TSH Biopharm Co., Ltd.

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| Current assets | \$ 763,314 | 770,331 | 905,241 |
| Non-current assets | 719,533 | 407,416 | 248,096 |
| Current liabilities | (80,061) | (70,147) | (72,006) |
| Non-current liabilities | (17) | - | (1,146) |
| Net assets | <u>\$ 1,402,769</u> | <u>1,107,600</u> | <u>1,080,185</u> |
| Net assets attributable to non-controlling interest | <u>\$ 610,279</u> | <u>481,812</u> | <u>469,935</u> |

| | <u>For the three months ended September 30,</u> | | <u>For the nine months ended September 30,</u> | |
|---|---|----------------|--|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Operating revenue | \$ <u>148,197</u> | <u>123,709</u> | <u>469,993</u> | <u>367,874</u> |
| Profit for the period | \$ 48,539 | 17,638 | 103,484 | 45,808 |
| Other comprehensive income | 47,411 | 541 | 240,781 | 35,463 |
| Total comprehensive income | <u>\$ 95,950</u> | <u>18,179</u> | <u>344,265</u> | <u>81,271</u> |
| Profit attributable to non-controlling interest | <u>\$ 21,047</u> | <u>7,740</u> | <u>45,046</u> | <u>19,870</u> |
| Total comprehensive income attributable to non-controlling interest | <u>\$ 41,680</u> | <u>7,975</u> | <u>149,834</u> | <u>35,303</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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| | For the nine months ended September 30, | |
|--|--|----------------|
| | 2024 | 2023 |
| Cash flows from operating activities | \$ 17,583 | 15,452 |
| Cash flows (used in) from investing activities | (90,008) | 162,581 |
| Cash flows used in financing activities | (3,394) | (64,794) |
| Net (decrease) increase in cash | <u>\$ (75,819)</u> | <u>113,239</u> |
| Dividends paid to non-controlling interests | <u>\$ 21,390</u> | <u>26,738</u> |

(ii) Summary financial information on Chuang Yi Biotech Co., Ltd.

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-------------------------------|------------------------------|-------------------------------|
| Current assets | \$ 441,006 | 343,428 | 280,875 |
| Non-current assets | 39,850 | 47,805 | 50,500 |
| Current liabilities | (141,598) | (63,479) | (171,801) |
| Non-current liabilities | (25) | - | (679) |
| Net assets | <u>\$ 339,233</u> | <u>327,754</u> | <u>158,895</u> |
| Net assets attributable to non-controlling interests | <u>\$ 85,758</u> | <u>82,856</u> | <u>74,776</u> |

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|---------------|--|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating revenue | \$ 169,588 | 145,711 | 222,565 | 216,683 |
| Loss for the period | \$ 34,432 | 20,542 | 11,385 | 334 |
| Other comprehensive income | 36 | 68 | 93 | 3 |
| Total comprehensive income | <u>\$ 34,468</u> | <u>20,610</u> | <u>11,478</u> | <u>337</u> |
| Profit attributable to non-controlling interest | <u>\$ 8,704</u> | <u>9,667</u> | <u>2,878</u> | <u>157</u> |
| Total comprehensive income attributable to non-controlling interest | <u>\$ 8,714</u> | <u>9,699</u> | <u>2,902</u> | <u>158</u> |

| | For the nine months ended September 30, | |
|---|--|-----------------|
| | 2024 | 2023 |
| Cash flows from operating activities | \$ 7,041 | 362 |
| Cash flows from (used in) investing activities | 11 | (26) |
| Cash flows used in financing activities | - | (36,186) |
| Effect of exchange rates changes on cash and cash equivalents | 92 | (121) |
| Net increase (decrease) in cash | <u>\$ 7,144</u> | <u>(35,971)</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Summary financial information on TOP Pharm Medicalware Co., Ltd.

| | September 30, 2024 | |
|--|--|--|
| Current assets | \$ 167,376 | |
| Non-current assets | 223,699 | |
| Current liabilities | (62,911) | |
| Non-current liabilities | (5,305) | |
| Net assets | <u>\$ 322,859</u> | |
| Net assets attributable to non-controlling interests | <u>\$ 54,032</u> | |
| | For the three months ended September 30, 2024 | April 9- September 30, 2024 |
| Operating revenue | <u>\$ 92,137</u> | <u>175,700</u> |
| Profit for the period | \$ 11,038 | 22,954 |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>\$ 11,038</u> | <u>22,954</u> |
| Profit attributable to non-controlling interest | <u>\$ 5,409</u> | <u>11,247</u> |
| Cash flows from operating activities | \$ 19,877 | |
| Cash flows from investing activities | 898 | |
| Cash flows used in financing activities | (4,710) | |
| Net increase in cash | <u>\$ 16,065</u> | |

(h) Property, plant and equipment

The details of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

| | Land | Building and construction | Machinery equipment | Transportation equipment | Office equipment | Other equipment | Construction in progress | Total |
|---|-------------------|---------------------------------|------------------------|-----------------------------|---------------------|--------------------|-----------------------------|------------------|
| Cost: | | | | | | | | |
| Balance on January 1, 2024 | \$ 902,897 | 1,461,122 | 836,063 | 5,085 | 570,870 | 19,806 | 8,945 | 3,804,788 |
| Obtained from business combination | - | - | 9,591 | - | 1,096 | 9,774 | - | 20,461 |
| Additions | - | 16,343 | 19,600 | - | 20,011 | 352 | 11,941 | 68,247 |
| Disposals | - | (1,744) | (79,205) | (2,500) | (5,205) | (13) | - | (88,667) |
| Reclassifications | - | 1,280 | 11,203 | - | 3,784 | - | (1,745) | 14,522 |
| Adjustment for foreign currency translation | - | - | 20 | - | 11 | 2 | - | 33 |
| Balance on September 30, 2024 | <u>\$ 902,897</u> | <u>1,477,001</u> | <u>797,272</u> | <u>2,585</u> | <u>590,567</u> | <u>29,921</u> | <u>19,141</u> | <u>3,819,384</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | <u>Land</u> | <u>Building and construction</u> | <u>Machinery equipment</u> | <u>Transportation equipment</u> | <u>Office equipment</u> | <u>Other equipment</u> | <u>Construction in progress</u> | <u>Total</u> |
|--|-------------------|--|--------------------------------|-------------------------------------|-----------------------------|----------------------------|-------------------------------------|------------------|
| Balance on January 1, 2023 | \$ 902,897 | 1,431,841 | 830,568 | 5,085 | 552,816 | 29,428 | 77,086 | 3,829,721 |
| Additions | - | 4,983 | 10,100 | - | 20,236 | 11 | 3,171 | 38,501 |
| Disposals | - | - | (4,730) | - | (35,141) | (9,635) | - | (49,506) |
| Reclassifications | - | 7,470 | 3,953 | - | 9,430 | - | (15,710) | 5,143 |
| Adjustment for foreign currency translation | - | - | 2 | - | 29 | 4 | - | 35 |
| Balance on September 30, 2023 | <u>\$ 902,897</u> | <u>1,444,294</u> | <u>839,893</u> | <u>5,085</u> | <u>547,370</u> | <u>19,808</u> | <u>64,547</u> | <u>3,823,894</u> |
| Depreciation and impairment: | | | | | | | | |
| Balance on January 1, 2024 | \$ - | 575,736 | 529,000 | 5,085 | 405,250 | 11,603 | - | 1,526,674 |
| Obtained from business combination | - | - | 5,580 | - | 938 | 8,761 | - | 15,279 |
| Depreciation for the year | - | 50,160 | 28,504 | - | 26,850 | 2,391 | - | 107,905 |
| Reversal of impairment loss recognised in profit | - | - | (2,000) | - | - | - | - | (2,000) |
| Disposals | - | (1,049) | (76,765) | (2,500) | (4,955) | (9) | - | (85,278) |
| Adjustment for foreign currency translation | - | - | 19 | - | 10 | 2 | - | 31 |
| Balance on September 30, 2024 | <u>\$ -</u> | <u>624,847</u> | <u>484,338</u> | <u>2,585</u> | <u>428,093</u> | <u>22,748</u> | <u>-</u> | <u>1,562,611</u> |
| Balance on January 1, 2023 | \$ - | 510,578 | 458,959 | 5,085 | 413,635 | 15,021 | - | 1,403,278 |
| Depreciation for the year | - | 48,902 | 36,048 | - | 24,075 | 1,766 | - | 110,791 |
| Impairment loss | - | - | 54,466 | - | - | - | - | 54,466 |
| Disposals | - | - | (4,460) | - | (32,030) | (5,897) | - | (42,387) |
| Adjustment for foreign currency translation | - | - | 1 | - | 27 | 4 | - | 32 |
| Balance on September 30, 2023 | <u>\$ -</u> | <u>559,480</u> | <u>545,014</u> | <u>5,085</u> | <u>405,707</u> | <u>10,894</u> | <u>-</u> | <u>1,526,180</u> |
| Carrying value: | | | | | | | | |
| Balance on January 1, 2024 | <u>\$ 902,897</u> | <u>885,386</u> | <u>307,063</u> | <u>-</u> | <u>165,620</u> | <u>8,203</u> | <u>8,945</u> | <u>2,278,114</u> |
| Balance on September 30, 2024 | <u>\$ 902,897</u> | <u>852,154</u> | <u>312,934</u> | <u>-</u> | <u>162,474</u> | <u>7,173</u> | <u>19,141</u> | <u>2,256,773</u> |
| Balance on January 1, 2023 | <u>\$ 902,897</u> | <u>921,263</u> | <u>371,609</u> | <u>-</u> | <u>139,181</u> | <u>14,407</u> | <u>77,086</u> | <u>2,426,443</u> |
| Balance on September 30, 2023 | <u>\$ 902,897</u> | <u>884,814</u> | <u>294,879</u> | <u>-</u> | <u>141,663</u> | <u>8,914</u> | <u>64,547</u> | <u>2,297,714</u> |

- (i) Due to the amendments in relevant regulations, the Group's machinery equipment needed to be upgraded, which will cause a huge cost of reinvestment. The Group assessed the reinvestment has no substantial benefit. Thus, the Group decided to halt its investment, and instead, recognized the impairment loss of \$54,466 thousand as other gains and losses in September 2023.
- (ii) As of September 30, 2024, December 31, 2023 and September 30, 2023, the property, plant and equipment were not pledged as collateral.

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(i) Intangible assets

The cost, amortization, and impairment of the intangible assets of the Group for the nine months ended September 30, 2024 and 2023, were as follows:

| | <u>Computer software</u> | <u>Patent and franchise</u> | <u>Other Intangible assets</u> | <u>Goodwill</u> | <u>Total</u> |
|--|------------------------------|---------------------------------|--|-----------------|----------------|
| Cost: | | | | | |
| Balance on January 1, 2024 | \$ 32,417 | 249,958 | 73,804 | - | 356,179 |
| Obtained from business combination (refer to 6(f)) | 1,253 | - | 87 | 247,898 | 249,238 |
| Additions | 3,017 | - | 4,105 | - | 7,122 |
| Disposals | (2,272) | (9,083) | - | - | (11,355) |
| Reclassifications | 455 | - | - | - | 455 |
| Balance on September 30, 2024 | <u>\$ 34,870</u> | <u>240,875</u> | <u>77,996</u> | <u>247,898</u> | <u>601,639</u> |
| Balance on January 1, 2023 | \$ 27,108 | 268,984 | 74,226 | - | 370,318 |
| Additions | 6,843 | 7,767 | - | - | 14,610 |
| Disposals | (2,317) | (22,355) | - | - | (24,672) |
| Reclassifications | 711 | - | (423) | - | 288 |
| Balance on September 30, 2023 | <u>\$ 32,345</u> | <u>254,396</u> | <u>73,803</u> | <u>-</u> | <u>360,544</u> |
| Amortization and impairment loss: | | | | | |
| Balance on January 1, 2024 | \$ 13,712 | 157,385 | 21,073 | - | 192,170 |
| Obtained from business combination | 951 | - | 71 | - | 1,022 |
| Amortization for the period | 6,062 | 9,689 | 13,472 | - | 29,223 |
| Disposals | (2,272) | (9,083) | - | - | (11,355) |
| Balance on September 30, 2024 | <u>\$ 18,453</u> | <u>157,991</u> | <u>34,616</u> | <u>-</u> | <u>211,060</u> |
| Balance on January 1, 2023 | \$ 8,459 | 106,968 | 4,142 | - | 119,569 |
| Amortization for the period | 5,653 | 17,044 | 12,921 | - | 35,618 |
| Disposals | (2,317) | (22,355) | - | - | (24,672) |
| Effect of changes in foreign exchange rate | 1 | - | - | - | 1 |
| Balance on September 30, 2023 | <u>\$ 11,796</u> | <u>101,657</u> | <u>17,063</u> | <u>-</u> | <u>130,516</u> |

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| | <u>Computer software</u> | <u>Patent and franchise</u> | <u>Other Intangible assets</u> | <u>Goodwill</u> | <u>Total</u> |
|-------------------------------|------------------------------|---------------------------------|--|-----------------|----------------|
| Carrying value: | | | | | |
| Balance on January 1, 2024 | \$ <u>18,705</u> | <u>92,573</u> | <u>52,731</u> | <u>-</u> | <u>164,009</u> |
| Balance on September 30, 2024 | \$ <u>16,417</u> | <u>82,884</u> | <u>43,380</u> | <u>247,898</u> | <u>390,579</u> |
| Balance on January 1, 2023 | \$ <u>18,649</u> | <u>162,016</u> | <u>70,084</u> | <u>-</u> | <u>250,749</u> |
| Balance on September 30, 2023 | \$ <u>20,549</u> | <u>152,739</u> | <u>56,740</u> | <u>-</u> | <u>230,028</u> |

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's aforementioned intangible assets were not pledged as collateral.

(j) Other financial assets and other assets

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Other current financial assets | \$ 127,000 | 116,309 | 116,829 |
| Other non-current financial assets | 177,214 | 177,056 | 150,194 |
| Long-term prepayments | 84,700 | 76,020 | 49,146 |
| Other current and non-current assets | <u>37,370</u> | <u>8,555</u> | <u>29,632</u> |
| | <u>\$ 426,284</u> | <u>377,940</u> | <u>345,801</u> |

- (i) Other current financial assets were bank deposits that did not qualify as cash and cash equivalents.
- (ii) Long-term prepayments were paid for intangible assets before the intangible assets are ready for use. Please refer to Note 9 for the relevant unrecognized contractual commitments.
- (iii) The Group assessed the other non-current financial assets possibly unrecoverable and recognized the allowance for losses amounting to \$26,950 as of September 30, 2024 and December 31, 2023. There was no expected credit loss after an assessment as of September 30, 2023.
- (iv) Please refer to Note 8 for the Group's information of collateral.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| Unsecured bank loans | \$ <u>1,900,000</u> | <u>1,450,000</u> | <u>1,780,000</u> |
| Unused credit line | \$ <u>1,366,198</u> | <u>1,760,008</u> | <u>1,246,330</u> |
| Range of interest rates | <u>1.75%~1.80%</u> | <u>1.61%~1.68%</u> | <u>1.60%~1.68%</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) For the nine months ended September 30, 2024 and 2023, the Group had the additional short-term borrowings amounting to \$7,050,000 thousand with an interest rate of 1.75%~1.80% and \$7,680,000 thousand with an interest rate of 1.60%~1.68%, respectively; the repayment amounted to \$6,600,000 thousand and \$7,270,000 thousand, respectively. Please refer to Note 6(s) for disclosure of interest expense.
- (ii) Please refer to Note 6(t) for the exposure information of the Group's interest rate and liquidity risk.

(l) Long-term borrowings

The long-term borrowings were summarized as follows:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|------------------------------|-------------------------------|------------------------------|-------------------------------|
| Secured bank loans | \$ - | - | 14,354 |
| Unsecured bank loans | 400,000 | 400,000 | 400,000 |
| Less: Current portion | <u>(400,000)</u> | <u>-</u> | <u>(14,354)</u> |
| Total | <u>\$ -</u> | <u>400,000</u> | <u>400,000</u> |
| Unused long-term credit line | <u>\$ 100,000</u> | <u>100,000</u> | <u>100,000</u> |
| Range of interest rates | <u>2.026%</u> | <u>1.881%</u> | <u>1.93%~2.50%</u> |

For the nine months ended September 30, 2024 and 2023, the Group had additional long-term borrowings amounting to \$400,000 thousand with interest rates of 2.026% and 1.930%, respectively. The repayment amounts were \$400,000 thousand and \$414,092 thousand, respectively. Please refer to Note 6(s) for disclosure of interest expense. Please refer to Note 6(t) for the exposure information of the Group's interest rate and liquidity risk.

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

| | <u>For the three months ended September 30,</u> | | <u>For the nine months ended September 30,</u> | |
|-----------------------------------|---|-------------|--|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Operating cost | \$ 38 | 38 | 115 | 116 |
| Selling expenses | 19 | 30 | 58 | 90 |
| Administrative expenses | 18 | 30 | 51 | 90 |
| Research and development expenses | 9 | 40 | 26 | 118 |
| Total | <u>\$ 84</u> | <u>138</u> | <u>250</u> | <u>414</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contributions plans

The Group's pension expenses under defined contribution plans, which had been allocated to the Bureau of Labor Insurance were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|-----------------------------------|---|--------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating cost | \$ 2,876 | 2,688 | 9,597 | 9,253 |
| Selling expenses | 4,842 | 3,737 | 12,657 | 11,180 |
| Administrative expenses | 2,093 | 1,665 | 7,032 | 5,489 |
| Research and development expenses | 927 | 1,105 | 3,218 | 3,928 |
| Total | \$ 10,738 | 9,195 | 32,504 | 29,850 |

(n) Income tax

(i) Income tax expense

The components of income tax for the nine months ended September 30, 2024 and 2023 were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|----------------|--|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Current tax expense | | | | |
| Current period | \$ 90,470 | 113,752 | 241,290 | 254,146 |
| Adjustment for prior periods | (1) | - | 46 | - |
| Income tax expense from continuing operations | \$ 90,469 | 113,752 | 241,336 | 254,146 |

(ii) Assessment of tax

The Company's income tax returns through 2022 have been assessed and approved by the Tax Authorities.

(o) Capital and other equity

There was no significant change in capital and other equity for the nine months ended September 30, 2024 and 2023. For the related information, please refer to Note 6(o) of the consolidated financial statements for the year ended December 31, 2023.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

The ending balances of additional paid-in capital were as follows:

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|----------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Share capital | \$ 484 | 484 | 484 |
| Long-term investment | 315,486 | 315,222 | 311,507 |
| Other | <u>1,046</u> | <u>912</u> | <u>912</u> |
| | <u>\$ 317,016</u> | <u>316,618</u> | <u>312,903</u> |

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

According to the Articles of Incorporation, the current year's earnings, if any, at the end of fiscal year, shall pay tax first and recover accumulated losses before contributing 10% for legal reserve. However, this shall not be applied if legal reserve hereto has already reached the amount of share capital. After residual amount from aforementioned calculation is added to unappropriated earnings from previous period, a contribution or reversal to special reserved shall then be conducted in accordance with regulations or competent authority's requirements. At the end of each fiscal year, the Board of Directors will propose an earnings distribution based on considerations of the Company's profits, capital and financial structure, future business needs, accumulated earnings and legal reserve, market competition conditions as well as shareholders' interests. The proposal hereto shall be submitted to Annual General Meeting for resolution before being executed accordingly.

The Company adopts principle of conservatism in its distribution of dividend. In the event of surplus from the Company's fiscal account, a contribution of not lower than 70% of the balance amount after tax payment, accumulated loss recovery, contribution of legal reserve and contribution or reversal of special earnings reserve as required by laws shall be made to serve as shareholder dividend. This can be conducted in cash or stocks. Percentage for cash dividend distribution shall not lower than 70% of the total dividend amount.

Based on the Company's principles of stability for financial structure and dividend balance, the Company may distribute all or part of reserve or retained earnings from previous period in accordance with laws or competent authority's requirements in the event that there is no surplus for distribution in current period, or there is surplus but surplus amount is obviously lower than the Company's surplus actually distributed in the previous year. In the event of disposal of real estate, equity investments or intangible assets in the current year, all or a portion of difference between disposal amount and acquisition cost, or income received from litigation or commercial dispute, can be retained accordingly. Restrictions on distribution percentage shall not apply.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company distributes dividends and bonuses or all or part of the statutory surplus reserve and capital reserve in cash by authorizing the Board of Directors to do so with the presence of at least two-thirds of the directors and with the consent of a majority of the directors present, and report to the shareholders' meeting.

1) Legal reserve

When the Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company has selected to apply the optional exemptions according to IFRS 1 "First-time Adoption of International Financial Reporting Standards".

In accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012, a special reserve was appropriated from the undistributed earnings equivalent to the debit balance of cumulative translation differences of \$82,429 thousand and unrealized revaluation increments of \$27,725 thousand. When relevant assets are used, disposed or reclassified, the original proportion of the special reserve can be reversed to distribute surplus.

In accordance with the aforesaid Rule, a special reserve is set aside from the current year's net income after tax and prior year's undistributed earnings at an amount equal to the debit balance of contra accounts in shareholders' equity. When the debit balance of any of these contra accounts in shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of contra accounts in shareholder's equity shall qualify for additional distributions.

As of September 30, 2024, December 31, 2023 and September 30, 2023, all of the special reserve amounted to \$198,071 thousand.

3) Earnings distribution

Earnings distribution for 2023 and 2022 was resolved in the special resolution of the Board of Directors on March 8, 2024 and March 14, 2023, respectively. The appropriation for dividends to ordinary shareholders is as follows:

| | <u>2023</u> | | <u>2022</u> | |
|---|-----------------------------------|----------------|-----------------------------------|----------------|
| | <u>Amount per share (dollars)</u> | <u>Amount</u> | <u>Amount per share (dollars)</u> | <u>Amount</u> |
| Dividends distributed to ordinary shareholders: | | | | |
| Cash | \$ 3.50 | <u>870,275</u> | 3.40 | <u>845,410</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other equity accounts (net value after tax)

| | Exchange differences on translation | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
|---|---|--|---------------|
| Balance at January 1, 2024 | \$ (75,492) | 31,707 | (43,785) |
| Exchange differences on foreign operations | 96,977 | - | 96,977 |
| Unrealized gain from financial assets measured at fair value through other comprehensive income | - | 135,966 | 135,966 |
| Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method | - | (9,633) | (9,633) |
| Disposal of equity instrument measured at fair value through other comprehensive income which was transferred to retained earnings | - | (117,578) | (117,578) |
| Balance at September 30, 2024 | <u>\$ 21,485</u> | <u>40,462</u> | <u>61,947</u> |
| Balance at January 1, 2023 | \$ (83,359) | 18,582 | (64,777) |
| Exchange differences on foreign operations | 68,751 | - | 68,751 |
| Unrealized gain from financial assets measured at fair value through other comprehensive income | - | 20,029 | 20,029 |
| Disposal of equity instrument measured at fair value through other comprehensive income which was transferred to retained earnings | - | (3,838) | (3,838) |
| Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method | - | (3,907) | (3,907) |
| Balance at September 30, 2023 | <u>\$ (14,608)</u> | <u>30,866</u> | <u>16,258</u> |

(iv) Non-controlling interests

| | For the nine months ended September 30, | |
|--|--|----------------|
| | 2024 | 2023 |
| Balance at January 1 | \$ 564,802 | 574,857 |
| Attributable to non-controlling interests: | | |
| Profit for the period | 60,683 | 14,568 |
| Exchange differences on translation in foreign operations | 76 | (15) |
| Unrealized gains on financial assets measured at fair value through other comprehensive income | 104,767 | 15,433 |
| Cash dividend distributed | (21,390) | (26,738) |
| Change in non-controlling interests | 51,453 | - |
| Changes in ownership interest in subsidiaries | 23 | 33 |
| Balance at September 30 | <u>\$ 760,414</u> | <u>578,138</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Earnings per share

For the nine months ended September 30, 2024 and 2023, the Company's earnings per share were calculated as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|----------------|--|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Basic earnings per share | | | | |
| Profit attributable to ordinary shareholders of the Company | \$ <u>372,634</u> | <u>376,336</u> | <u>915,116</u> | <u>923,710</u> |
| Weighted average number of ordinary shares | 248,650 | 248,650 | 248,650 | 248,650 |
| | <u>\$ 1.50</u> | <u>1.51</u> | <u>3.68</u> | <u>3.71</u> |
| Diluted earnings per share | | | | |
| Profit attributable to ordinary shareholders of the Company (diluted) | \$ <u>372,634</u> | <u>376,336</u> | <u>915,116</u> | <u>923,710</u> |
| Weighted average number of ordinary shares | 248,650 | 248,650 | 248,650 | 248,650 |
| Effect of employees' compensation | 98 | 76 | 384 | 314 |
| Weighted average number of ordinary shares (diluted) | <u>248,748</u> | <u>248,726</u> | <u>249,034</u> | <u>248,964</u> |
| | <u>\$ 1.50</u> | <u>1.51</u> | <u>3.67</u> | <u>3.71</u> |

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

| | For the three months ended September 30, 2024 | | | | | | |
|--------------------------------|---|---------------------------------|-----------------------------|-------------------------------------|------------------------|--------------------------------|------------------|
| | Oncology Business Unit | Intensive Care Business Unit | HealthCare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Total |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 589,752 | 279,411 | 46,303 | 53,745 | - | 382,593 | 1,351,804 |
| America | - | - | - | 74,239 | - | - | 74,239 |
| Other countries | - | - | - | 102,414 | - | 5,007 | 107,421 |
| | <u>\$ 589,752</u> | <u>279,411</u> | <u>46,303</u> | <u>230,398</u> | <u>-</u> | <u>387,600</u> | <u>1,533,464</u> |
| Major products/services lines: | | | | | | | |
| Medicine and functional food | \$ 571,152 | 279,411 | 45,983 | 191,763 | - | 375,297 | 1,463,606 |
| Services | 18,600 | - | 320 | 399 | - | 12,303 | 31,622 |
| Royalty | - | - | - | 38,236 | - | - | 38,236 |
| | <u>\$ 589,752</u> | <u>279,411</u> | <u>46,303</u> | <u>230,398</u> | <u>-</u> | <u>387,600</u> | <u>1,533,464</u> |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| For the three months ended September 30, 2023 | | | | | | | |
|---|---------------------------|---------------------------------|-----------------------------|-------------------------------------|------------------------|--------------------------------|------------------|
| | Oncology Business Unit | Intensive Care Business Unit | HealthCare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Total |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 581,353 | 262,697 | 47,411 | 53,709 | - | 266,407 | 1,211,577 |
| America | - | - | - | 95,502 | 11,502 | - | 107,004 |
| Other countries | - | - | - | 82,340 | 27,361 | 4,598 | 114,299 |
| | <u>\$ 581,353</u> | <u>262,697</u> | <u>47,411</u> | <u>231,551</u> | <u>38,863</u> | <u>271,005</u> | <u>1,432,880</u> |
| Major products/services lines: | | | | | | | |
| Medicine and functional food | \$ 581,353 | 262,697 | 47,152 | 148,473 | - | 262,753 | 1,302,428 |
| Services | - | - | 259 | 442 | 8,640 | 8,252 | 17,593 |
| Royalty | - | - | - | 82,636 | 30,223 | - | 112,859 |
| | <u>\$ 581,353</u> | <u>262,697</u> | <u>47,411</u> | <u>231,551</u> | <u>38,863</u> | <u>271,005</u> | <u>1,432,880</u> |
| For the nine months ended September 30, 2024 | | | | | | | |
| | Oncology Business Unit | Intensive Care Business Unit | HealthCare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Total |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 1,713,092 | 800,621 | 138,699 | 157,724 | - | 814,298 | 3,624,434 |
| America | - | - | - | 208,420 | 32,345 | - | 240,765 |
| Other countries | - | - | - | 306,282 | - | 10,239 | 316,521 |
| | <u>\$ 1,713,092</u> | <u>800,621</u> | <u>138,699</u> | <u>672,426</u> | <u>32,345</u> | <u>824,537</u> | <u>4,181,720</u> |
| Major products/services lines: | | | | | | | |
| Medicine and functional food | \$ 1,694,492 | 800,621 | 137,828 | 583,113 | - | 752,284 | 3,968,338 |
| Services | 18,600 | - | 871 | 1,860 | - | 72,253 | 93,584 |
| Royalty | - | - | - | 87,453 | 32,345 | - | 119,798 |
| | <u>\$ 1,713,092</u> | <u>800,621</u> | <u>138,699</u> | <u>672,426</u> | <u>32,345</u> | <u>824,537</u> | <u>4,181,720</u> |
| For the nine months ended September 30, 2023 | | | | | | | |
| | Oncology Business Unit | Intensive Care Business Unit | HealthCare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Total |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 1,740,596 | 759,757 | 146,505 | 145,267 | 2,686 | 576,082 | 3,370,893 |
| America | - | - | - | 162,568 | 18,611 | - | 181,179 |
| Other countries | - | - | - | 260,700 | 36,775 | 11,228 | 308,703 |
| | <u>\$ 1,740,596</u> | <u>759,757</u> | <u>146,505</u> | <u>568,535</u> | <u>58,072</u> | <u>587,310</u> | <u>3,860,775</u> |
| Major products/services lines: | | | | | | | |
| Medicine and functional food | \$ 1,740,596 | 759,757 | 145,545 | 485,253 | - | 567,271 | 3,698,422 |
| Services | - | - | 960 | 646 | 20,740 | 20,039 | 42,385 |
| Royalty | - | - | - | 82,636 | 37,332 | - | 119,968 |
| | <u>\$ 1,740,596</u> | <u>759,757</u> | <u>146,505</u> | <u>568,535</u> | <u>58,072</u> | <u>587,310</u> | <u>3,860,775</u> |

(ii) Contract balances

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------|-----------------------|----------------------|-----------------------|
| Contract liability | <u>\$ 29,641</u> | <u>14,234</u> | <u>26,226</u> |

For details on accounts receivable and allowance for expected credit losses, please refer to Note 6(c).

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$7,484 thousand and \$26,418 thousand, respectively.

(r) Remunerations to employees and directors

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a range of 0.5%~10% will be distributed as employee remuneration, and a maximum of 2% will be allocated as remuneration to directors.

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, the Company estimated its employee remuneration at \$7,208 thousand, \$5,897 thousand, \$21,625 thousand and \$17,689 thousand, respectively, and directors' remuneration at \$3,737 thousand, \$3,737 thousand, \$11,212 thousand and \$11,212 thousand, respectively. These amounts were calculated by using the Company's profit before tax for the period before deducting the amounts of the remuneration to employees and directors based on the Company's Articles of Incorporation and the amount was recognized under operating expenses. If there would be any difference between accrued amount and the actual distributed amount in the following year, the difference shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the Company accrued and recognized its employee compensation amounting to \$29,189 thousand and \$24,328 thousand, respectively, and its remuneration to directors both amounting to \$14,950 thousand. The actual distribution and related information can be accessed from the website of Market Observation Post System.

(s) Non-operating income and expenses

(i) Interest income

The details of total interest income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|------------------------------------|---|---------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest income from bank deposits | \$ 18,629 | 19,257 | 61,764 | 57,383 |

(ii) Other income

The details of other income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--------------|---|--------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Rent revenue | \$ 2,830 | 2,698 | 8,220 | 8,088 |
| Others | 78 | - | 384 | - |
| | \$ 2,908 | 2,698 | 8,604 | 8,088 |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

The details of other gains and losses for the three months and nine months ended September 30, 2024 and 2023 were as follows:

| | <u>For the three months ended September 30,</u> | | <u>For the nine months ended September 30,</u> | |
|---|---|-----------------|--|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Losses on disposal of property, plant and equipment | \$ (1,002) | (51) | (864) | (105) |
| Reversal of impairment (losses) on non-financial assets (Note 6(h)) | - | (54,540) | 2,000 | (54,540) |
| Dividend income | 6,528 | 6,464 | 6,528 | 6,464 |
| Foreign exchange gains | (12,620) | 7,040 | 3,771 | 12,375 |
| Other gains and losses | 3,964 | 3,336 | (1,597) | 11,697 |
| | <u>\$ (3,130)</u> | <u>(37,751)</u> | <u>9,838</u> | <u>(24,109)</u> |

(iv) Finance costs

The details of finance costs for the three months and nine months ended September 30, 2024 and 2023 were as follows:

| | <u>For the three months ended September 30,</u> | | <u>For the nine months ended September 30,</u> | |
|---------------------|---|--------------|--|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Interest expense | \$ 10,779 | 9,767 | 28,077 | 26,114 |
| Other finance costs | 151 | 45 | 337 | 136 |
| | <u>\$ 10,930</u> | <u>9,812</u> | <u>28,414</u> | <u>26,250</u> |

(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk of receivables

Please refer to Note 6(c) for information of credit risk exposure of notes and accounts receivable.

All other financial assets measured at amortized cost include other receivables, time deposits, refundable deposit paid and other financial assets. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. With regards to how the financial instruments are considered to have low credit risk, please refer to Note 4(g) of the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6(j) for information of

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

credit risk.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| | <u>Carrying value</u> | <u>Contractual cash flows</u> | <u>Within 1 year</u> | <u>2-3 years</u> | <u>4-5 years</u> |
|---|----------------------------|-----------------------------------|--------------------------|-----------------------|-------------------|
| September 30, 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank loans | \$ 2,300,000 | 2,311,997 | 2,311,997 | - | - |
| Non-interest-bearing liabilities (including related parties) | 838,909 | 838,909 | 838,909 | - | - |
| Lease liabilities (current and non-current) | 12,375 | 13,086 | 7,446 | 5,116 | 524 |
| Guarantee deposits received | <u>2,440</u> | <u>2,440</u> | <u>2,440</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 3,153,724</u> | <u>3,166,432</u> | <u>3,160,792</u> | <u>5,116</u> | <u>524</u> |
| December 31, 2023 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank loans | \$ 1,850,000 | 1,866,059 | 1,460,926 | 405,133 | - |
| Non-interest-bearing liabilities (including related parties) | 973,812 | 973,812 | 940,412 | 33,400 | - |
| Lease liabilities (current and non-current) | 12,375 | 9,062 | 5,978 | 3,084 | - |
| Guarantee deposits received | <u>2,428</u> | <u>2,428</u> | <u>2,428</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 2,838,615</u> | <u>2,851,361</u> | <u>2,409,744</u> | <u>441,617</u> | <u>-</u> |
| September 30, 2023 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank loans | \$ 2,194,354 | 2,213,197 | 1,805,985 | 407,212 | - |
| Non-interest-bearing liabilities (including related parties) | 866,636 | 866,636 | 819,436 | 47,200 | - |
| Lease liabilities (current and non-current) | 9,273 | 9,444 | 5,464 | 3,980 | - |
| Guarantee deposits received | <u>2,431</u> | <u>2,431</u> | <u>2,431</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 3,072,694</u> | <u>3,091,708</u> | <u>2,633,316</u> | <u>458,392</u> | <u>-</u> |

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(iii) Market risk

1) Currency risk

The Group's significant exposure of financial assets and liabilities to foreign currency risk was as follows:

| | September 30, 2024 | | | December 31, 2023 | | | September 30, 2023 | | |
|------------------------------|---------------------|------------------|-----------|---------------------|------------------|-----------|---------------------|------------------|-----------|
| | Foreign Currency | Exchange Rate | NTD | Foreign Currency | Exchange Rate | NTD | Foreign Currency | Exchange Rate | NTD |
| <u>Financial assets</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | \$ 15,783 | 31.6500 | 499,533 | 9,019 | 30.7050 | 276,940 | 4,770 | 32.2700 | 153,925 |
| CNY | 74 | 4.5230 | 333 | 2,432 | 4.3270 | 10,523 | 2,432 | 4.4150 | 10,737 |
| JPY | 102,530 | 0.2223 | 22,792 | 65,083 | 0.2172 | 14,136 | 46,640 | 0.2162 | 10,084 |
| EUR | 26 | 35.3800 | 917 | 310 | 33.9800 | 10,539 | 564 | 33.9100 | 19,121 |
| <u>Non-monetary items</u> | | | | | | | | | |
| USD | 42,947 | 31.6500 | 1,359,263 | 50,123 | 30.7050 | 1,539,016 | 49,658 | 32.2700 | 1,602,451 |
| CNY | 29,899 | 4.5230 | 135,233 | 30,313 | 4.3270 | 131,166 | 30,527 | 4.4150 | 134,778 |
| THB | 441,781 | 0.9868 | 435,949 | 428,699 | 0.9017 | 386,558 | 414,602 | 0.8822 | 365,762 |
| EUR | 8 | 35.3800 | 299 | 33 | 33.9800 | 1,108 | 35 | 33.9100 | 1,199 |
| TRY | - | - | - | - | - | - | 7,089 | 1.1770 | 8,344 |
| <u>Financial liabilities</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | 1,431 | 31.6500 | 45,298 | 600 | 30.7050 | 18,421 | 833 | 31.1400 | 25,915 |
| JPY | 274,614 | 0.2223 | 61,047 | 50,352 | 0.2172 | 10,936 | 15,300 | 0.2150 | 3,290 |

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents and accounts receivable that are denominated in foreign currency. Net investments in a foreign operation are strategic investments, so the Group does not treat them as a hedge.

For the nine months ended September 30, 2024 and 2023, a strengthening (weakening) of 1% of the NTD against the USD, CNY, JPY and EUR as of would have increased (decreased) the net profit after tax by \$3,338 thousand and \$1,551 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the nine months ended September 30, 2024 and 2023, the foreign exchange gains (including realized and unrealized portions) amounted gains \$3,771 thousand and gains \$12,375 thousand, respectively.

(iv) Interest rate analysis

The exposure to interest rate risk on financial assets and liabilities is disclosed in the note on liquidity risk management.

The Group mainly borrows capital at floating interest rates, so the cash flow risk arises from changes in interest rates. The Group's main source of borrowed capital is bank loans.

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Regarding the liabilities with variable interest rates, their sensitivity analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The fluctuation rate is expressed as the interest rate increases or decreases by 0.25%, which also represents the Group management's assessment of the reasonably possible interest rate change, when reporting to the internal management.

If the interest rate had increased/decreased by 0.25%, the Group's after-tax net income would have decreased/increased by \$1,244 thousand and \$2,023 thousand for the nine months ended September 30, 2024 and 2023, respectively with all other variable factors remaining constant.

(v) Other market price risk

For the nine months ended September 30, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

| Prices of securities at the reporting date | For the nine months ended September 30, | | | |
|---|--|-------------------|---|-------------------|
| | 2024 | | 2023 | |
| | Other Comprehensive income after tax | Net income | Other Comprehensive income after tax | Net income |
| Increasing 10% | \$ 29,331 | - | 27,171 | - |
| Decreasing 10% | \$ (29,331) | - | (27,171) | - |

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for lease liabilities, disclosure of fair value information is not required:

| | September 30, 2024 | | | | |
|---|---------------------------|-------------------|----------------|----------------|--------------|
| | Carrying Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic stock in listed company at Stock Exchange | \$ 173,992 | 173,992 | - | - | 173,992 |
| Domestic stock in listed company at Taipei Exchange | 98,307 | 98,307 | - | - | 98,307 |
| Domestic unlisted stock | 11,992 | - | - | 11,992 | 11,992 |
| International stock | 9,017 | - | - | 9,017 | 9,017 |
| Subtotal | 293,308 | 272,299 | - | 21,009 | 293,308 |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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| | December 31, 2023 | | | | |
|--|----------------------------|-----------------------|-----------------|----------------------|-----------------------|
| | <u>Carrying Value</u> | <u>Fair Value</u> | | | <u>Total</u> |
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 2,621,020 | - | - | - | - |
| Notes receivable and accounts receivable (including related party) | 1,343,733 | - | - | - | - |
| Other receivables (including related party) | 28,809 | - | - | - | - |
| Other financial assets (current and non-current) | 293,365 | - | - | - | - |
| Refundable deposits paid | <u>47,770</u> | - | - | - | - |
| Subtotal | <u>4,334,697</u> | - | - | - | - |
| Total | <u>\$ 4,608,392</u> | <u>252,686</u> | <u>-</u> | <u>21,009</u> | <u>273,695</u> |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans | \$ 1,850,000 | - | - | - | - |
| Notes payable and accounts payable (including related party) | 294,664 | - | - | - | - |
| Other payables (including related party) | 645,748 | - | - | - | - |
| Lease liabilities (current and non-current) | 8,910 | - | - | - | - |
| Guarantee deposit received | 2,428 | - | - | - | - |
| Other non-current liabilities | <u>33,400</u> | - | - | - | - |
| Total | <u>\$ 2,835,150</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | September 30, 2023 | | | | |
| | <u>Carrying Value</u> | <u>Fair Value</u> | | | <u>Total</u> |
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic stock in listed company at Stock Exchange | \$ 173,392 | 173,392 | - | - | 173,392 |
| Domestic stock in listed company at Taipei Exchange | 72,384 | 72,384 | - | - | 72,384 |
| Domestic unlisted stock | 14,562 | - | - | 14,562 | 14,562 |
| International stock | <u>11,376</u> | - | - | <u>11,376</u> | <u>11,376</u> |
| Subtotal | <u>271,714</u> | <u>245,776</u> | - | <u>25,938</u> | <u>271,714</u> |

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Notes to the Consolidated Financial Statements

| | September 30, 2023 | | | | |
|---|---------------------|----------------|----------|---------------|----------------|
| | Carrying Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 2,522,794 | - | - | - | - |
| Notes and accounts receivable (including related party) | 1,322,315 | - | - | - | - |
| Other receivables (including related party) | 26,939 | - | - | - | - |
| Other financial assets (current and non-current) | 267,023 | - | - | - | - |
| Refundable deposits paid | <u>27,546</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>4,166,617</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 4,438,331</u> | <u>245,776</u> | <u>-</u> | <u>25,938</u> | <u>271,714</u> |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans | \$ 2,194,354 | - | - | - | - |
| Notes and accounts payable (including related party) | 214,742 | - | - | - | - |
| Other payables (including related party) | 604,694 | - | - | - | - |
| Lease liabilities (current and non-current) | 9,273 | - | - | - | - |
| Guarantee deposit received | 2,431 | - | - | - | - |
| Other non-current liabilities | <u>47,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 3,072,694</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

2) Fair value hierarchy

The Group analyzes financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

The financial instrument mentioned above is either close to its expiry date, or their future receivable or payable is close to its carrying value; thus, its fair value is estimated from the book value of the balance sheet date.

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

The fair value of financial instruments traded in an active market is based on the quoted market prices. The quotations, which are published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, are included in the fair value of the listed securities instruments and the debt instruments in active market with open bid.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

For financial instruments traded in active markets under standard terms and conditions, their fair values are based on quoted market prices.

For financial instruments not traded in active markets, their fair values are listed below by types and attributes:

- Equity instruments without a public quotation: The fair value of the equity instrument is estimated based on a discounted cash flow model. The main assumption is that the expected future cash flow of the investee will be discounted at the rate of return, which reflects the time value of money and investment risk.

5) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the nine months ended September 30, 2024 and 2023, so there was no transfer between levels.

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Notes to the Consolidated Financial Statements

6) Reconciliation of Level 3 fair values

| | Fair value through other comprehensive income |
|-------------------------------|--|
| | Unquoted equity instruments |
| Balance at January 1, 2024 | \$ 21,009 |
| Balance at September 30, 2024 | \$ 21,009 |
| Balance at January 1, 2023 | \$ 25,938 |
| Balance at September 30, 2023 | \$ 25,938 |

7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of the Group's financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investments without an active market have multiple significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|--|--------------------------------|--|--|
| Financial assets measured at fair value through other comprehensive income - equity investments without an active market | Comparable companies method | <ul style="list-style-type: none"> ·Discount for lack of market liquidity (On September 30, 2024, December 31, 2023 and September 30, 2023 all of 27.3%~30%) ·Expected volatility (On September 30, 2023 was 58.78%) | <ul style="list-style-type: none"> ·The higher the discount for lack of market liquidity, the lower the fair value. ·The higher the volatility, the higher the fair value. |

8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The valuation models and assumptions used to measure the fair value of financial instruments are reasonable. However, the use of different valuation models or assumptions may result in different measurements. The following is the effect of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used in valuation models have changed:

| September 30, 2024 | Input | Change | Other comprehensive income | |
|---|-------------------------|--------|-------------------------------|-------------|
| | | | Favorable | Unfavorable |
| Financial assets at fair value through other comprehensive income - equity investments without an active market | Discounted of liquidity | 1% | 255 | (255) |

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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| | <u>Input</u> | <u>Change</u> | <u>Other comprehensive income</u> | |
|---|-------------------------|---------------|-----------------------------------|--------------------|
| | | | <u>Favorable</u> | <u>Unfavorable</u> |
| December 31, 2023 | | | | |
| Financial assets at fair value through other comprehensive income - equity investments without an active market | Discounted of liquidity | 1% | 255 | (255) |
| September 30, 2023 | | | | |
| Financial assets at fair value through other comprehensive income - equity investments without an active market | Discounted of liquidity | 1% | 314 | (314) |
| | Expected volatility | 1% | 39 | (39) |

The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(7) Related-party transactions:

(a) Names of related parties and relationship

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

| <u>Name of related party</u> | <u>Relationship with the Group</u> |
|----------------------------------|------------------------------------|
| American Taiwan Biopharm (ATB) | An associate |
| Shangta Pharmaceutical Co., Ltd. | Other related party (Note) |

(Note) Shangta Pharmaceutical Co., Ltd. was no longer a related party since January 2024.

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(b) Significant transactions with related parties

(i) Sales revenue

The amounts of significant sales by the Group to related parties were as follows:

| | For the three months ended | | For the nine months ended | |
|-----------------------|-----------------------------------|---------------|----------------------------------|---------------|
| | September 30, | | September 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Associates | \$ 52,408 | 21,144 | 110,952 | 87,407 |
| Other related parties | - | 31 | - | 257 |
| | \$ 52,408 | 21,175 | 110,952 | 87,664 |

The selling prices with associates were marked up by 100% of the cost of goods sold. If the collection was past due three months, then 5% interest was charged.

(ii) Other gains

The amounts of other gains by the Group from related parties were as follows:

| Recognized item | Category | For the three months ended | | For the nine months ended | |
|------------------------|-----------------|-----------------------------------|--------------|----------------------------------|--------------|
| | | September 30, | | September 30, | |
| | | 2024 | 2023 | 2024 | 2023 |
| Other gains | Associate-ATB | \$ 3,340 | 3,171 | 9,587 | 9,375 |

Other gains of the Group to the associates were mainly paid in accordance with the management service contract between the two parties. The payment terms are three months.

(c) Assets and liabilities with related parties

| Recognized item | Category | September 30, | December 31, | September 30, |
|------------------------|-----------------------|----------------------|---------------------|----------------------|
| | | 2024 | 2023 | 2023 |
| Accounts receivable | Associates | \$ 30,121 | 40,716 | 22,006 |
| | Other related parties | - | 114 | 33 |
| | | \$ 30,121 | 40,830 | 22,039 |
| Other receivables | Associate-ATB | \$ 4,342 | 3,341 | 3,288 |

The information about the expected credit losses for notes receivable and accounts receivable, please refer to Note 6(c).

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(d) Key management personnel compensation

Key management personnel compensation comprised:

| | For the three months ended | | For the nine months ended | |
|---|-----------------------------------|---------------|----------------------------------|---------------|
| | September 30, | | September 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Salaries and other short-term employee benefits | \$ 28,893 | 22,195 | 67,454 | 55,268 |
| Post-employment benefits | 561 | 281 | 1,169 | 797 |
| | \$ 29,454 | 22,476 | 68,623 | 56,065 |

(8) **Assets pledged as security:**

The carrying amounts of pledged assets were as follows:

| Pledged asset | Object | September 30, | December 31, | September 30, |
|------------------------------------|------------------------------------|----------------------|---------------------|----------------------|
| | | 2024 | 2023 | 2023 |
| Other financial assets-non-current | Guarantee for provision attachment | \$ 149,380 | 149,380 | 149,380 |

(9) **Significant commitments and contingencies:**

(a) The Group's unfinished contracts as of September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

| | September 30, | December 31, | September 30, |
|--|----------------------|---------------------|----------------------|
| | 2024 | 2023 | 2023 |
| Total price of unfinished contracts | | | |
| Purchase of equipment and construction engineering | \$ 30,496 | 55,220 | 57,825 |
| Acquisition of intangible assets | 431,948 | 393,122 | 398,181 |
| Research and development service | 88,835 | 118,745 | 118,745 |
| Purchase of raw materials | 108,002 | 103,011 | 104,478 |
| Unpaid amount | | | |
| Purchase of equipment and construction engineering | \$ 11,425 | 39,366 | 39,942 |
| Acquisition of intangible assets | 344,098 | 315,588 | 340,629 |
| Research and development service | 20,233 | 43,505 | 43,739 |
| Purchase of raw materials | 29,672 | 28,786 | 30,253 |

(b) As of September 30, 2024, December 31, 2023, and September 30, 2023, the financial institutions provided guarantee for the import and sale of medicine amounted to \$33,802 thousand, \$91,205 thousand and \$74,883 thousand, respectively.

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- (c) On May 8, 2017, the Group signed a joint venture contract with 2-BBB MEDICINES BV (2-BBB) to jointly establish EnhanceX. However, a dispute arose between the two parties, wherein 2-BBB claimed that the Group has breached the contract, hence, filed an arbitration request for compensation to the Chinese Arbitration Association, Taipei on May 23, 2024. This case is still in progress.
- (d) After being notified of certain improper activities of Huan-Lei Biotechnology Ltd. (“Huan-Lei”), the Company’s distribution partner, the Company voluntarily informed the Criminal Investigation Bureau (CIB) about the matter for further investigation. During the investigation, Taiwan Shilin District Prosecutors Office found that TTY’s payments totaling NTD\$53,900 thousand to third parties, made out of Huan-Lei’s request, should be considered Huan-Lei’s illegal gains and therefore issued a letter to the Company on December 25, 2023, requesting return of said illegal gains. After consultation with external lawyers explaining about the complexity of the dispute that has yet to be tried, the Company evaluated the probability of filing claims for return of the sum, claims against wrongdoers and relief, and set aside a reserve for the partial loss in December 2023. On April 18, 2024, Taiwan Shilin District Prosecutors Office charged Shih, Chun Liang and other parties who are involved in the case. This case is currently under trial at Taiwan Shilin District Court.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

- (a) A summary of current-period employee benefits, depreciation and amortization expenses, by function, was as follows:

| By item | By function | | | | | |
|----------------------------|--|-------------------|---------|----------------|-------------------|---------|
| | For the three months ended September 30, | | | | | |
| | 2024 | | | 2023 | | |
| | Operating Cost | Operating expense | Total | Operating Cost | Operating expense | Total |
| Employee benefit | | | | | | |
| Salary | \$ 65,896 | 186,271 | 252,167 | 60,875 | 165,670 | 226,545 |
| Health and labor insurance | 5,362 | 12,524 | 17,886 | 5,084 | 11,858 | 16,942 |
| Pension | 2,914 | 7,908 | 10,822 | 2,726 | 6,607 | 9,333 |
| Others | 5,478 | 22,734 | 28,212 | 4,459 | 15,342 | 19,801 |
| Depreciation expense | 31,408 | 8,594 | 40,002 | 30,048 | 9,073 | 39,121 |
| Amortization expense | 7,311 | 4,845 | 12,156 | 2,906 | 7,464 | 10,370 |

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| By function By item | For the nine months ended September 30, | | | | | |
|----------------------------|---|-------------------|---------|----------------|-------------------|---------|
| | 2024 | | | 2023 | | |
| | Operating Cost | Operating expense | Total | Operating Cost | Operating expense | Total |
| Employee benefit | | | | | | |
| Salary | \$ 190,290 | 553,942 | 744,232 | 185,036 | 509,270 | 694,306 |
| Health and labor insurance | 17,485 | 39,044 | 56,529 | 17,452 | 37,482 | 54,934 |
| Pension | 9,712 | 23,042 | 32,754 | 9,369 | 20,895 | 30,264 |
| Others | 11,290 | 56,451 | 67,741 | 9,375 | 45,047 | 54,422 |
| Depreciation expense | 90,895 | 25,328 | 116,223 | 89,268 | 26,840 | 116,108 |
| Amortization expense | 14,395 | 14,828 | 29,223 | 13,453 | 22,165 | 35,618 |

- (b) The Group donated \$148,211 thousand and \$74,466 thousand to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage for the nine months ended September 30, 2024 and 2023, respectively.
- (c) With regard to the ex-chairman of the Company, Rong-Jin Lin (Mr. Lin), for his offense of aggravated breach of trust under the Securities and Exchange Act that has been put on trial several times, on December 23, 2021, the Supreme Court handed his case back to the Taiwan High Court for retrial, wherein it was still in progress as of the reporting date. On the other hand, on September 6, 2017, the relevant incidental civil action was later transferred to the civil court for further trial as a different case.
- (d) On May 31, 2016, the Company filed a claim against Inopha AG (Inopha) in the Cantonal Court of Zug, Switzerland, requesting that all 13 license agreements between the Company and Inopha be declared null and void, and further requesting that Inopha return all benefits received from the 13 agreements. The case is still in progress at Cantonal Court of Zug in Switzerland.
- (e) On May 30, 2016, Janssen Pharmaceutica NV (Janssen) filed a request for arbitration with the WIPO Arbitration and Mediation Center, at the Company's request, to confirm whether the monies incurred from the agreement in dispute belong to the Company or Inopha. The case was suspended. As of September 30, 2024, the monies incurred from the agreement in dispute in the amount of \$21,456 thousand euros have been deposited into the escrow account by Janssen.
- (f) With regards to the dispute on the Risperidone Development Contract entered into between the Company and Center Laboratories, Inc. (referred to as the CLI), the Company considered that the signing of the said contract did not comply with the relevant procedures and legal requirements, and should therefore be deemed invalid. However, CLI disagreed with the Company's viewpoint and filed a civil lawsuit against the Company in the Taipei District Court on July 1, 2016, seeking for declaratory judgment of the said contract. The case has been appealed for several times, and on May 18, 2023, the Supreme Court had reversed the High Court's ruling and remanded the case to Taiwan High Court.

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- (g) On February 28, 2020, the Company filed a civil lawsuit to the Labor Court Dresden of Germany against Denis Optiz, the beneficiary owner of Inopha AG. The case is still in progress at Labor Court Dresden of Germany.
- (h) On May 14, 2021, the Company was penalized by the Fair Trade Commission for concerted action due to the agreement it entered into with Lotus Pharmaceutical Co., Ltd. on February 4, 2009 regarding the exclusive right to sell “Furil Capsules”. On July 12, 2021, the Company filed a complaint with the Taipei High Administrative Court to revoke the above penalty. The case is being heard by the Taipei High Administrative Court.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Group significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the nine months ended September 30, 2024:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollar)

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|------------------------|--|---------------------------|--|--------------------------|----------------|-----------------------------|------------|------|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| The Company | ExoOne Bio. Co., Ltd. Common Stock | - | Financial assets measured at fair value through other comprehensive income–non-current | 700 | 11,992 | 5.94 % | 11,992 | |
| TSH Biopharm Co., Ltd. | Lumosa Therapeutics Co., Ltd. Common Stock | - | Financial assets measured at fair value through other comprehensive income– current | 297 | 98,307 | 0.18 % | 98,307 | |
| " | Fubon Financial Holding Co., Ltd. Preferred Shares B | - | Financial assets measured at fair value through other comprehensive income–non-current | 2,500 | 150,000 | 0.38 % | 150,000 | |
| " | Union Bank of Taiwan Preferred Shares A | - | " | 400 | 20,960 | 0.20 % | 20,960 | |
| " | Fubon Financial Holding Co., Ltd. Preferred Shares C | - | " | 58 | 3,032 | 0.02 % | 3,032 | |
| " | CellMax Ltd. Common Stock | - | " | 1,593 | 9,017 | - % | 9,017 | |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollar)

| Name of company | Category and name of security | Account name | Name of counter-party | Relationship with the company | Beginning Balance | | Purchases | | Sales | | | | Ending Balance | |
|------------------------|--|---|---|-------------------------------|-------------------|--------|-----------|---------|--------|---------|--------|-------------------------|----------------|-----------------|
| | | | | | Shares | Amount | Shares | Amount | Shares | Price | Cost | Gain (loss) on disposal | Shares | Amount |
| TSH Biopharm Co., Ltd. | TOP Pharm Medicalware Co., Ltd. | Investments accounted for using the equity method, net (Note 1) | Kao Tuan International Consultanting Co., Ltd. and 13 other parties | - | - | - | 2,157 | 257,121 | - | - | - | - | 2,157 | 266,972 |
| " | TOP Biological Technology Company Limited | " | Kao Tuan International Consultanting Co., Ltd. and 6 other parties | - | - | - | 510 | 44,330 | - | - | - | - | 510 | 46,270 |
| " | Lumosa Therapeutics Co., Ltd. Common Stock | Financial asset measured at fair value through other comprehensive income—current | - | - | 1,160 | 79,228 | - | - | 863 | 221,121 | 12,945 | 208,176 | 297 | 98,307 (Note 2) |

Note1: Both subsidiaries were eliminated when preparing the consolidated financial statements.

Note 2: The ending balance is measured at the fair value.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollar)

| Name of company | Related party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/Accounts receivable (payable) | | Note |
|-----------------------------|------------------------------------|------------------------|---------------------|-----------|---------------------------------------|---------------|---|-------------------------------|-------------------------------------|---|------|
| | | | Purchase/Sale | Amount | Percentage of total purchases/(sales) | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| The Company | Chuang Yi Biotech Co., Ltd. | The subsidiary | Sale | (147,106) | (4.34)% | 90 days T/T | Normal | No different to other client | 111,038 | 9.50% | |
| The Company | America Taiwan Biopharm (Thailand) | Associates | Sale | (106,503) | (3.15)% | 90 days T/T | Normal | No different to other client | 30,121 | 2.58% | |
| Chuang Yi Biotech Co., Ltd. | The Company | The parent company | Purchase | 147,106 | 94.82% | 90 days T/T | Normal | No different to other vendors | (111,038) | (97.78)% | |

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period | Allowance for bad debts |
|-----------------|-----------------------------|------------------------|----------------|---------------|---------|--------------|---------------------------------------|-------------------------|
| | | | | | Amount | Action taken | | |
| The Company | Chuang Yi Biotech Co., Ltd. | Subsidiary | 111,038 | 2.63% | - | | 1,245 | - |

(ix) Information regarding trading in derivative financial instruments: None

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(x) Significant transactions and business relationship between the parent company and its subsidiaries:

(In Thousands of New Taiwan Dollars)

| No. | Name of company | Name of counter-party | Nature of relationship | Intercompany transactions | | | |
|-----|------------------------------------|--|------------------------|---------------------------|---------|---------------|--|
| | | | | Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets |
| 0 | The Company | Worldco International Co., Ltd. | 1 | Royalty revenue | 20,321 | By contract | 0.49% |
| 0 | " | TSH Biopharm Co., Ltd. | 1 | Sales revenue | 57,417 | " | 1.37% |
| 0 | " | " | 1 | Commission expense | 2,815 | " | 0.07% |
| 0 | " | " | 1 | Other income | 3,447 | " | 0.08% |
| 0 | " | " | 1 | Other gains and losses | 3,855 | " | 0.09% |
| 0 | " | " | 1 | Accounts receivable | 4,894 | " | 0.05% |
| 0 | " | " | 1 | Other receivables | 2,087 | " | 0.02% |
| 0 | " | American Taiwan Biopharma Philippines Inc. | 1 | Sales revenue | 2,760 | " | 0.07% |
| 0 | " | " | 1 | Accounts receivable | 3,703 | " | 0.03% |
| 0 | " | " | 1 | Other receivables | 5,026 | " | 0.05% |
| 0 | " | Chuang Yi Biotech Co., Ltd. | 1 | Sales revenue | 147,106 | " | 3.52% |
| 0 | " | " | 1 | Commission expense | 1,649 | " | 0.04% |
| 0 | " | " | 1 | Other gains and losses | 4,910 | " | 0.12% |
| 0 | " | " | 1 | Accounts receivable | 111,038 | " | 1.04% |
| 0 | " | " | 1 | Other payables | 1,649 | " | 0.02% |
| 0 | " | TOP Pharm Medicalware Co., Ltd. | 1 | Commission expense | 1,262 | " | 0.03% |
| 0 | " | " | 1 | Other payables | 1,262 | " | 0.01% |
| 1 | TSH Biopharm Co., Ltd | " | 3 | Sales revenue | 42,940 | " | 1.03% |
| 1 | " | " | 3 | Notes receivable | 6,819 | " | 0.06% |
| 1 | " | " | 3 | Accounts receivable | 7,291 | " | 0.07% |
| 2 | TOP Biological Technology Co., Ltd | " | 3 | Accounts receivable | 12,217 | " | 0.11% |
| 2 | " | " | 3 | Sales revenue | 32,329 | " | 0.77% |

Note 1): The numbering is as follows:

1. "0" represents the parent company.
2. Subsidiaries are sequentially numbered from 1 by company.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2): The types of transaction between the parent company and subsidiaries are as follows:

1. Transactions from parent company to subsidiary.
2. Transactions from subsidiary to parent company.
3. Transactions between subsidiaries.

Note 3): The transactions have been eliminated in the consolidated financial statements.

Note 4): The related-party transactions less than NT\$1,000 thousand were not disclosed, and so were the relative transactions.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollar)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of September 30, 2024 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|--------------------------------------|---------------------------------------|-------------|------------------------------|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|---|
| | | | | September 30, 2024 | December 31, 2023 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| The Company | Xudong Haipu International Co., Ltd. | Cayman Is. | Investing activities | 14,542 | 303,998 | 1,454 | 100.00 % | 1,232,431 | 44,794 | 44,794 | Subsidiary |
| The Company | Worldco International Co., Ltd. | Hong Kong | Selling chemical medicine | 15,825 | 15,825 | 3,960 | 100.00 % | 133,205 | (1,878) | (1,878) | Subsidiary |
| The Company | American Taiwan Biopharma Philippines | Philippines | Selling chemical medicine | 32,904 | 32,904 | 481 | 87.00 % | (4,688) | 314 | 273 | Subsidiary |
| The Company | TSH Biopharm Co., Ltd. | Taiwan | Selling chemical medicine | 227,449 | 227,449 | 21,687 | 56.48 % | 787,417 | 103,483 | 58,460 | Subsidiary |
| The Company | EnhancX Biopharm Inc. | Taiwan | Developing chemical medicine | 50,000 | 50,000 | 5,000 | 20.83 % | 383 | (786) | (164) | Subsidiary |
| The Company | Chuang Yi Biotech Co., Ltd. | Taiwan | Selling functional food | 250,951 | 250,951 | 7,432 | 23.12 % | 29,815 | 11,385 | 2,632 | Subsidiary |
| The Company | PharmaEngine, Inc. | Taiwan | Developing chemical medicine | 536,559 | 536,559 | 25,867 | 18.00 % | 880,933 | 332,765 | 59,897 | Investments accounted for using equity method |
| The Company | American Taiwan Biopharm | Thailand | Selling chemical medicine | 2,966 | 2,966 | 380 | 40.00 % | 435,949 | 99,984 | 39,994 | Investments accounted for using equity method |
| The Company | Gligio International Limited | Hong Kong | Selling chemical medicine | 2,685 | 2,685 | 620 | 40.00 % | 126,832 | 55,140 | 22,056 | Investments accounted for using equity method |
| Xudong Haipu International Co., Ltd. | EnhancX Biopharm Inc. | Taiwan | Developing chemical medicine | 70,000 | 70,000 | 7,000 | 29.17 % | 12,377 | (786) | (229) | Subsidiary |
| Xudong Haipu International Co., Ltd. | TTY Biopharm Korea Co., Ltd. | Korea | Selling chemical medicine | 59,404 | 59,404 | 449 | 100.00 % | 4,614 | (6,722) | (6,722) | Subsidiary |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of September 30, 2024 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|--------------------------------------|-------------------------------------|-------------|---|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|------------|
| | | | | September 30, 2024 | December 31, 2023 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| Xudong Haipu International Co., Ltd. | TTY Biopharm Mexico S.A. de C.V. | Mexico | Selling chemical medicine | 26,638 | 26,638 | 17,500 | 50.00 % | - | (2,838) | (1,419) | Subsidiary |
| Worldco International Co., Ltd. | TTY Biopharm Mexico S.A. de C.V. | Mexico | Selling chemical medicine | 26,638 | 26,638 | 17,500 | 50.00 % | - | (2,838) | (1,419) | Subsidiary |
| Enhax Biopharm Inc. | Enhax Biopharm B.V. | Netherlands | Developing chemical medicine | 3,538 | 3,538 | 100 | 100.00 % | 299 | (839) | (839) | Subsidiary |
| TSH Biopharm Co., Ltd. | Chuang Yi Biotech Co., Ltd. | Taiwan | Selling functional food | 200,262 | 200,262 | 16,590 | 51.60 % | 175,044 | 11,385 | 5,875 | Subsidiary |
| TSH Biopharm Co., Ltd. | TOP Pharm Medicalware Co., Ltd. | Taiwan | Selling chemical medicine | 257,121 | - | 2,157 | 51.00 % | 266,972 | 26,190 | 11,707 | Subsidiary |
| TSH Biopharm Co., Ltd. | TOP Biological Technology Co., Ltd. | Taiwan | Selling chemical medicine | 44,330 | - | 510 | 51.00 % | 46,270 | 4,711 | 1,940 | Subsidiary |
| Chuang Yi Biotech Co., Ltd. | Immortal Fame Global Ltd. | Samoa | Import and export trading and investment activities | 16,820 | 16,820 | 568 | 100.00 % | 2,070 | (186) | (186) | Subsidiary |

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands)

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment (Note 1) | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows | | Accumulated outflow of investment from Taiwan as of September 30, 2024 | Net income (losses) of the investee | Percentage of ownership | Investment income (losses) (Note 2) | Book value | Accumulated remittance of earnings in current period |
|---|------------------------------|---------------------------------|-------------------------------|---|------------------|--------|--|-------------------------------------|-------------------------|-------------------------------------|------------|--|
| | | | | | Outflow | Inflow | | | | | | |
| Worldco Biotech Pharmaceutical Ltd. (Chengdu) | Selling chemical medicine | 53,824 | (2) | 91,048 | - | - | 91,048 | 529 | 100 % | 529 | 52,760 | - |
| | | CNY 11,900 | | CNY 20,130 | | | CNY 20,130 | CNY 119 | | CNY 119 | CNY 11,665 | |
| Chuang Yi (Shanghai) Trading Co., Ltd. | Selling functional food | 15,825 | (2) | 15,825 | - | - | 15,825 | (191) | 100 % | (191) | 2,028 | - |
| | | USD 500 | | USD 500 | | | USD 500 | CNY (43) | | CNY (43) | CNY 448 | |

The exchange rate of USD to NTD as of the reporting date was 1:31.6500, and the average exchange rate of USD to NTD for the reporting period was 1:32.0242.

The exchange rate of CNY to NTD as of the reporting date was 1:4.5230, and the average exchange rate of CNY to NTD for the reporting period was 1:4.4462.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1): Investment methods are classified into the following four categories.

1. Remittance from third-region companies to invest in Mainland China.
2. Through the establishment of third-region companies, then investing in Mainland China.
3. Through transfer of investment to third-region existing companies, then investing in Mainland China.
4. Others.

Note 2): The amounts are presented in New Taiwan Dollar. Recognized investment gain (loss) and the carrying value of investment as of the reporting date in foreign currencies were translated based on the average exchange rate during the reporting period and the exchange rate at the reporting date, respectively.

(ii) Limitation on investment in Mainland China:

| Accumulated Investment in Mainland China as of September 30, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---|--|---------------------------|
| NTD 106,873 | NTD 1,494,766 (USD 47,228) | NTD 3,725,933 |

(iii) Significant transactions: None

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Major shareholders:

| Shareholder's Name | Shareholding | Shares | Percentage |
|----------------------------------|--------------|------------|------------|
| Dawan Technology Company Limited | | 23,526,732 | 9.46 % |

(14) Segment information:

(a) General information

The Group's operating segments required to be disclosed are categorized as Oncology Business Unit, Intensive Care Business Unit, Healthcare Business Unit, Export and CDMO Business Unit, and Re-investment Business Unit, etc. The Group has other operating segments that are below the quantitative criteria located in the Logistics business Unit.

The segments' profit is measured at profit before tax. The Group assesses performance of the segments based on the segments' profit. The operating segments' accounting policies are similar to those described in Note 4 "significant accounting policies".

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

The Group's operating segment information and reconciliation were as follows:

| For the three months ended September 30, 2024 | Oncology Business Unit | Intensive Care Business Unit | Healthcare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Adjustment and elimination | Total |
|--|---------------------------|---------------------------------------|--------------------------------|-------------------------------------|---------------------------|--------------------------------|----------------------------------|------------------|
| Revenue: | | | | | | | | |
| Revenue from external customers | \$ 589,752 | 279,411 | 46,303 | 230,398 | - | 387,600 | - | 1,533,464 |
| Intersegment revenues | - | 94,000 | 11,751 | 18,636 | - | 39,742 | (164,129) | - |
| Total revenue | <u>\$ 589,752</u> | <u>373,411</u> | <u>58,054</u> | <u>249,034</u> | <u>-</u> | <u>427,342</u> | <u>(164,129)</u> | <u>1,533,464</u> |
| Reportable segment profit or loss | <u>\$ 248,714</u> | <u>130,681</u> | <u>39,655</u> | <u>48,444</u> | <u>(68,959)</u> | <u>85,963</u> | <u>(34,933)</u> | <u>449,565</u> |
| For the three months ended September 30, 2023 | | | | | | | | |
| Revenue: | | | | | | | | |
| Revenue from external customers | \$ 581,353 | 262,697 | 47,411 | 231,551 | 38,863 | 271,005 | - | 1,432,880 |
| Intersegment revenues | 5,182 | 97,999 | 21,045 | 21,064 | - | 751 | (146,041) | - |
| Total revenue | <u>\$ 586,535</u> | <u>360,696</u> | <u>68,456</u> | <u>252,615</u> | <u>38,863</u> | <u>271,756</u> | <u>(146,041)</u> | <u>1,432,880</u> |
| Reportable segment profit or loss | <u>\$ 268,443</u> | <u>133,840</u> | <u>30,466</u> | <u>104,398</u> | <u>(51,620)</u> | <u>48,547</u> | <u>(28,004)</u> | <u>506,070</u> |
| For the nine months ended September 30, 2024 | | | | | | | | |
| Revenue: | | | | | | | | |
| Revenue from external customers | \$ 1,713,092 | 800,621 | 138,699 | 672,426 | 32,345 | 824,537 | - | 4,181,720 |
| Intersegment revenues | 20,321 | 94,563 | 52,543 | 60,475 | - | 80,032 | (307,934) | - |
| Total revenue | <u>\$ 1,733,413</u> | <u>895,184</u> | <u>191,242</u> | <u>732,901</u> | <u>32,345</u> | <u>904,569</u> | <u>(307,934)</u> | <u>4,181,720</u> |
| Reportable segment profit or loss | <u>\$ 772,636</u> | <u>306,629</u> | <u>111,294</u> | <u>155,536</u> | <u>(218,832)</u> | <u>164,736</u> | <u>(74,864)</u> | <u>1,217,135</u> |

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| For the nine months ended September 30, 2023 | Oncology Business Unit | Intensive Care Business Unit | HealthCare Business Unit | Export and CDMO Business Unit | Other Business Unit | Re-investment Business Unit | Adjustment and elimination | Total |
|---|-----------------------------------|---|---|--|------------------------------------|--|---|-------------------|
| Revenue: | | | | | | | | |
| Revenue from external customers | \$ 1,740,596 | 759,757 | 146,505 | 568,535 | 58,072 | 587,310 | - | 3,860,775 |
| Intersegment revenues | 32,707 | 97,999 | 48,731 | 63,011 | 400 | 1,827 | (244,675) | - |
| Total revenue | <u>\$ 1,773,303</u> | <u>857,756</u> | <u>195,236</u> | <u>631,546</u> | <u>58,472</u> | <u>589,137</u> | <u>(244,675)</u> | <u>3,860,775</u> |
| Reportable segment profit or loss | <u>\$ 843,120</u> | <u>304,014</u> | <u>101,614</u> | <u>134,623</u> | <u>(218,085)</u> | <u>76,824</u> | <u>(49,686)</u> | <u>1,192,424</u> |
| Reportable segment assets | | | | | | | | |
| Balance on September 30, 2024 | <u>\$ 1,257,579</u> | <u>775,660</u> | <u>658,639</u> | <u>1,814,508</u> | <u>5,225,058</u> | <u>3,279,647</u> | <u>(2,366,369)</u> | <u>10,644,722</u> |
| Balance on December 31, 2023 | <u>\$ 1,390,277</u> | <u>425,485</u> | <u>603,057</u> | <u>1,765,255</u> | <u>5,052,413</u> | <u>2,958,023</u> | <u>(2,319,601)</u> | <u>9,874,909</u> |
| Balance on September 30, 2023 | <u>\$ 1,403,236</u> | <u>696,520</u> | <u>590,277</u> | <u>1,686,802</u> | <u>4,911,639</u> | <u>3,187,790</u> | <u>(2,519,393)</u> | <u>9,956,871</u> |