

**TTY BIOPHARM COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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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 March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, 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 6(e), the investments accounted for using the equity method of TTY Biopharm Company Limited and its subsidiaries amounting to \$597,419 thousand and \$500,587 thousand as of March 31, 2025 and 2024, respectively, and the related share of profit amounting to \$20,869 thousand and \$16,303 thousand for the three months and three 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024, 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 \$1,154,688 thousand and \$874,396 thousand, constituting 10.52% and 8.68% of consolidated total assets as of March 31, 2025 and 2024, respectively, and the related share of profit of associates accounted for using the equity method amounted to \$18,415 thousand and \$14,710 thousand, constituting , 3.57% and 4.00% of consolidated total profit before tax.

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)
May 14, 2025

Notes to Readers

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

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(a), (f) and (t))	\$ 2,847,624	26	2,772,615	25	2,729,275	27	2100	Short-term borrowings (notes 6(k) and (t))	\$ 1,000,000	9	1,200,000	11	1,250,000	13
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	54,835	-	77,015	1	206,480	2	2130	Contract liabilities-current (note 6(q))	35,523	-	34,340	-	18,638	-
1150	Notes receivable, net (notes 6(c), (f) and (t))	23,376	-	22,847	-	32,168	-	2150	Notes payable (notes 6(f) and (t))	30,993	-	50,399	-	56,916	1
1170	Accounts receivable, net (notes 6(c), (f) and (t))	1,242,142	11	1,323,440	12	1,149,114	12	2170	Accounts payable (notes 6(f) and (t))	132,765	1	275,759	3	184,802	2
1180	Accounts receivable due from related parties, net (notes 6(c), (t) and 7)	6,957	-	7,385	-	34,653	-	2216	Dividends payable (note 6(t))	1,044,330	10	-	-	870,275	9
1200	Other receivables, net (notes 6(t) and 7)	55,985	1	23,181	-	31,495	-	2219	Other payables (notes 6(r) and (t))	590,404	5	649,139	6	540,554	5
130X	Inventories (notes 6(d), (f) and 9)	1,209,068	11	1,270,007	12	1,091,863	11	2230	Current tax liabilities (note 6(f))	336,319	3	228,802	2	230,238	2
1410	Prepayments	70,684	1	57,911	1	90,749	1	2280	Current lease liabilities (notes 6(f) and (t))	2,286	-	930	-	5,230	-
1476	Other current financial assets (notes 6(f), (j) and (t))	332,000	3	232,000	2	202,000	2	2300	Other current liabilities (note 6(f))	23,414	-	23,040	-	26,442	-
1470	Other current assets (note 6(j))	22,663	-	6,667	-	10,467	-	2320	Long-term liabilities, current portion (notes 6(l) and (t))	400,000	4	400,000	4	-	-
		<u>5,865,334</u>	<u>53</u>	<u>5,793,068</u>	<u>53</u>	<u>5,578,264</u>	<u>55</u>			<u>3,596,034</u>	<u>32</u>	<u>2,862,409</u>	<u>26</u>	<u>3,183,095</u>	<u>32</u>
Non-current assets:								Non-current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	202,227	2	198,205	2	195,226	2	2540	Long-term borrowings (notes 6(l) and (t))	100,000	1	100,000	1	400,000	4
1550	Investments accounted for using the equity method, net (note 6(e))	1,752,107	16	1,719,819	16	1,374,983	14	2570	Deferred tax liabilities	359,240	3	359,239	3	318,745	3
1600	Property, plant and equipment (notes 6(f), (h) and 9)	2,201,881	20	2,235,004	21	2,268,541	23	2580	Non-current lease liabilities (notes 6(f) and (t))	9,471	-	10,199	-	2,223	-
1755	Right-of-use assets (note 6(f))	11,730	-	11,116	-	7,367	-	2640	Net defined benefit liability, non-current	17,435	-	17,539	-	27,153	-
1760	Investment property, net	132,291	1	132,194	1	132,893	1	2645	Guarantee deposits received (note 6(t))	2,436	-	2,440	-	2,431	-
1780	Intangible assets (notes 6(f), (i) and 9)	433,981	4	371,341	3	153,007	2	2670	Other non-current liabilities (note 6(t))	-	-	-	-	19,600	-
1840	Deferred tax assets (note 6(n))	58,528	1	58,523	1	48,719	-			<u>488,582</u>	<u>4</u>	<u>489,417</u>	<u>4</u>	<u>770,152</u>	<u>7</u>
1915	Prepayments for business facilities	44,872	-	40,233	-	15,620	-		Total liabilities	<u>4,084,616</u>	<u>36</u>	<u>3,351,826</u>	<u>30</u>	<u>3,953,247</u>	<u>39</u>
1920	Refundable deposits paid (note 6(t))	31,305	-	30,463	-	45,750	-	Equity attributable to owners of parent (note 6(o)):							
1984	Other non-current financial assets (notes 6(j), (t) and 8)	176,756	2	176,817	2	177,274	2	3100	Share capital	2,486,500	23	2,486,500	23	2,486,500	25
1990	Other non-current assets (notes 6(f), (j) and 9)	61,624	1	95,983	1	76,462	1	3200	Capital surplus (note 6(e))	317,184	3	317,036	3	316,866	3
		<u>5,107,302</u>	<u>47</u>	<u>5,069,698</u>	<u>47</u>	<u>4,495,842</u>	<u>45</u>	3310	Legal reserve	1,499,516	14	1,499,516	14	1,389,227	14
								3320	Special reserve	198,071	2	198,071	2	198,071	2
								3350	Unappropriated retained earnings	1,537,360	14	2,190,637	20	1,005,205	10
								3400	Other equity interest	79,560	1	58,688	1	90,463	1
									Equity attributable to owners of parent:	6,118,191	57	6,750,448	63	5,486,332	55
								36XX	Non-controlling interests (notes 6(g) and (o))	769,829	7	760,492	7	634,527	6
									Total equity	<u>6,888,020</u>	<u>64</u>	<u>7,510,940</u>	<u>70</u>	<u>6,120,859</u>	<u>61</u>
Total assets		<u>\$ 10,972,636</u>	<u>100</u>	<u>10,862,766</u>	<u>100</u>	<u>10,074,106</u>	<u>100</u>	Total liabilities and equity		<u>\$ 10,972,636</u>	<u>100</u>	<u>10,862,766</u>	<u>100</u>	<u>10,074,106</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 ended March 31, 2025 and 2024

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

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q) and 7)	\$ 1,458,850	100	1,273,605	100
5000	Operating costs (notes 6(d), (m) and 12)	<u>574,396</u>	<u>39</u>	<u>500,746</u>	<u>39</u>
	Gross profit	884,454	61	772,859	61
5910	Less: Unrealized profit (loss) from sales	12,976	1	15,429	1
5920	Add: Realized profit (loss) from sales	<u>12,053</u>	<u>-</u>	<u>13,490</u>	<u>1</u>
	Gross profit, net	<u>883,531</u>	<u>60</u>	<u>770,920</u>	<u>61</u>
6000	Operating expenses (notes (m), (r) and 12):				
6100	Selling expenses	318,937	22	271,110	21
6200	Administrative expenses	103,529	7	104,458	8
6300	Research and development expenses	48,919	3	84,880	7
6450	Expected credit losses (note 6(c))	<u>1</u>	<u>-</u>	<u>571</u>	<u>-</u>
	Total operating expenses	<u>471,386</u>	<u>32</u>	<u>461,019</u>	<u>36</u>
	Net operating income	<u>412,145</u>	<u>28</u>	<u>309,901</u>	<u>25</u>
	Non-operating income and expenses (note 6(s)):				
7100	Interest income	17,991	1	19,542	2
7010	Other income	2,875	-	2,640	-
7020	Other gains and losses, net	51,644	4	12,322	1
7050	Finance costs, net	(8,343)	(1)	(7,364)	(1)
7060	Share of profit of associates accounted for using the equity method, net (note 6(e))	<u>39,284</u>	<u>3</u>	<u>31,013</u>	<u>2</u>
7055	Total non-operating income and expenses	<u>103,451</u>	<u>7</u>	<u>58,153</u>	<u>4</u>
	Profit before tax	515,596	35	368,054	29
7950	Less: Income tax expenses (note 6(n))	<u>107,514</u>	<u>7</u>	<u>73,328</u>	<u>6</u>
	Profit for the period	<u>408,082</u>	<u>28</u>	<u>294,726</u>	<u>23</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(18,158)	(1)	128,011	10
8320	Share of other comprehensive (losses) income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(925)	-	1,733	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive (losses) income that will not be reclassified to profit or loss	<u>(19,083)</u>	<u>(1)</u>	<u>129,744</u>	<u>10</u>
8360	Components of other comprehensive income (losses) that will be reclassified to profit or loss				
8361	Exchange differences on translation	31,759	2	60,251	5
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income loss that will be reclassified to profit or loss	<u>31,759</u>	<u>2</u>	<u>60,251</u>	<u>5</u>
8300	Other comprehensive income	<u>12,676</u>	<u>1</u>	<u>189,995</u>	<u>15</u>
	Total comprehensive income for the period	<u>\$ 420,758</u>	<u>29</u>	<u>484,721</u>	<u>38</u>
	Profit attributable to:				
8610	Owners of parent	\$ 391,096	27	280,771	22
8620	Non-controlling interests	<u>16,986</u>	<u>1</u>	<u>13,955</u>	<u>1</u>
		<u>\$ 408,082</u>	<u>28</u>	<u>294,726</u>	<u>23</u>
	Comprehensive income attributable to:				
	Owners of parent	\$ 411,686	28	415,019	33
	Non-controlling interests	<u>9,072</u>	<u>1</u>	<u>69,702</u>	<u>5</u>
		<u>\$ 420,758</u>	<u>29</u>	<u>484,721</u>	<u>38</u>
	Earnings per share, net of tax (note 6(p))				
9750	Basic earnings per share	<u>\$ 1.57</u>		<u>1.13</u>	
9850	Diluted earnings per share	<u>\$ 1.57</u>		<u>1.13</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 Changes in Equity
For the three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital					Total other equity interest					
						Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					Total other equity interest
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation					
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	-	-	-	-	280,771	-	-	-	280,771	13,955	294,726
Other comprehensive income	-	-	-	-	-	60,215	74,033	134,248	134,248	55,747	189,995
Total comprehensive income	-	-	-	-	280,771	60,215	74,033	134,248	415,019	69,702	484,721
Appropriation and distribution of retained earnings:											
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	-	83	-	-	-	-	-	-	83	-	83
Other changes in capital surplus	-	134	-	-	-	-	-	-	134	-	134
Changes in ownership interests in subsidiaries	-	31	-	-	-	-	-	-	31	23	54
Balance at March 31, 2024	\$ 2,486,500	316,866	1,389,227	198,071	1,005,205	(15,277)	105,740	90,463	5,486,332	634,527	6,120,859
Balance at January 1, 2025	\$ 2,486,500	317,036	1,499,516	198,071	2,190,637	31,316	27,372	58,688	6,750,448	760,492	7,510,940
Net income	-	-	-	-	391,096	-	-	-	391,096	16,986	408,082
Other comprehensive income	-	-	-	-	-	31,771	(11,181)	20,590	20,590	(7,914)	12,676
Total comprehensive income	-	-	-	-	391,096	31,771	(11,181)	20,590	411,686	9,072	420,758
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(1,044,330)	-	-	-	(1,044,330)	-	(1,044,330)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	25	-	-	-	-	-	-	25	-	25
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	282	-	282	282	180	462
Changes in ownership interests in subsidiaries	-	123	-	-	(43)	-	-	-	80	85	165
Balance at March 31, 2025	\$ 2,486,500	317,184	1,499,516	198,071	1,537,360	63,369	16,191	79,560	6,118,191	769,829	6,888,020

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 three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar)

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 515,596	368,054
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	39,152	37,120
Amortization expenses	5,364	11,930
Expected credit losses	1	571
Interest expenses	8,343	7,364
Interest income	(17,991)	(19,542)
Shares of profit of investments accounted for using the equity method	(39,284)	(31,013)
Losses on disposal of property, plant and equipment	(99)	(250)
Reversal of impairment loss on property, plant and equipment	-	(2,000)
Gain on disposal of investments accounted for using equity method	(946)	-
Unrealized profit from sales	12,976	15,429
Realized profit from sales	(12,053)	(13,490)
Total adjustments to reconcile (loss) profit	(4,537)	6,119
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(529)	1,273
Accounts receivable	82,199	126,129
Other receivables	(14,750)	(2,764)
Inventories	60,987	4,251
Prepayments and other current assets	(30,575)	(15,954)
Total changes in operating assets	97,332	112,935
Changes in operating liabilities:		
Contract liabilities	1,192	4,335
Notes payable	(19,407)	(13,020)
Accounts payable	(143,128)	(53,894)
Other payable	(59,350)	(105,300)
Other current liabilities	250	10,052
Net defined benefit liability	(104)	(250)
Total changes in operating liabilities	(220,547)	(158,077)
Total changes in operating assets and liabilities	(123,215)	(45,142)
Total adjustments	(127,752)	(39,023)
Cash inflow generated from operations	387,844	329,031
Interest received	17,411	19,850
Dividends received	-	8,524
Interest paid	(8,357)	(7,334)
Income taxes paid	(28)	(70)
Net cash flows from operating activities	396,870	350,001
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	1,470	-
Acquisition of property, plant and equipment	(4,551)	(22,004)
Proceeds from disposal of property, plant and equipment	1,048	2,275
(Increase) Decrease in refundable deposits paid	(840)	2,022
Acquisition of intangible assets	(32,085)	(474)
Increase in other financial assets	(99,939)	(85,909)
Increase in prepayments for business facilities	(4,735)	(1,111)
Decrease in other non-current assets	217	251
Net cash flows used in investing activities	(139,415)	(104,950)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,550,000	1,450,000
Decrease in short-term loans	(1,750,000)	(1,650,000)
Decrease in guarantee deposits received	(6)	-
Payment of lease liabilities	(1,993)	(1,456)
Dividends unclaimed by shareholders	-	188
Net cash flows used in financing activities	(201,999)	(201,268)
Effect of exchange rate changes on cash and cash equivalents	19,553	64,472
Net increase in cash and cash equivalents	75,009	108,255
Cash and cash equivalents at beginning of period	2,772,615	2,621,020
Cash and cash equivalents at end of period	\$ 2,847,624	2,729,275

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

March 31, 2025 and 2024

(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 May 14, 2025.

(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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

- (c) The impact of IFRS Accounting Standards 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

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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” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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, 2024.

(b) Basis of consolidation

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

Investor	Subsidiary	Nature of business	Shareholding			Notes
			March 31, 2025	December 31, 2024	March 31, 2024	
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 %	

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

Investor	Subsidiary	Nature of business	Shareholding			Notes
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	EnhanX Biopharm Inc.(EnhanX)	Developing medicine	20.83 %	20.83 %	20.83 %	
The Company	Chuang Yi Biotech Co., Ltd.(CYB)	Selling functional food	23.12 %	23.12 %	23.12 %	
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 4)
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 4)
EnhanX Biopharm Inc.	EnhanX Biopharm B.V.	Developing medicine	100.00 %	100.00 %	100.00 %	(Note 1)
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.(CYB)	Selling functional food	51.60 %	51.60 %	51.60 %	
TSH Biopharm Co., Ltd.	TOP Pharm Medicalware Co., Ltd.(TOP PM)	Selling medicine	51.00 %	51.00 %	- %	(Note 2 and 3)
TSH Biopharm Co., Ltd.	TOP Biological Technology Co., Ltd.(TOP BT)	Selling medicine	- %	51.00 %	- %	(Note 2 and 3)
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Import and export trading and investment activities	- %	100.00 %	100.00 %	(Note 5)
Immortal Fame Global Ltd.	Chuang Yi (Shanghai) Trading Co., Ltd.	Selling functional food	- %	100.00 %	100.00 %	(Note 5)

(Note 1) 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. and the liquidation has been completed and filed with the Ministry of Economic Affairs on April 21, 2025.

(Note 2) 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.

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

(Note 3) To enhance the integration of the Group's resources, the Board of Directors of TSH resolved on November 8, 2024, to approve the merger of TOP PM and TOP BT, with TOP PM as the surviving entity and TOP BT as the dissolving entity. The effective date of the merger was set for January 1, 2025, and the change was approved by the competent authorities on March 3, 2025.

(Note4) In order to reduce the operating costs of the Group, the Board of Directors has resolved to liquidate TTY-Mexico. The liquidation procedures are still in progress.

(Note5) The Group resolved to dispose of the entity on November 13, 2024, and the disposal was completed on January 6, 2025.

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

(c) 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.

(d) 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.

(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 IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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, 2024. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

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

(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, 2024. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 2,593	2,621	3,853
Cash in banks	1,616,446	1,327,454	1,221,422
Time deposits	1,228,585	1,442,540	1,504,000
Total	<u><u>\$ 2,847,624</u></u>	<u><u>2,772,615</u></u>	<u><u>2,729,275</u></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.

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

	March 31, 2025	December 31, 2024	March 31, 2024
The equity investments at fair value through other comprehensive income:			
Domestic common stock—Lumosa Therapeutics Co., Ltd.	\$ 54,835	77,015	206,480
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares B	155,250	151,250	150,000
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares C	3,026	3,084	3,177
Domestic preferred stock—Union Bank of Taiwan Preferred Shares A	21,480	21,400	21,040
International unlisted stock—CellMax Ltd.	10,479	10,479	9,017
Domestic unlisted stock—ExoOne Bio. Co., Ltd.	11,992	11,992	11,992
	<u><u>\$ 257,062</u></u>	<u><u>275,220</u></u>	<u><u>401,706</u></u>

(Continued)

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

- (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, 2024, the Group did not participate in the capital increase of ExoOne Bio. Co., Ltd., resulting in its shareholding ratio to decrease to 2.82%.
 - (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2025 and 2024.
 - (iv) Please refer to Note 6(t) for information on credit and market risk.
 - (v) The above financial assets were not pledged as collateral.
- (c) Notes receivable and accounts receivable (including related parties)

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 23,416	22,872	32,168
Accounts receivable	1,245,819	1,327,128	1,152,036
Accounts receivable-related parties	6,957	7,385	34,653
Less: allowance for expected credit losses	(3,717)	(3,713)	(2,922)
	<u><u>\$ 1,272,475</u></u>	<u><u>1,353,672</u></u>	<u><u>1,215,935</u></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:

	March 31, 2025		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,269,765	0.98%~1%	2,490
1 to 90 days overdue	6,161	1%~52.47%	962
91 to 180 days overdue	1	0%~2%	-
More than 181 days overdue	265	100%~100%	265
	<u><u>\$ 1,276,192</u></u>		<u><u>3,717</u></u>

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	December 31, 2024		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,356,374	0%~1.29%	3,449
1 to 90 days overdue	671	0%~1%	2
91 to 180 days overdue	78	0%~56.5%	-
More than 181 days overdue	262	100%	262
	\$ 1,357,385		3,713

	March 31, 2024		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,211,999	0%~1.35%	1,733
1 to 90 days overdue	6,576	1%~15.30%	918
91 to 180 days overdue	14	2%~43.69%	3
More than 181 days overdue	268	100%	268
	\$ 1,218,857		2,922

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

	For the three months ended March 31,	
	2025	2024
Balance at January 1	\$ 3,713	2,347
Expected credit losses recognized	1	571
Foreign currency translation gains	3	4
Balance at March 31	\$ 3,717	2,922

As of March 31, 2025, December 31, 2024 and March 31, 2024, the notes receivable and accounts receivable for the Group were not pledged as collateral.

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

(d) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 257,511	379,722	348,239
Finished goods	307,830	306,371	213,310
Work in process	224,013	231,394	216,921
Raw materials	343,034	298,873	275,290
Materials	<u>74,353</u>	<u>67,111</u>	<u>68,975</u>
Subtotal	1,206,741	1,283,471	1,122,735
Goods in transit	<u>117,980</u>	<u>115,276</u>	<u>65,483</u>
Total	1,324,721	1,398,747	1,188,218
Less: allowance for inventory market decline and obsolescence	<u>(115,653)</u>	<u>(128,740)</u>	<u>(96,355)</u>
Net amount	<u><u>\$ 1,209,068</u></u>	<u><u>1,270,007</u></u>	<u><u>1,091,863</u></u>

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

	For the three months ended March 31,	
	2025	2024
Inventories have been sold	\$ 587,193	492,439
Cost of services	290	377
Reversal gains on inventory write-down and disposal losses	(13,087)	7,930
	<u><u>\$ 574,396</u></u>	<u><u>500,746</u></u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, 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:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	<u><u>\$ 1,752,107</u></u>	<u><u>1,719,819</u></u>	<u><u>1,374,983</u></u>

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

- 1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the associate which the Group invested had a quoted market price was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying value	\$ <u>1,154,688</u>	<u>1,136,242</u>	<u>874,396</u>
Fair value	\$ <u>2,488,387</u>	<u>2,335,773</u>	<u>2,565,987</u>

- 2) For the three months ended March 31, 2025 and 2024, 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 \$25 thousand and \$83 thousand, respectively.

For the three months ended March 31, 2025 and 2024, the Group's shareholding ratio had no change.

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

Associate	Nature of relationship	Country of registration	Equity ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
PharmaEngine, Inc.	Research for new drugs and drug development especially for Asian diseases	Taiwan	18.00 %	18.00 %	18.00 %

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.

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 5,933,548	5,827,444	4,034,516
Non-current assets	19,608	20,367	28,152
Current liabilities	(444,729)	(443,053)	(109,497)
Non-current liabilities	(6,148)	(4,960)	(8,069)
Net assets	\$ <u>5,502,279</u>	<u>5,399,798</u>	<u>3,945,102</u>
Net assets attributable to investee's owners	\$ <u>5,502,279</u>	<u>5,399,798</u>	<u>3,945,102</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	For the three months ended March 31,	
	2025	2024
Operating revenue	\$ <u>187,382</u>	<u>164,471</u>
Profit from continuing operations	\$ 102,303	81,726
Other comprehensive loss	<u>-</u>	<u>-</u>
Total comprehensive income	\$ <u>102,303</u>	<u>81,726</u>
Comprehensive income attributable to investee's owners	\$ <u>102,303</u>	<u>81,726</u>
Net assets attributable to the Group, January 1	\$ 971,964	695,325
Changes in capital surplus of associates	25	83
Comprehensive income attributable to the Group	<u>18,421</u>	<u>14,710</u>
Net assets attributable to the Group, March 31	990,410	710,118
Add: Goodwill	<u>164,278</u>	<u>164,278</u>
Carrying amount of interest in associates, March 31	\$ <u>1,154,688</u>	<u>874,396</u>

(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:

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of individually insignificant associates	\$ <u>597,419</u>	<u>583,577</u>	<u>500,587</u>

	For the three months ended March 31,	
	2025	2024
Attributable to the Group:		
Profit from continuing operations	\$ 20,869	16,303
Other comprehensive income (loss)	<u>11,285</u>	<u>(1,389)</u>
Total comprehensive income	\$ <u>32,154</u>	<u>14,914</u>

(iv) Collateral

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group did not provide any investment accounted for using equity method as collateral.

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(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	\$ 257,121	44,330

(ii) The following table summarizes the recognized amounts of identifiable assets acquired and liabilities assumed at the acquisition date.

	TOP PM	TOP BT
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)
	\$ 87,315	17,691

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(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	<u>(87,315)</u>	<u>(17,691)</u>
Goodwill	<u><u>\$ 212,590</u></u>	<u><u>35,308</u></u>

(g) Material non-controlling interests of subsidiaries

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

Subsidiary	Country of registration	Non-controlling interests and voting rights ratio		
		March 31, 2025	December 31, 2024	March 31, 2024
TSH Biopharm Co., Ltd.	Taiwan	43.52 %	43.52 %	43.52 %
Chuang Yi Biotech Co., Ltd.	Taiwan	25.28 %	25.28 %	25.28 %
TOP Pharm Medicalware Co., Ltd.	Taiwan	49.00 %	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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 790,218	771,081	956,790
Non-current assets	738,586	727,063	399,301
Current liabilities	(120,646)	(101,230)	(79,477)
Non-current liabilities	<u>(3,917)</u>	<u>(5,122)</u>	<u>-</u>
Net assets	<u><u>\$ 1,404,241</u></u>	<u><u>1,391,792</u></u>	<u><u>1,276,614</u></u>
Net assets attributable to non- controlling interest	<u><u>\$ 610,828</u></u>	<u><u>605,469</u></u>	<u><u>555,323</u></u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	For the three months ended March 31,	
	2025	2024
Operating revenue	\$ 160,193	176,481
Profit for the period	30,412	40,929
Other comprehensive (loss) income	(17,963)	128,031
Total comprehensive income	\$ 12,449	168,960
Profit attributable to non-controlling interest	\$ 13,177	17,769
Total comprehensive income attributable to non-controlling interest	\$ 5,275	73,488
Cash flows from operating activities	\$ 28,561	47,300
Cash flows (used in) from investing activities	(3,877)	15,795
Cash flows used in financing activities	(1,183)	(1,132)
Net decrease in cash	\$ 23,501	61,963

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 354,216	339,124	306,924
Non-current assets	39,201	39,703	45,110
Current liabilities	(57,957)	(47,973)	(36,556)
Non-current liabilities	(1,310)	(1,743)	-
Net assets	\$ 334,150	329,111	315,478
Net assets attributable to non-controlling interests	\$ 84,473	83,199	79,753

	For the three months ended March 31,	
	2025	2024
Operating revenue	\$ 74,088	24,010
Income (loss) for the period	\$ 4,661	(12,316)
Other comprehensive income	378	40
Total comprehensive income (loss)	\$ 5,039	(12,276)
Profit (loss) attributable to non-controlling interest	\$ 1,178	(3,113)
Total comprehensive income (loss) attributable to non-controlling interest	\$ 1,178	(3,103)

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	For the three months ended March 31,	
	2025	2024
Cash flows from operating activities	\$ 2,090	6,265
Cash flows used in investing activities	(96,500)	(101,989)
Cash flows used in financing activities	(425)	(706)
Effect of exchange rates changes on cash and cash equivalents	-	31
Net decrease in cash	<u><u>\$ (94,835)</u></u>	<u><u>(96,399)</u></u>

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

	March 31, 2025	December 31, 2024
Current assets	\$ 200,332	192,868
Non-current assets	268,067	224,356
Current liabilities	(61,628)	(75,456)
Non-current liabilities	<u>(5,825)</u>	<u>(5,348)</u>
Net assets	<u><u>\$ 400,946</u></u>	<u><u>336,420</u></u>
Net assets attributable to non-controlling interests	<u><u>\$ 74,993</u></u>	<u><u>60,677</u></u>

	For the three months ended March 31, 2025
Operating revenue	\$ <u><u>72,292</u></u>
Profit for the period	\$ 6,342
Other comprehensive income	<u>-</u>
Total comprehensive income	<u><u>\$ 6,342</u></u>
Profit attributable to non-controlling interest	<u><u>\$ 3,108</u></u>
Cash flows used in operating activities	\$ (3,370)
Cash flows from investing activities	6,847
Cash flows used in financing activities	<u>(1,769)</u>
Net increase in cash	<u><u>\$ 1,708</u></u>

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

(h) Property, plant and equipment

The details of the property, plant and equipment of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	Land	Building and construction	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
Balance on January 1, 2025	\$ 902,897	1,479,424	823,121	2,585	595,765	24,065	588	3,828,445
Disposal of subsidiary	-	-	(459)	-	-	-	-	(459)
Additions	-	406	-	-	3,176	873	96	4,551
Disposals	-	(1,100)	(714)	-	(14,498)	(660)	-	(16,972)
Reclassifications	-	-	-	-	-	-	96	96
Adjustment for foreign currency translation	-	-	-	-	17	3	-	20
Balance on March 31, 2025	<u>\$ 902,897</u>	<u>1,478,730</u>	<u>821,948</u>	<u>2,585</u>	<u>584,460</u>	<u>24,281</u>	<u>780</u>	<u>3,815,681</u>
Balance on January 1, 2024	\$ 902,897	1,461,122	836,063	5,085	570,870	19,806	8,945	3,804,788
Additions	-	1,260	293	-	1,691	-	18,760	22,004
Disposals	-	-	(73,435)	(2,500)	(735)	(13)	-	(76,683)
Reclassifications	-	-	-	-	1,080	-	2,690	3,770
Adjustment for foreign currency translation	-	-	8	-	18	3	-	29
Balance on March 31, 2024	<u>\$ 902,897</u>	<u>1,462,382</u>	<u>762,929</u>	<u>2,585</u>	<u>572,924</u>	<u>19,796</u>	<u>30,395</u>	<u>3,753,908</u>
Depreciation and impairment:								
Balance on January 1, 2025	\$ -	645,120	494,322	2,585	433,273	18,141	-	1,593,441
Obtained from business combination	-	-	(436)	-	-	-	-	(436)
Disposal of subsidiary	-	17,242	10,209	-	8,899	448	-	36,798
Disposals	-	(1,100)	(662)	-	(13,788)	(473)	-	(16,023)
Adjustment for foreign currency translation	-	-	-	-	17	3	-	20
Balance on March 31, 2025	<u>\$ -</u>	<u>661,262</u>	<u>503,433</u>	<u>2,585</u>	<u>428,401</u>	<u>18,119</u>	<u>-</u>	<u>1,613,800</u>
Balance on January 1, 2024	\$ -	575,736	529,000	5,085	405,250	11,603	-	1,526,674
Depreciation for the year	-	16,520	9,412	-	8,680	710	-	35,322
Impairment loss	-	-	(2,000)	-	-	-	-	(2,000)
Disposals	-	-	(71,435)	(2,500)	(714)	(9)	-	(74,658)
Adjustment for foreign currency translation	-	-	8	-	18	3	-	29
Balance on March 31, 2024	<u>\$ -</u>	<u>592,256</u>	<u>464,985</u>	<u>2,585</u>	<u>413,234</u>	<u>12,307</u>	<u>-</u>	<u>1,485,367</u>
Carrying value:								
Balance on January 1, 2025	<u>\$ 902,897</u>	<u>834,304</u>	<u>328,799</u>	<u>-</u>	<u>162,492</u>	<u>5,924</u>	<u>588</u>	<u>2,235,004</u>
Balance on March 31, 2025	<u>\$ 902,897</u>	<u>817,468</u>	<u>318,515</u>	<u>-</u>	<u>156,059</u>	<u>6,162</u>	<u>780</u>	<u>2,201,881</u>
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 March 31, 2024	<u>\$ 902,897</u>	<u>870,126</u>	<u>297,944</u>	<u>-</u>	<u>159,690</u>	<u>7,489</u>	<u>30,395</u>	<u>2,268,541</u>

(i) Due to the assessment that certain properties, plants, and equipment no longer provide substantial benefits. Thus, the Group recognized impairment losses of \$4,266 thousand and \$54,466 thousand, respectively, in 2024 and 2023.

(ii) As of March 31, 2025, December 31, 2024 and March 31, 2024, the property, plant and equipment were not pledged as collateral.

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

(i) Intangible assets

The cost, amortization, and impairment of the intangible assets of the Group for the three months ended March 31, 2025 and 2024, 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, 2025	\$ 36,483	240,875	77,986	247,898	603,242
Additions	2,589	29,496	-	-	32,085
Disposals	(1,363)	-	-	-	(1,363)
Reclassifications	-	35,919	-	-	35,919
Balance on March 31, 2025	<u>\$ 37,709</u>	<u>306,290</u>	<u>77,986</u>	<u>247,898</u>	<u>669,883</u>
Balance on January 1, 2024	\$ 32,417	249,958	73,804	-	356,179
Additions	474	-	-	-	474
Reclassifications	445	-	-	-	445
Balance on March 31, 2024	<u>\$ 33,336</u>	<u>249,958</u>	<u>73,804</u>	<u>-</u>	<u>357,098</u>
Amortization and impairment loss:					
Balance on January 1, 2025	\$ 19,513	165,753	46,635	-	231,901
Amortization for the period	2,065	3,297	2	-	5,364
Disposals	(1,363)	-	-	-	(1,363)
Balance on March 31, 2025	<u>\$ 20,215</u>	<u>169,050</u>	<u>46,637</u>	<u>-</u>	<u>235,902</u>
Balance on January 1, 2024	\$ 13,712	157,385	21,073	-	192,170
Amortization for the period	2,215	3,229	6,486	-	11,930
Effect of changes in foreign exchange rate	1	-	-	-	1
Balance on March 31, 2024	<u>\$ 15,928</u>	<u>160,614</u>	<u>27,559</u>	<u>-</u>	<u>204,101</u>
Carrying value:					
Balance on January 1, 2025	<u>\$ 16,970</u>	<u>75,122</u>	<u>31,351</u>	<u>247,898</u>	<u>371,341</u>
Balance on March 31, 2025	<u>\$ 17,494</u>	<u>137,240</u>	<u>31,349</u>	<u>247,898</u>	<u>433,981</u>
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 March 31, 2024	<u>\$ 17,408</u>	<u>89,344</u>	<u>46,245</u>	<u>-</u>	<u>152,997</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's aforementioned intangible assets were not pledged as collateral.

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

(j) Other financial assets and other assets

	March 31, 2025	December 31, 2024	March 31, 2024
Other current financial assets	\$ 332,000	232,000	202,000
Other non-current financial assets	176,756	176,817	177,274
Long-term prepayments	60,691	94,836	74,520
Other current and non-current assets	<u>23,596</u>	<u>7,814</u>	<u>12,409</u>
	<u>\$ 593,043</u>	<u>511,467</u>	<u>466,203</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) Please refer to Note 8 for the Group's information of collateral.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	<u>\$ 1,000,000</u>	<u>1,200,000</u>	<u>1,250,000</u>
Unused credit line	<u>\$ 1,516,198</u>	<u>1,766,198</u>	<u>1,992,768</u>
Range of interest rates	<u>1.78%~1.97%</u>	<u>1.77%~1.99%</u>	<u>1.62%~1.79%</u>

(i) For the three months ended March 31, 2025 and 2024, the Group had the additional short-term borrowings amounting to \$1,550,000 thousand with an interest rate of 1.78%~1.97% and \$1,450,000 thousand with an interest rate of 1.62%~1.79%, respectively; the repayment amounted to \$1,750,000 thousand and \$1,650,000 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.

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

(l) Long-term borrowings

The long-term borrowings were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$ 500,000	500,000	400,000
Less: Current portion	(400,000)	(400,000)	-
Total	<u>\$ 100,000</u>	<u>100,000</u>	<u>400,000</u>
Unused long-term credit line	<u>\$ -</u>	<u>-</u>	<u>100,000</u>
Range of interest rates	<u>2.069%~2.13%</u>	<u>2.066%~2.13%</u>	<u>2.010%</u>

There were no significant issues, repurchases and repayments of long-term borrowings three months ended March 31, 2025 and 2024. Please refer to Note 6(s) for related disclosure of interest expense, Note 6(t) for related risk exposure information.

(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, 2024 and 2023.

	For the three months ended March 31,	
	2025	2024
Operating cost	\$ 23	38
Selling expenses	15	19
Administrative expenses	16	17
Research and development expenses	8	9
Total	<u>\$ 62</u>	<u>83</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 March 31,	
	2025	2024
Operating cost	\$ 3,379	3,199
Selling expenses	4,714	3,975
Administrative expenses	2,093	2,092
Research and development expenses	1,071	1,156
Total	<u>\$ 11,257</u>	<u>10,422</u>

(n) Income tax

(i) Income tax expense

The components of income tax for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Current tax expense		
Current period	\$ 107,512	73,486
Adjustment for prior periods	2	(158)
Income tax expense from continuing operations	<u>\$ 107,514</u>	<u>73,328</u>

(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 three months ended March 31, 2025 and 2024. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2024.

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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:

	March 31, 2025	December 31, 2024	March 31, 2024
Share capital	\$ 484	484	484
Long-term investment	315,654	315,506	315,336
Other	1,046	1,046	1,046
	<u>\$ 317,184</u>	<u>317,036</u>	<u>316,866</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.

(Continued)

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 March 31, 2025, December 31, 2024 and March 31, 2024, all of the special reserve amounted to \$198,071 thousand.

3) Earnings distribution

Earnings distribution for 2024 and 2023 was resolved in the special resolution of the Board of Directors on February 25, 2025 and March 8, 2024, respectively. The appropriation for dividends to ordinary shareholders is as follows:

	2024		2023	
	<u>Amount per share (dollars)</u>	<u>Amount</u>	<u>Amount per share (dollars)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 4.20	<u>1,044,330</u>	3.50	<u>870,275</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, 2025	\$ 31,316	27,372	58,688
Exchange differences on foreign operations	31,771	-	31,771
Disposal of subsidiaries	282	-	282
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(10,256)	(10,256)
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(925)	(925)
Balance at March 31, 2025	<u>\$ 63,369</u>	<u>16,191</u>	<u>79,560</u>
Balance at January 1, 2024	\$ (75,492)	31,707	(43,785)
Exchange differences on foreign operations	60,215	-	60,215
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	72,300	72,300
Unrealized gain from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method	-	1,733	1,733
Balance at March 31, 2024	<u>\$ (15,277)</u>	<u>105,740</u>	<u>90,463</u>

(iv) Non-controlling interests

	For the three months ended March 31,	
	2025	2024
Balance at January 1	\$ 760,492	564,802
Attributable to non-controlling interests:		
Profit for the period	16,986	13,955
Exchange differences on translation in foreign operations	(12)	36
Unrealized (losses) gains on financial assets measured at fair value through other comprehensive income	(7,902)	55,711
Changes in ownership interest in subsidiaries	85	23
Disposal of subsidiary	180	-
Balance at March 31	<u>\$ 769,829</u>	<u>634,527</u>

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

(p) Earnings per share

For the three months ended March 31, 2025 and 2024, the Company's earnings per share were calculated as follows:

		For the three months ended March 31,	
		2025	2024
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	\$	391,096	280,771
Weighted average number of ordinary shares		248,650	248,650
	\$	1.57	1.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company (diluted)	\$	391,096	280,771
Weighted average number of ordinary shares		248,650	248,650
Effect of employees' compensation		369	364
Weighted average number of ordinary shares (diluted)		249,019	249,014
	\$	1.57	1.13

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended March 31, 2025							
	<u>Oncology Business Unit</u>	<u>Intensive Care Business Unit</u>	<u>HealthCare Business Unit</u>	<u>Export and CDMO Business Unit</u>	<u>Other Business Unit</u>	<u>Re-investment Business Unit</u>	<u>Total</u>
Primary geographical markets:							
Taiwan	\$ 564,800	279,271	45,626	55,136	-	280,325	1,225,158
America	-	-	-	121,406	-	-	121,406
Other countries	-	-	-	108,179	-	4,107	112,286
	<u>\$ 564,800</u>	<u>279,271</u>	<u>45,626</u>	<u>284,721</u>	<u>-</u>	<u>284,432</u>	<u>1,458,850</u>
Major products/services lines:							
Medicine and functional food	\$ 558,300	279,271	45,621	239,190	-	272,102	1,394,484
Services	6,500	-	5	965	-	12,330	19,800
Royalty / commission	-	-	-	44,566	-	-	44,566
	<u>\$ 564,800</u>	<u>279,271</u>	<u>45,626</u>	<u>284,721</u>	<u>-</u>	<u>284,432</u>	<u>1,458,850</u>

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

For the three months ended March 31, 2024							
	<u>Oncology Business Unit</u>	<u>Intensive Care Business Unit</u>	<u>HealthCare Business Unit</u>	<u>Export and CDMO Business Unit</u>	<u>Other Business Unit</u>	<u>Re-investment Business Unit</u>	<u>Total</u>
Primary geographical markets:							
Taiwan	\$ 533,632	265,423	46,143	51,395	-	197,080	1,093,673
America	-	-	-	53,888	-	-	53,888
Other countries	-	-	-	122,621	-	3,423	126,044
	<u>\$ 533,632</u>	<u>265,423</u>	<u>46,143</u>	<u>227,904</u>	<u>-</u>	<u>200,503</u>	<u>1,273,605</u>
Major products/services lines:							
Medicine and functional food	\$ 533,632	265,423	45,944	205,250	-	150,831	1,201,080
Services	-	-	199	375	-	49,672	50,246
Royalty / commission	-	-	-	22,279	-	-	22,279
	<u>\$ 533,632</u>	<u>265,423</u>	<u>46,143</u>	<u>227,904</u>	<u>-</u>	<u>200,503</u>	<u>1,273,605</u>

(ii) Contract balances

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Contract liability	<u>\$ 35,523</u>	<u>34,340</u>	<u>18,638</u>

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

The amount of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$15,850 thousand and \$6,546 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 March 31, 2025 and 2024, the Company estimated its employee remuneration at \$7,304 thousand and \$7,208 thousand, respectively, and directors' remuneration at \$3,737 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. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2024 and 2023.

For the years ended December 31, 2024 and 2023, the Company accrued and recognized its employee compensation amounting to \$33,081 thousand and \$29,189 thousand, respectively and its remuneration to directors both amounting to \$15,600 thousand and \$14,950 thousand. The actual distribution and related information can be accessed from the website of Market Observation Post System.

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

(s) Non-operating income and expenses

(i) Interest income

The details of total interest income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 17,991	19,542

(ii) Other income

The details of other income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Rent revenue	\$ 2,752	2,640
Others	123	-
	\$ 2,875	2,640

(iii) Other gains and losses

The details of other gains and losses for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Losses on disposal of property, plant and equipment	\$ 99	250
Losses on disposal of investments	946	-
Foreign exchange gains	6,329	9,762
Reversal of impairment losses of non-financial assets	-	2,000
Litigation settlement gain	37,786	-
Other gains and losses	6,484	310
	\$ 51,644	12,322

The Company reached an out-of-court settlement with Inopha AG on January 21, 2025, and recognized a litigation settlement gain. For further details regarding the related litigation, please refer to Note 12.

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

(iv) Finance costs

The details of finance costs for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Interest expense	\$ 8,174	7,314
Other finance costs	169	50
	<u>\$ 8,343</u>	<u>7,364</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(u) of the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. Please refer to Note 6(j) for information of 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.

	Carrying value	Contractual cash flows	Within 1 year	2-3 years	4-5 years
March 31, 2025					
Non-derivative financial liabilities					
Bank loans	\$ 1,500,000	1,508,736	1,407,254	101,482	-
Non-interest-bearing liabilities (including related parties)	1,798,492	1,798,492	1,798,492	-	-
Lease liabilities (current and non-current)	11,757	12,480	6,386	6,094	-
Guarantee deposits received	2,436	2,436	2,436	-	-
	<u>\$ 3,312,685</u>	<u>3,322,144</u>	<u>3,214,568</u>	<u>107,576</u>	<u>-</u>

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	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Bank loans	\$ 1,700,000	1,712,409	1,610,402	102,007	-
Non-interest-bearing liabilities (including related parties)	975,297	975,297	975,297	-	-
Lease liabilities (current and non-current)	11,129	11,811	6,195	5,378	238
Guarantee deposits received	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>	<u>-</u>	<u>-</u>
	\$ <u>2,688,866</u>	<u>2,701,957</u>	<u>2,594,334</u>	<u>107,385</u>	<u>238</u>
March 31, 2024					
Non-derivative financial liabilities					
Bank loans	\$ 1,650,000	1,664,018	1,260,536	403,482	-
Non-interest-bearing liabilities (including related parties)	1,672,147	1,672,147	1,652,547	19,600	-
Lease liabilities (current and non-current)	7,453	7,567	5,320	2,247	-
Guarantee deposits received	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	<u>-</u>	<u>-</u>
	\$ <u>3,332,031</u>	<u>3,346,163</u>	<u>2,920,834</u>	<u>425,329</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.

(iii) Market risk

1) Currency risk

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

	March 31, 2025				December 31, 2024			March 31, 2024		
	Foreign Currency	Exchange Rate		NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	14,595	33.2050	484,634	18,009	32.7850	590,428	11,414	32.0000	365,238
CNY		74	4.5730	336	174	4.4780	777	74	4.4080	324
JPY		23,170	0.2227	5,160	96,379	0.2099	20,230	92,039	0.2115	19,466
EUR		1,206	35.9700	43,390	124	34.1400	4,244	130	34.4600	4,496
<u>Non-monetary items</u>										
USD		44,154	33.2050	1,466,122	43,651	32.7850	1,431,102	50,514	32.0000	1,616,450
CNY		29,981	4.5730	137,102	30,775	4.4780	137,810	30,252	4.4080	133,353
THB		458,715	0.9842	451,468	461,687	0.9623	444,281	440,390	0.8840	389,305

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	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	593	33.205	19,692	1,532	32.7850	50,233	2,547	32.0000	81,519
JPY	-	-	-	15,759	0.2099	3,308	-	-	-

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 three months ended March 31, 2025 and 2024, a strengthening (weakening) of 1% of the NTD against the USD, CNY, JPY and EUR as of would have (decreased) increased the net profit after tax by 4,111 thousand and 2,464 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 three months ended March 31, 2025 and 2024, the foreign exchange gains (including realized and unrealized portions) amounted gains \$6,329 thousand and gains \$9,762 thousand, respectively.

2) 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.

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 \$855 thousand and \$1,446 thousand for the three months ended March 31, 2025 and 2024, respectively with all other variable factors remaining constant.

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3) Other market price risk

For the three months ended March 31, 2025 and 2024, 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:

	For the three months ended March 31,			
	2025		2024	
	Other Comprehensive income after tax	Net income	Other Comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 10%	\$ 25,706	-	40,171	-
Decreasing 10%	\$ (25,706)	-	(40,171)	-

(iv) 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:

	Carrying Value	March 31, 2025			
		Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 179,756	179,756	-	-	179,756
Domestic stock in listed company at Taipei Exchange	54,835	54,835	-	-	54,835
Domestic unlisted stock	11,992	-	-	11,992	11,992
International stock	10,479	-	-	10,479	10,479
Subtotal	257,062	234,591	-	22,471	257,062
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,847,624	-	-	-	-
Notes and accounts receivable (including related party)	1,272,475	-	-	-	-
Other receivables (including related party)	55,985	-	-	-	-
Other financial assets (current and non-current)	508,756	-	-	-	-
Refundable deposits paid	31,305	-	-	-	-
Subtotal	4,716,145	-	-	-	-
Total	\$ 4,973,207	234,591	-	22,471	257,062

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		March 31, 2025				
		Carrying Value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost						
Bank loans	\$	1,500,000	-	-	-	-
Notes and accounts payable (including related party)		163,758	-	-	-	-
Dividends payable		1,044,330	-	-	-	-
Other payables (including related party)		590,404	-	-	-	-
Lease liabilities (current and non-current)		11,757	-	-	-	-
Guarantee deposit received		2,436	-	-	-	-
Total	\$	<u>3,312,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 2024				
		Carrying Value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Domestic stock in listed company at Stock Exchange	\$	175,734	175,734	-	-	175,734
Domestic stock in listed company at Taipei Exchange		77,015	77,015	-	-	77,015
Domestic unlisted stock		11,992	-	-	11,992	11,992
International stock		10,479	-	-	10,479	10,479
Subtotal		<u>275,220</u>	<u>252,749</u>	<u>-</u>	<u>22,471</u>	<u>275,220</u>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	2,772,615	-	-	-	-
Notes receivable and accounts receivable (including related party)		1,353,672	-	-	-	-
Other receivables (including related party)		23,181	-	-	-	-
Other financial assets (current and non-current)		408,817	-	-	-	-
Refundable deposits paid		30,463	-	-	-	-
Subtotal		<u>4,588,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$	<u>4,863,968</u>	<u>252,749</u>	<u>-</u>	<u>22,471</u>	<u>275,220</u>

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December 31, 2024					
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,700,000	-	-	-	-
Notes payable and accounts payable (including related party)	326,158	-	-	-	-
Other payables (including related party)	649,139	-	-	-	-
Lease liabilities (current and non- current)	11,129	-	-	-	-
Guarantee deposit received	2,440	-	-	-	-
Total	<u><u>\$ 2,688,866</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
March 31, 2024					
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 174,217	174,217	-	-	174,217
Domestic stock in listed company at Taipei Exchange	206,480	206,480	-	-	206,480
Domestic unlisted stock	11,992	-	-	11,992	11,992
International stock	9,017	-	-	9,017	9,017
Subtotal	<u>401,706</u>	<u>380,697</u>	<u>-</u>	<u>21,009</u>	<u>401,706</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,729,275	-	-	-	-
Notes and accounts receivable (including related party)	1,215,935	-	-	-	-
Other receivables (including related party)	31,495	-	-	-	-
Other financial assets (current and non-current)	379,274	-	-	-	-
Refundable deposits paid	45,750	-	-	-	-
Subtotal	<u>4,401,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 4,803,435</u></u>	<u><u>380,697</u></u>	<u><u>-</u></u>	<u><u>21,009</u></u>	<u><u>401,706</u></u>

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	March 31, 2024				
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,650,000	-	-	-	-
Notes and accounts payable (including related party)	241,718	-	-	-	-
Dividends payable	870,275	-	-	-	-
Other payables (including related party)	540,554	-	-	-	-
Lease liabilities (current and non-current)	7,453	-	-	-	-
Guarantee deposit received	2,431	-	-	-	-
Other non-current liabilities	19,600	-	-	-	-
Total	<u><u>\$ 3,332,031</u></u>	<u><u>-</u></u>	<u><u>-</u></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).

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.

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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 is estimated based on the transaction prices of the stocks of the companies engaged in the same or similar business in the active market. The value multipliers implied by these prices and relevant transaction information determine the value of the evaluated companies and the liquidity discount is taken into consideration.

The fair value of financial instruments traded in active markets is based on quoted market prices.

5) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the three months ended March 31, 2025 and 2024, so there was no transfer between levels.

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6) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2025	\$ 22,471
Balance at March 31, 2025	\$ 22,471
Balance at January 1, 2024	\$ 21,009
Balance at March 31, 2024	\$ 21,009

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	Discount for lack of market liquidity (On March 31, 2025, December 31, 2024 and March 31, 2024 all of 27.3%~30%)	The higher the discount for lack of market liquidity, the lower 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:

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			Other comprehensive income	
	Input	Change	Favorable	Unfavorable
March 31, 2025				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	270	(270)
December 31, 2024				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	270	(270)
March 31, 2024				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	255	(255)

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(v) of the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2024 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
PharmaEngine, Inc.	An associate

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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 March 31,	
	2025	2024
	\$	
Associates	<u><u>32,836</u></u>	<u><u>35,963</u></u>

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) Service revenue

The Group's service revenue for related party was as follows:

Recognized item	Category	For the three months ended March 31	
		2025	2024
		\$	
Service revenue	Associate-ATB	<u><u>331</u></u>	<u><u>-</u></u>

(iii) Other gains

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

Recognized item	Category	For the three months ended March 31,	
		2025	2024
		\$	
Other gains	Associate-ATB	<u><u>3,374</u></u>	<u><u>3,208</u></u>

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	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	Associates — ATB	<u><u>\$ 6,957</u></u>	<u><u>7,385</u></u>	<u><u>34,653</u></u>
Other receivables	Associate-ATB	<u><u>\$ 21,350</u></u>	<u><u>4,082</u></u>	<u><u>3,399</u></u>

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 March 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 21,369	22,016
Post-employment benefits	363	295
	<u>\$ 21,732</u>	<u>22,311</u>

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged asset	Object	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets-non-current	Guarantee for provision attachment	\$ 149,380	149,380	149,380
Other financial assets-non-current	Account receivable from distributors	5,000	5,000	-
		<u>\$ 154,380</u>	<u>154,380</u>	<u>149,380</u>

(9) Significant commitments and contingencies:

- (a) The Group's unfinished contracts as of March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total price of unfinished contracts			
Purchase of equipment and construction engineering	<u>\$ 141,482</u>	<u>120,467</u>	<u>60,365</u>
Acquisition of intangible assets	<u>\$ 380,300</u>	<u>437,700</u>	<u>403,746</u>
Research and development service	<u>\$ 91,115</u>	<u>91,115</u>	<u>122,840</u>
Purchase of raw materials	<u>\$ 109,460</u>	<u>109,066</u>	<u>104,225</u>
Unpaid amount			
Purchase of equipment and construction engineering	<u>\$ 105,366</u>	<u>88,445</u>	<u>25,737</u>
Acquisition of intangible assets	<u>\$ 319,903</u>	<u>338,928</u>	<u>326,109</u>
Research and development service	<u>\$ 18,587</u>	<u>19,099</u>	<u>45,660</u>
Purchase of raw materials	<u>\$ 31,130</u>	<u>30,736</u>	<u>30,000</u>

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- (b) As of March 31, 2025, December 31, 2024, and March 31, 2024, the financial institutions provided guarantee for the import and sale of medicine amounted to \$33,802 thousand, \$35,015 thousand and \$58,445 thousand, respectively.
- (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. 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 March 31,					
	2025			2024		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	\$ 63,538	186,201	249,739	60,660	172,559	233,219
Health and labor insurance	6,179	13,477	19,656	5,619	12,275	17,894
Pension	3,402	7,917	11,319	3,237	7,268	10,505
Others	3,682	22,127	25,809	2,420	14,215	16,635
Depreciation expense	32,111	7,041	39,152	29,610	7,510	37,120
Amortization expense	358	5,006	5,364	6,775	5,155	11,930

- (b) The Group donated \$38,530 thousand and \$40,770 thousand to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage for the three months ended March 31, 2025 and 2024, respectively.

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- (c) With regards to the dispute on the Risperidone Development Contract entered into between the Company and Center Laboratories, Inc. (referred to as 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 a declaratory judgment of the said contract. After multiple trials and remands, on December 24, 2024, the Taiwan High Court ruled to dismiss our company's appeal, confirming the existence of the contractual relationship between the two parties. The Company has filed an appeal with the Supreme Court within the statutory period to protect the Company's legal rights.
- (d) 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 “ Furul 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.
- (e) 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 license agreements. On January 21, 2025, the Company reached an out of court settlement with Inopha AG and its beneficial owner Mr. Denis Opitz, and formally signed a settlement agreement. Both parties agreed to withdraw all related legal proceedings against each other to the extent permitted by law. The contract amount of EUR 21,456 thousand, which had been held in a trust account due to the aforementioned dispute, will be allocated in accordance with the settlement agreement, with approximately 65% allocated to the Company. More than half of the settlement amount allocated to the Company will be reserved for litigation expenses and other anticipated costs. The case was dismissed by the Cantonal Court of Zug on January 22, 2025.
- (f) 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 Company reached an out-of-court settlement with Inopha AG and its beneficial owner Mr. Denis Opitz on January 21, 2025, and formally signed a settlement agreement. Upon submission of a termination declaration by Janssen to WIPO, the arbitration will be dismissed by WIPO in accordance with Janssen’s request and the aforementioned settlement agreement.
- (g) On February 28, 2020, the Company filed a civil lawsuit to the Labor Court Dresden of Germany against Denis Opitz, the beneficiary owner of Inopha AG. On January 21, 2025, the Company reached an out of court settlement with Inopha AG and its beneficial owner Mr. Denis Opitz and formally signed a settlement agreement. The case was dismissed by the Dresden Labor Court in 2025.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(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 three months ended March 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of March 31, 2025 (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	2.82 %	11,992	
TSH Biopharm Co., Ltd.	Lumosa Therapeutics Co., Ltd. Common Stock	-	Financial assets measured at fair value through other comprehensive income– current	308	54,835	0.18 %	54,835	
"	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets measured at fair value through other comprehensive income–non-current	2,500	155,250	0.38 %	155,250	
"	Union Bank of Taiwan Preferred Shares A	-	"	400	21,480	0.20 %	21,480	
"	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	"	58	3,026	0.02 %	3,026	
"	CellMax Ltd. Common Stock	-	"	1,593	10,479	- %	10,479	

(iv) Information regarding related-parties purchases and/or sales exceeding NT\$100 million or 20% of the Company’s paid-in capital: None

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

- (v) Information regarding receivables from related-parties exceeding NT\$100 million or 20% of the Company's paid-in capital: None
- (vi) 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	TSH Biopharm Co., Ltd.	1	Sales revenue	24,632	By contract	1.69%
0	"	"	1	Other income	1,224	"	0.08%
0	"	"	1	Other gains and losses	1,210	"	0.08%
0	"	"	1	Accounts receivable	13,241	"	0.12%
0	"	"	1	Other receivables	2,500	"	0.02%
0	"	American Taiwan Biopharma Phils Inc.	1	Sales revenue	1,816	"	0.12%
0	"	"	1	Accounts receivable	5,390	"	0.05%
0	"	"	1	Other receivables	4,926	"	0.04%
0	"	Chuang Yi Biotech Co., Ltd.	1	Sales revenue	35,587	"	2.44%
0	"	"	1	Other gains and losses	1,585	"	0.11%
0	"	"	1	Accounts receivable	37,367	"	0.34%
1	TSH Biopharm Co., Ltd	TOP Biological Technology Co., Ltd	3	Sales revenue	19,437	"	1.33%
1	"	"	3	Notes receivable	4,796	"	0.04%
1	"	"	3	Accounts receivable	6,291	"	0.06%

Note 1): The numbering is as follows:

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

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.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (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 March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Xudong Haipu International Co., Ltd.	Cayman Is.	Investing activities	14,542	14,542	1,454	100.00 %	1,319,508	11,328	11,328	Subsidiary
The Company	Worldco International Co., Ltd.	Hong Kong	Selling chemical medicine	15,825	15,825	3,960	100.00 %	137,102	(1,603)	(1,603)	Subsidiary
The Company	American Taiwan Biopharma Philippines	Philippines	Selling chemical medicine	32,904	32,904	481	87.00 %	(5,186)	54	47	Subsidiary
The Company	TSH Biopharm Co., Ltd.	Taiwan	Selling chemical medicine	227,449	227,449	21,687	56.48 %	790,844	30,413	17,101	Subsidiary
The Company	EnhancX Biopharm Inc.	Taiwan	Developing chemical medicine	50,000	50,000	5,000	20.83 %	245	(968)	(202)	Subsidiary
The Company	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	250,951	250,951	7,432	23.12 %	33,855	4,661	1,078	Subsidiary
The Company	PharmaEngine, Inc.	Taiwan	Developing chemical medicine	536,559	536,559	25,867	18.00 %	1,154,688	102,303	18,415	Investments accounted for using equity method
The Company	American Taiwan Biopharm	Thailand	Selling chemical medicine	2,966	2,966	380	40.00 %	451,468	39,857	15,943	Investments accounted for using equity method
The Company	Gligio International Limited	Hong Kong	Selling chemical medicine	2,685	2,685	620	40.00 %	146,614	12,317	4,926	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 %	12,765	(968)	(282)	Subsidiary
Xudong Haipu International Co., Ltd.	ITY Biopharm Korea Co., Ltd.	Korea	Selling chemical medicine	59,404	59,404	449	100.00 %	801	(2,140)	(2,140)	Subsidiary
Xudong Haipu International Co., Ltd.	ITY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	-	-	Subsidiary
Worldco International Co., Ltd.	ITY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	-	-	Subsidiary
EnhancX Biopharm Inc.	EnhancX Biopharm B.V.	Netherlands	Developing chemical medicine	-	3,538	-	- %	-	-	-	Subsidiary
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	200,262	200,262	16,590	51.60 %	172,421	4,661	2,405	Subsidiary
TSH Biopharm Co., Ltd.	TOP Pharm Medicalware Co., Ltd.	Taiwan	Selling chemical medicine	301,451	257,121	2,529	51.00 %	324,831	6,342	3,234	Subsidiary
TSH Biopharm Co., Ltd.	TOP Biological Technology Co., Ltd.	Taiwan	Selling chemical medicine	-	44,330	-	- %	-	-	-	Subsidiary
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Samoa	Import and export trading and investment activities	-	16,820	-	- %	-	-	-	Subsidiary

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Notes to Consolidated Financial Statements

(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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	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	54,419	(2)	92,054	-	-	92,054	156	100 %	156	53,625	-
		CNY 11,900		CNY 20,130			CNY 20,130	CNY 34		CNY 34	CNY 11,726	

The exchange rate of USD to NTD as of the reporting date was 1:33.2050, and the average exchange rate of USD to NTD for the reporting period was 1:32.8333.

The exchange rate of CNY to NTD as of the reporting date was 1:4.5730, and the average exchange rate of CNY to NTD for the reporting period was 1:4.5145.

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.

(Continued)

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

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 92,054	NTD 1,568,206 (USD 47,228)	NTD 3,670,915

(iii) Significant transactions: None

(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 March 31, 2025	Oncology Business Unit	Intensive Care Business Unit	Health Care Unit	Export And OEM Business Unit	Other Business Unit	Re-investment Business Unit	Adjustment and elimination	Total
Revenue:								
Revenue from external customers	\$ 564,800	279,271	45,626	284,721	-	284,432	-	1,458,850
Intersegment revenues	-	23,193	12,394	26,459	-	22,043	(84,089)	-
Total revenue	<u>\$ 564,800</u>	<u>302,464</u>	<u>58,020</u>	<u>311,180</u>	<u>-</u>	<u>306,475</u>	<u>(84,089)</u>	<u>1,458,850</u>
Reportable segment profit or loss	<u>\$ 254,333</u>	<u>114,782</u>	<u>39,789</u>	<u>89,664</u>	<u>(9,371)</u>	<u>44,869</u>	<u>(18,470)</u>	<u>515,596</u>
For the three months ended March 31, 2024								
Revenue:								
Revenue from external customers	\$ 533,632	265,423	46,143	227,904	-	200,503	-	1,273,605
Intersegment revenues	-	563	18,585	20,428	-	1,149	(40,725)	-
Total revenue	<u>\$ 533,632</u>	<u>265,986</u>	<u>64,728</u>	<u>248,332</u>	<u>-</u>	<u>201,652</u>	<u>(40,725)</u>	<u>1,273,605</u>
Reportable segment profit or loss	<u>\$ 241,761</u>	<u>99,795</u>	<u>34,186</u>	<u>69,767</u>	<u>(101,814)</u>	<u>47,908</u>	<u>(23,549)</u>	<u>368,054</u>
Reportable segment assets								
Balance on March 31, 2025	<u>\$ 1,223,745</u>	<u>454,492</u>	<u>678,924</u>	<u>1,847,742</u>	<u>5,823,597</u>	<u>3,344,933</u>	<u>(2,400,797)</u>	<u>10,972,636</u>
Balance on December 31, 2024	<u>\$ 1,407,799</u>	<u>499,194</u>	<u>679,696</u>	<u>1,820,511</u>	<u>5,546,083</u>	<u>3,084,875</u>	<u>(2,175,392)</u>	<u>10,862,766</u>
Balance on March 31, 2024	<u>\$ 1,231,581</u>	<u>467,335</u>	<u>600,996</u>	<u>1,789,308</u>	<u>5,270,878</u>	<u>3,180,487</u>	<u>(2,466,479)</u>	<u>10,074,106</u>