Stock Code:4105

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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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 June 30, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months and six months ended June 30, 2026 and 2025 for the six months ended June 30, 2026 and 2025, 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 $642,522 thousand and $565,008 thousand as of June 30, 2026 and 2025, respectively, and the related share of profit amounting to $30,183 thousand, $32,634 thousand, $58,280 thousand and $53,503 thousand for the three months and six 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025 and its consolidated cash flows for the six months ended June 30, 2026 and 2025, 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 $1,048,044 thousand and $1,002,775 thousand, constituting 8.86% and 9.40% of consolidated total assets as of June 30, 2026 and 2025, respectively, and the related share of profit of associates accounted for using the equity method amounted to $24,126 thousand, $3,201 thousand, $48,825 thousand and $21,616 thousand, constituting 4.43%,0.81%,4.37% and 2.38% of consolidated total profit before tax for the three months and six months ended June 30, 2026 and 2025.

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)
August 5, 2026

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

June 30, 2026, December 31, 2025, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollar)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (notes 6(a) and (t))	$ 2,924,257	25	2,520,849	23	2,555,791	24
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	15,885	-	30,743	-	45,131	-
1150	Notes receivable, net (notes 6(c) and (t))	22,731	-	22,448	-	23,313	-
1170	Accounts receivable, net (notes 6(c) and (t))	1,342,400	11	1,458,787	13	1,207,692	12
1180	Accounts receivable due from related parties, net (notes 6(c), (t) and 7)	32,149	-	36,644	-	46,043	-
1200	Other receivables, net (notes 6(t) and 7)	93,431	1	36,456	-	176,130	2
130X	Inventories (notes 6(d) and 9)	1,392,238	12	1,389,009	12	1,264,363	12
1410	Prepayments	92,283	1	63,201	1	79,266	1
1476	Other current financial assets (notes 6(i) and (t))	437,000	4	437,000	4	332,000	3
1470	Other current assets (note 6(i))	78,074	-	13,677	-	25,822	-
		6,430,448	54	6,008,814	53	5,755,551	54
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	193,959	2	191,137	2	204,003	2
1550	Investments accounted for using the equity method (note 6(e))	1,690,566	14	1,715,742	15	1,567,783	15
1600	Property, plant and equipment (notes 6(g) and 9)	2,129,687	18	2,183,344	19	2,179,238	20
1755	Right-of-use assets	13,735	-	15,568	-	14,615	-
1760	Investment property, net	131,024	1	130,864	1	129,717	1
1780	Intangible assets (notes 6(h) and 9)	575,439	5	425,172	4	423,909	4
1840	Deferred tax assets	65,798	1	65,803	1	58,505	1
1915	Prepayments for business facilities	59,321	-	17,263	-	50,019	-
1920	Refundable deposits paid (note 6(t))	66,421	1	55,416	-	30,451	-
1984	Other non-current financial assets (notes 6(i), (t) and 8)	452,374	4	457,072	4	176,695	2
1990	Other non-current assets (note 6(i))	16,791	-	81,874	1	79,779	1
		5,395,115	46	5,339,255	47	4,914,714	46
	Total assets	$ 11,825,563	100	11,348,069	100	10,670,265	100

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (notes 6(j) and (t))	$ 1,550,000	13	700,000	6	1,700,000	16
2130	Contract liabilities-current (note 6(q))	46,298	-	53,699	-	32,585	-
2150	Notes payable (note 6(t))	1,150	-	9,640	-	17,619	-
2170	Accounts payable (note 6(t))	246,466	2	261,137	2	227,476	2
2216	Dividends payable (note 6(t))	62,523	1	-	-	40,287	-
2219	Other payables (notes 6(r) and (t))	670,306	6	742,539	7	582,874	6
2230	Current tax liabilities	288,107	3	323,677	3	229,651	2
2280	Current lease liabilities (note 6(t))	8,808	-	8,352	-	6,976	-
2300	Other current liabilities	43,150	-	40,789	-	20,224	-
2320	Long-term liabilities, current portion (notes 6(k) and (t))	100,000	1	500,000	5	400,000	4
		3,016,808	26	2,639,833	23	3,257,692	30
	Non-current liabilities:						
2540	Long-term borrowings (notes 6(k) and (t))	400,000	4	-	-	100,000	1
2570	Deferred tax liabilities	363,185	3	363,187	3	359,240	4
2580	Non-current lease liabilities (note 6(t))	5,198	-	7,396	-	7,684	-
2640	Net defined benefit liability, non-current	16,796	-	17,008	-	17,323	-
2645	Guarantee deposits received (note 6(t))	2,469	-	2,454	-	2,424	-
2670	Other non-current liabilities (notes 6(l) and (t))	272,481	2	266,849	2	-	-
		1,060,129	9	656,894	5	486,671	5
	Total liabilities	4,076,937	35	3,296,727	28	3,744,363	35
	Equity attributable to owners of parent (note 6(o)):						
3100	Share capital	2,486,500	21	2,486,500	22	2,486,500	23
3200	Capital surplus (note 6(e))	317,837	3	317,559	3	317,494	3
3310	Legal reserve	1,815,493	15	1,657,165	15	1,657,165	15
3320	Special reserve	198,071	2	198,071	2	198,071	2
3350	Unappropriated retained earnings	2,144,162	18	2,571,933	23	1,664,367	16
3400	Other equity interest	(6,637)	-	7,182	-	(140,847)	(1)
	Equity attributable to owners of parent:	6,955,426	59	7,238,410	65	6,182,750	58
36XX	Non-controlling interests (notes 6(f) and (o))	793,200	6	812,932	7	743,152	7
	Total equity	7,748,626	65	8,051,342	72	6,925,902	65
	Total liabilities and equity	$ 11,825,563	100	11,348,069	100	10,670,265	100

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(q) and 7)**	$ 1,651,664	100	1,512,050	100	3,172,151	100	2,970,900	100
5000	**Operating costs (notes 6(d), (m) and 12)**	681,902	41	624,674	41	1,290,202	41	1,199,070	40
	Gross profit	969,762	59	887,376	59	1,881,949	59	1,771,830	60
5910	Less: Unrealized profit (loss) from sales	4,677	-	761	-	12,593	-	13,737	-
5920	Add: Realized profit (loss) from sales	-	-	-	-	12,023	-	12,053	-
	Gross profit, net	965,085	59	886,615	59	1,881,379	59	1,770,146	60
6000	**Operating expenses (notes 6(m), (r) and 12):**								
6100	Selling expenses	322,827	20	318,305	21	599,786	19	637,242	21
6200	Administrative expenses	105,862	6	117,794	8	209,900	6	221,323	8
6300	Research and development expenses	49,494	3	44,526	3	96,593	3	93,445	3
6450	Expected credit gains (note 6(c))	(162)	-	(425)	-	(1,434)	-	(424)	-
	Total operating expenses	478,021	29	480,200	32	904,845	28	951,586	32
	Net operating income	487,064	30	406,415	27	976,534	31	818,560	28
	Non-operating income and expenses (note 6(s)):								
7100	Interest income	19,689	1	19,932	1	34,058	1	37,923	1
7010	Other income	2,507	-	2,756	-	5,192	-	43,417	1
7020	Other gains and losses, net (note 7)	(10,077)	(1)	(61,112)	(3)	10,045	-	(47,254)	(1)
7050	Finance costs	(9,456)	-	(10,195)	(1)	(15,279)	-	(18,538)	(1)
7060	Share of profit of associates accounted for using the equity method (note 6(e))	54,309	3	35,835	2	107,105	3	75,119	3
7055	**Total non-operating income and expenses**	56,972	3	(12,784)	(1)	141,121	4	90,667	3
	Profit before tax	544,036	33	393,631	26	1,117,655	35	909,227	31
7950	**Less: Income tax expenses (note 6(n))**	109,571	7	91,994	6	220,033	7	199,508	7
	Profit for the period	434,465	26	301,637	20	897,622	28	709,719	24
8300	**Other comprehensive income :**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(5,831)	-	(7,928)	(1)	(12,036)	-	(26,086)	(1)
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	(4,373)	-	9,325	1	(11,943)	-	8,400	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive (losses) income that will not be reclassified to profit or loss	(10,204)	-	1,397	-	(23,979)	-	(17,686)	(1)
8360	**Components of other comprehensive income (losses) that will be reclassified to profit or loss**								
8361	Exchange differences on translation	(11,941)	(1)	(225,201)	(15)	4,937	-	(193,442)	(6)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive (loss) income that will be reclassified to profit or loss	(11,941)	(1)	(225,201)	(15)	4,937	-	(193,442)	(6)
8300	**Other comprehensive loss**	(22,145)	(1)	(223,804)	(15)	(19,042)	-	(211,128)	(7)
	Total comprehensive income for the period	**$ 412,320**	**25**	**77,833**	**5**	**878,580**	**28**	**498,591**	**17**
	Profit attributable to:								
8610	Owners of parent	$ 406,418	24	284,656	19	849,483	27	675,752	23
8620	Non-controlling interests	28,047	2	16,981	1	48,139	1	33,967	1
		$ 434,465	**26**	**301,637**	**20**	**897,622**	**28**	**709,719**	**24**
	Comprehensive income attributable to:								
	Owners of parent	$ 386,803	23	64,249	4	835,664	27	475,935	16
	Non-controlling interests	25,517	2	13,584	1	42,916	1	22,656	1
		$ 412,320	**25**	**77,833**	**5**	**878,580**	**28**	**498,591**	**17**
	Earnings per share, net of tax (note 6(p))								
9750	Basic earnings per share	**$**	**1.63**		**1.14**		**3.42**		**2.72**
9850	Diluted earnings per share	**$**	**1.63**		**1.14**		**3.41**		**2.71**

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital		Retained earnings			Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 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	-	-	-	-	675,752	-	-	-	675,752	33,967	709,719
Other comprehensive income	-	-	-	-	-	(193,483)	(6,334)	(199,817)	(199,817)	(11,311)	(211,128)
Total comprehensive income	-	-	-	-	675,752	(193,483)	(6,334)	(199,817)	475,935	22,656	498,591
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	157,649	-	(157,649)	-	-	-	-	-	-
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	-	57	-	-	-	-	-	-	57	-	57
Other changes in capital surplus	-	245	-	-	-	-	-	-	245	-	245
Disposal of investments accounted for using equity method	-	-	-	-	-	282	-	282	282	180	462
Changes in ownership interests in subsidiaries	-	156	-	-	(43)	-	-	-	113	111	224
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(40,287)	(40,287)
Balance at June 30, 2025	**$ 2,486,500**	**317,494**	**1,657,165**	**198,071**	**1,664,367**	**(161,885)**	**21,038**	**(140,847)**	**6,182,750**	**743,152**	**6,925,902**
Balance at January 1, 2026	$ 2,486,500	317,559	1,657,165	198,071	2,571,933	1,846	5,336	7,182	7,238,410	812,932	8,051,342
Net income	-	-	-	-	849,483	-	-	-	849,483	48,139	897,622
Other comprehensive income	-	-	-	-	-	4,922	(18,741)	(13,819)	(13,819)	(5,223)	(19,042)
Total comprehensive income	-	-	-	-	849,483	4,922	(18,741)	(13,819)	835,664	42,916	878,580
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	158,328	-	(158,328)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,118,925)	-	-	-	(1,118,925)	(62,679)	(1,181,604)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	10	-	-	-	-	-	-	10	-	10
Other changes in capital surplus	-	228	-	-	-	-	-	-	228	-	228
Changes in ownership interests in subsidiaries	-	40	-	-	(1)	-	-	-	39	31	70
Balance at June 30, 2026	**$ 2,486,500**	**317,837**	**1,815,493**	**198,071**	**2,144,162**	**6,768**	**(13,405)**	**(6,637)**	**6,955,426**	**793,200**	**7,748,626**

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 six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollar)

	For the six months ended June 30	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,117,655	909,227
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	78,683	78,697
Amortization expenses	29,712	19,001
Reversal of expected credit impairment	(1,434)	(424)
Interest expenses	15,279	18,538
Interest income	(34,058)	(37,923)
Shares of profit of investments accounted for using the equity method	(107,105)	(75,119)
Gain on disposal of property, plant and equipment	(4)	(80)
Gain on disposal of investments accounted for using equity method	-	(946)
Unrealized profit from sales	12,593	13,737
Realized profit from sales	(12,023)	(12,053)
Total adjustments to reconcile (loss) profit	(18,357)	3,428
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(283)	(466)
Accounts receivable	123,158	76,562
Other receivables	(8,075)	2,472
Inventories	(3,291)	5,503
Prepayments and other current assets	(52,395)	(42,379)
Total changes in operating assets	59,114	41,692
Changes in operating liabilities:		
Contract liabilities	(7,408)	(1,746)
Notes payable	(8,490)	(32,780)
Accounts payable	(14,549)	(47,855)
Other payable	(73,927)	(65,770)
Other current liabilities	2,396	(2,408)
Net defined benefit liability	(212)	(216)
Total changes in operating liabilities	(102,190)	(150,775)
Total changes in operating assets and liabilities	(43,076)	(109,083)
Total adjustments	(61,433)	(105,655)
Cash inflow generated from operations	1,056,222	803,572
Interest received	36,953	37,270
Dividends received	50,150	36,752
Interest paid	(15,055)	(18,133)
Income taxes paid	(264,567)	(198,719)
Net cash flows from operating activities	863,703	660,742
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	-	1,470
Acquisition of property, plant and equipment	(18,556)	(19,007)
Proceeds from disposal of property, plant and equipment	34	1,133
(Decrease) increase in refundable deposits paid	(11,008)	4
Acquisition of intangible assets	(100,885)	(35,651)
Increase in other financial assets	-	(99,878)
Increase in prepayments for business facilities	(43,398)	(9,882)
Increase in other non-current assets	(13,754)	(17,951)
Net cash flows used in investing activities	(187,567)	(179,762)
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,700,000	3,750,000
Decrease in short-term loans	(1,850,000)	(3,250,000)
Proceeds from long-term borrowings	400,000	-
Repayments of long-term borrowings	(400,000)	-
Increase (decrease) in guarantee deposits received	10	(6)
Payment of lease liabilities	(4,616)	(4,096)
Cash dividends paid	(1,118,925)	(1,044,330)
Other financing activities	(31,925)	-
Net cash flows used in financing activities	(305,456)	(548,432)
Effect of exchange rate changes on cash and cash equivalents	32,728	(149,372)
Net increase (decrease) in cash and cash equivalents	403,408	(216,824)
Cash and cash equivalents at beginning of period	2,520,849	2,772,615
Cash and cash equivalents at end of period	$ **2,924,257**	**2,555,791**

See accompanying notes to financial statements.

(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 August 5, 2026.

(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, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group's anticipated adoption of the new amendments beginning on January 1, 2027, are expected to have the following impacts:

(i) IFRS 18 "Presentation and Disclosure in Financial Statements"

The new standard will replace IAS 1 "Presentation of Financial Statements" and, as endorsed by the FSC, applies for annual reporting periods beginning on or after 1 January 2028, earlier application is permitted. The Group has early adopted it in preparing these financial statements.

The new standard requires a more structured statement of profit or loss and greater disaggregation of information. The Group is in the process of assessing the estimated impact that the initial application of the new standard will have on its consolidated financial statements.

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The expected impacts in the period of initial application are described below. The actual impacts of adopting the accounting standard on 1 January 2027 may change because:

- the Group has not finalized the assessment and implementation of changes to processes and controls; and
- the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include the date of initial application.

A. Structure of the statement of profit or loss

The new standard requires entities to classify all income and expenses into five categories in the statement of profit or loss - namely operating, investing, financing, income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and providing financial support to its customers.

Neither net profit nor net assets will change as a result of the Group's adoption of the new standard.However, the Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. The operating profit subtotal differs from the current net operating income subtotal presented by the Group. Based on the information currently available, the Group expects significant changes to the current structure of its statement of profit or loss that may result the following:

- Shares of loss of associates and joint ventures accounted for using equity method are currently presented under non-operating income and expenses. Income and expenses from equity-accounted investments are always classified in the investing category under the new standard. Accordingly, the Group's share of loss of associates and joint ventures accounted for using equity method will be classified and presented in the investing category.
- Interest income and expenses are generally included in interest income and finance costs under the Group's current accounting policy and are presented as non-operating income and expenses. The new standard provides specific guidance on the income and expenses classified in the investing and financing categories.
    1) Interest income on certain financial assets held by the Group (e.g. interest income on corporate debt securities and on cash and cash equivalents) will be classified and presented in the investing category.
    2) Interest expense on certain liabilities will continue to be classified and presented in the financing category (e.g. interest expense on financial liabilities not measured at FVTPL and unwind of discount on site restoration provision).
- Net foreign exchange losses are currently under non-operating income and expenses. Under the new standard, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that its foreign exchange differences are to be classified in the operating, investing and financing categories. For example, foreign exchange differences on trade payables will be classified in the operating category.

(Continued)

- Gains and losses on certain designated cash flow hedging instruments are currently included in finance costs and presented in net finance costs. Under the new standard, gains and losses on designated hedging instruments are required to be classified in the same category as the income and expenses affected by the hedged risks. The Group has determined that gains and losses on these hedging instruments will be classified in the operating and financing categories.

Under the new standard, operating expenses are classified and presented by nature, function or using a mixed presentation. The Group has determined that classification and presentation on a mixed basis will provide the most useful structured summary of operating expenses.

B. Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group has developed a process to determine public communications relevant when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of the new standard will be determined based on public communications issued by the Group relating to the 2027 reporting period.

C. Principles of aggregation and disaggregation

The new standard provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

D. Consequential amendments

The new standard introduces consequential amendments to IAS 7 "Statement of cash flows", which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses 'Profit before tax' as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

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For example, the Group's share of loss of associates and joint ventures accounted for using equity method will no longer be an adjusting item, as this amount will not be included in the operating profit starting point. Cash distributions from these investees will be included in cash flows from investing activities.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"
- Amendments to IAS 28 "The Fair Value Option for Investments in Associates and Joint Ventures"

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

The Group does not expect the following 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 20 "Regulatory Assets and Regulatory Liabilities"

(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, 2025.

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(b) Basis of consolidation

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

Investor	Subsidiary	Nature of business	Shareholding June 30, 2026	Shareholding December 31, 2025	Shareholding June 30, 2025	Notes
The Company	Xudong Haipu International Co., Ltd.	Investing activities	100.00 %	100.00 %	100.00 %	
The Company	Worldco International Co., Ltd.	Investing activities and selling medicine	100.00 %	100.00 %	100.00 %	
The Company	American Taiwan Biopharma Philippines Inc.(ATBP)	Selling medicine	87.00 %	87.00 %	87.00 %	
The Company	TSH Biopharm Co., Ltd.(TSH)	Selling medicine	56.48 %	56.48 %	56.48 %	
The Company	EnhanX Biopharm Inc.(EnhanX)	Developing medicine	20.83 %	20.83 %	20.83 %	(Note 4)
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 3)
Xudong Haipu International Co., Ltd.	EnhanX Biopharm Inc.(EnhanX)	Developing medicine	29.17 %	29.17 %	29.17 %	(Note 4)
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 3)
EnhanX Biopharm Inc.	EnhanX Biopharm B.V.	Developing medicine	- %	- %	- %	(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 and manufacturing of medicine and functional food	51.00 %	51.00 %	51.00 %	(Note 2)

(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.

(Continued)

(Note 2) 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.

(Note3) 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.

(Note4) In order to reduce the operating costs of the Group,EnhanX was liquidated based on the decision made during its annual shareholders' meeting held on April 13, 2026, with the approval of the Taipei City Government on May 11, 2026.

(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, 2025. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2025.

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(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, 2025. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2025.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 2,867	2,560	2,506
Cash in banks	1,551,840	1,261,089	1,264,085
Time deposits	1,369,550	1,257,200	1,289,200
Total	**$ 2,924,257**	**2,520,849**	**2,555,791**

(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(i).

(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

	June 30, 2026	December 31, 2025	June 30, 2025
The equity investments at fair value through other comprehensive income:			
Domestic common stock－Lumosa Therapeutics Co., Ltd.	$ 15,885	30,743	45,131
Domestic preferred stock－Fubon Financial Holding Co., Ltd. Preferred Shares B	157,250	154,250	156,500
Domestic preferred stock－Fubon Financial Holding Co., Ltd. Preferred Shares C	2,997	3,095	3,072
Domestic preferred stock－Union Bank of Taiwan Preferred Shares A	21,720	21,800	21,960
International unlisted stock－CellMax Ltd.	-	-	10,479
Domestic unlisted stock－ExoOne Bio. Co., Ltd.	11,992	11,992	11,992
	$ 209,844	**221,880**	**249,134**

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(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) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2026 and 2025.

(iii) Please refer to Note 6(t) for information on credit and market risk.

(iv) The above financial assets were not pledged as collateral.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 22,768	22,483	23,348
Accounts receivable	1,345,417	1,463,243	1,210,932
Accounts receivable-related parties	32,149	36,644	46,043
Less: allowance for expected credit losses	(3,054)	(4,491)	(3,275)
	$ 1,397,280	1,517,879	1,277,048

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:

	June 30, 2026		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	$ 1,391,236	0%~1%	2,895
1 to 90 days overdue	8,696	0%~1.35%	19
91 to 180 days overdue	262	0%~1.46%	-
More than 181 days overdue	140	100%	140
	$ 1,400,334		3,054

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	December 31, 2025		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	$ 1,460,935	0%~1.45%	3,194
1 to 90 days overdue	60,908	0%~12.53%	779
91 to 180 days overdue	383	2%~41.9%	374
More than 181 days overdue	144	100%	144
	$ 1,522,370		4,491

	June 30, 2025		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	$ 1,276,557	0%~1%	2,107
1 to 90 days overdue	3,517	1%~21.29%	919
More than 181 days overdue	249	100%	249
	$ 1,280,323		3,275

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

	For the six months ended June 30,	
	2026	2025
Balance at January 1	$ 4,491	3,713
Reversal of expected credit losses	(1,434)	(424)
Effect of changes in foreign exchange rates	(3)	(14)
Balance at June 30	$ 3,054	3,275

As of June 30, 2026, December 31, 2025 and June 30, 2025, the notes receivable and accounts receivable for the Group were not pledged as collateral.

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(d) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandise	$ 450,364	450,338	251,984
Finished goods	301,691	334,148	272,164
Work in process	184,159	223,334	283,287
Raw materials	438,731	360,928	355,632
Materials	99,018	88,414	65,732
Subtotal	1,473,963	1,457,162	1,228,799
Goods in transit	108	16,878	122,748
Total	1,474,071	1,474,040	1,351,547
Less: allowance for inventory market decline and obsolescence	(81,833)	(85,031)	(87,184)
Net amount	**$ 1,392,238**	**1,389,009**	**1,264,363**

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Inventories have been sold	$ 680,211	619,026	1,286,208	1,206,219
Cost of services	272	274	544	564
Inventory write-down losses and reversal gains, and disposal losses	1,419	5,374	3,450	(7,713)
	$ 681,902	**624,674**	**1,290,202**	**1,199,070**

(ii) As of June 30, 2026, December 31, 2025 and June 30, 2025, 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	**$ 1,690,566**	**1,715,742**	**1,567,783**

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1) As of June 30, 2026, December 31, 2025 and June 30, 2025, the associate which the Group invested had a quoted market price was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying value	$ 1,048,044	1,050,943	1,002,775
Fair value	$ 1,577,875	1,821,023	2,017,611

2) For the six months ended 2025, 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 $57 thousand. 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 June 30, 2026	December 31, 2025	June 30, 2025
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.

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 5,365,928	5,084,842	5,691,018
Non-current assets	56,137	62,670	25,356
Current liabilities	(478,893)	(187,146)	(1,057,313)
Non-current liabilities	(33,359)	(34,448)	(744)
Net assets	$ 4,909,813	4,925,918	4,658,317
Net assets attributable to investee's owners	$ 4,909,813	4,925,918	4,658,317

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	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating revenue	$ 258,016	196,787	497,811	384,169
Profit from continuing operations	$ 134,035	17,785	271,250	120,088
Other comprehensive loss	-	-	-	-
Total comprehensive income	$ 134,035	17,785	271,250	120,088
Comprehensive income attributable to investee's owners	$ 134,035	17,785	271,250	120,088

	For the six months ended June 30,	
	2026	2025
Net assets attributable to the Group, January 1	$ 886,665	971,964
Changes in capital surplus of associates	10	57
Comprehensive income attributable to the Group	48,825	21,622
Cash dividends received from associates	(51,734)	(155,146)
Net assets attributable to the Group, June 30	883,766	838,497
Add: Goodwill	164,278	164,278
Carrying amount of interest in associates, June 30	$ 1,048,044	1,002,775

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of individually insignificant associates	$ 642,522	664,799	565,008

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	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Attributable to the Group:				
Profit from continuing operations	$ 30,183	32,634	58,280	53,503
Other comprehensive loss	(12,168)	(44,923)	(29,837)	(33,638)
Total comprehensive income	$ **18,015**	**(12,289)**	**28,443**	**19,865**

(iv) Collateral

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group did not provide any investment accounted for using equity method as collateral.

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

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

(f) Material non-controlling interests of subsidiaries

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

		Non-controlling interests and voting rights ratio		
Subsidiary	**Country of registration**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**
TSH Biopharm Co., Ltd.	Taiwan	43.52 %	43.52 %	43.52 %

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.

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Summary financial information on TSH Biopharm Co., Ltd.

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 1,488,496	1,423,020	1,305,199
Non-current assets	537,464	528,434	546,749
Current liabilities	(343,616)	(227,091)	(264,143)
Non-current liabilities	(5,043)	(6,695)	(9,401)
Net assets	**$ 1,677,301**	**1,717,668**	**1,578,404**
Net assets attributable to non-controlling interest	**$ 794,067**	**813,726**	**743,561**

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating revenue	**$ 330,688**	**269,296**	**616,505**	**556,414**
Profit for the period	$ 56,210	31,573	98,313	67,349
Other comprehensive income	(5,831)	(7,928)	(12,036)	(26,086)
Total comprehensive income	**$ 50,379**	**23,645**	**86,277**	**41,263**
Profit attributable to non-controlling interest	**$ 28,111**	**16,977**	**48,226**	**34,440**
Total comprehensive income attributable to non-controlling interest	**$ 25,573**	**13,527**	**42,988**	**23,088**

	For the six months ended June 30,	
	2026	**2025**
Cash flows from operating activities	$ 209,918	69,435
Cash flows used in investing activities	(17,216)	(107,519)
Cash flows used in financing activities	(38,557)	(6,082)
Net increase (decrease) in cash	**$ 154,145**	**(44,166)**

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(g) Property, plant and equipment

The details of the property, plant and equipment of the Group for the six months ended June 30, 2026 and 2025 were as follows:

	Land	Building and construction	Machinery equipment	Office equipment	Other equipment	Construction in progress	Total
Carrying value:							
Balance on January 1, 2026	$ 902,897	782,344	277,999	143,973	4,601	71,530	2,183,344
Balance on June 30, 2026	$ 902,897	751,348	265,522	134,759	3,631	71,530	2,129,687
Balance on January 1, 2025	$ 902,897	834,304	328,799	162,492	5,924	588	2,235,004
Balance on June 30, 2025	$ 902,897	806,143	309,205	151,523	5,584	3,886	2,179,238

As of June 30, 2026, December 31, 2025 and June 30, 2025, the property, plant and equipment were not pledged as collateral.

(h) Intangible assets

The cost, amortization, and impairment of the intangible assets of the Group for the six months ended June 30, 2026 and 2025, were as follows:

	Computer software	Patent and franchise	Other Intangible assets	Goodwill	Total
Cost:					
Balance on January 1, 2026	$ 57,761	306,291	77,986	247,898	689,936
Additions	27,001	73,857	27	-	100,885
Disposals	(3,513)	(57,931)	(77)	-	(61,521)
Reclassifications	260	78,834	-	-	79,094
Balance on June 30, 2026	$ **81,509**	**401,051**	**77,936**	**247,898**	**808,394**
Balance on January 1, 2025	$ 36,483	240,875	77,986	247,898	603,242
Additions	6,155	29,496	-	-	35,651
Disposals	(5,188)	-	-	-	(5,188)
Reclassifications	-	35,919	-	-	35,919
Effect of changes in foreign exchange rate	(2)	-	-	-	(2)
Balance on June 30, 2025	$ **37,448**	**306,290**	**77,986**	**247,898**	**669,622**
Amortization and impairment loss:					
Balance on January 1, 2026	$ 22,540	182,173	60,051	-	264,764
Amortization for the period	6,381	14,596	8,735	-	29,712
Disposals	(3,513)	(57,931)	(77)	-	(61,521)
Balance on June 30, 2026	$ **25,408**	**138,838**	**68,709**	**-**	**232,955**

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	Computer software	Patent and franchise	Other Intangible assets	Goodwill	Total
Balance on January 1, 2025	$ 19,513	165,753	46,635	-	231,901
Amortization for the period	4,068	7,528	7,405	-	19,001
Disposals	(5,188)	-	-	-	(5,188)
Effect of changes in foreign exchange rate	(1)	-	-	-	(1)
Balance on June 30, 2025	**$ 18,392**	**173,281**	**54,040**	**-**	**245,713**
Carrying value:					
Balance on January 1, 2026	**$ 35,221**	**124,118**	**17,935**	**247,898**	**425,172**
Balance on June 30, 2026	**$ 56,101**	**262,213**	**9,227**	**247,898**	**575,439**
Balance on January 1, 2025	**$ 16,970**	**75,122**	**31,351**	**247,898**	**371,341**
Balance on June 30, 2025	**$ 19,056**	**133,009**	**23,946**	**247,898**	**423,909**

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group's aforementioned intangible assets were not pledged as collateral.

(i) Other financial assets and other assets

	June 30, 2026	December 31, 2025	June 30, 2025
Other current financial assets	$ 437,000	437,000	332,000
Other non-current financial assets	452,374	457,072	176,695
Long-term prepayments	16,679	81,758	79,129
Other current and non-current assets	78,186	13,793	26,472
	$ 984,239	**989,623**	**614,296**

(i) Other current financial assets were bank deposits that did not qualify as cash and cash equivalents. Please refer to Note 6(t) for information on credit risk and market risk.

(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.

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(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 1,550,000	700,000	1,700,000
Unused credit line	$ 1,303,315	2,317,875	823,125
Range of interest rates	1.80%~1.87%	1.82%	1.82%～1.89%

(i) For the six months ended June 30, 2026 and 2025, the Group had the additional short-term borrowings amounting to $2,700,000 thousand with an interest rate of 1.80%~1.87% and $3,750,000 thousand with an interest rate of 1.82%~1.89%, respectively; the repayment amounted to $1,850,000 thousand and $3,250,000 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.

(k) Long-term borrowings

The long-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 500,000	500,000	500,000
Less: Current portion	(100,000)	(500,000)	(400,000)
Total	$ 400,000	-	100,000
Range of interest rates	2.1%~2.13%	2.1%~2.13%	2.1%~2.13%

There were no significant issues, repurchases and repayments of long-term borrowings six months ended June 30, 2026 and 2025. Please refer to Note 6(s) for related disclosure of interest expense, Note 6(t) for related risk exposure information.

(l) Other Non-current Liabilities

In connection with prior litigation, the Group entered into a settlement agreement with its counterparty in January 2025, wherein the contractual funds previously held in a trust account in relation to the dispute have been allocated in accordance with the terms of the agreement. More than half of the settlement proceeds, recognized under other non-current liabilities, have been retained to cover the litigation costs and other anticipated expenditures. For the related information, please refer to Note 12(f) of the consolidated financial statements for the year ended December 31, 2025.

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(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, 2025 and 2024.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating cost	$ 26	23	53	46
Selling expenses	13	15	26	30
Administrative expenses	16	16	32	32
Research and development expenses	6	8	11	16
Total	**$ 61**	**62**	**122**	**124**

(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 June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating cost	$ 3,308	3,594	6,412	6,973
Selling expenses	4,765	4,815	9,787	9,529
Administrative expenses	1,986	2,073	3,930	4,166
Research and development expenses	1,091	1,072	2,069	2,143
Total	**$ 11,150**	**11,554**	**22,198**	**22,811**

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(n) Income tax

(i) Income tax expense

The components of income tax for the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Current tax expense				
Current period	$ 114,307	91,955	224,769	199,467
Adjustment for prior periods	(4,733)	39	(4,733)	41
Origination and reversal of temporary difference	(3)	-	(3)	-
Income tax expense from continuing operations	**$ 109,571**	**91,994**	**220,033**	**199,508**

(ii) Assessment of tax

Company’s income tax returns through 2023 have been assessed and approved by the Tax Authorities. The income tax returns of TSH, CYB, TOP PM, and EnhanX have been assessed and approved by the Tax Authorities through 2024.

(o) Capital and other equity

There was no significant change in capital and other equity for the six months ended June 30, 2026 and 2025. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2025.

(i) Capital surplus

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

	June 30, 2026	December 31, 2025	June 30, 2025
Share capital	$ 484	484	484
Long-term investment	315,833	315,783	315,719
Other	1,520	1,292	1,291
	$ 317,837	**317,559**	**317,494**

(Continued)

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 legal reserve referred to in the preceding paragraph shall be appropriated based on the current year's profit after tax, plus the amounts of items other than the current year's profit after tax that are included in the current year's undistributed earnings. The Company adopts the principle of conservative dividend policy. In the event of surplus from the Company's annual account, a contribution of no less than 70% of the balance remaining after the tax payment, the accumulated loss recovery, the contribution of legal reserve and the contribution or reversal of special reserve as required by laws, less the share of profit recognized under the equity method from associates, and plus cash dividends distributed to the Company by those associates recognized under the equity method, shall be distributed as shareholders' dividends in the form of cash or stocks. The percentage for cash dividends shall not less 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)

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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 June 30, 2026, December 31, 2025 and June 30, 2025, all of the special reserve amounted to $198,071 thousand.

3) Earnings distribution

Earnings distribution for 2025 and 2024 was resolved in the special resolution of the Board of Directors on March 9, 2026 and February 25, 2025, respectively. The appropriation for dividends to ordinary shareholders is as follows:

	2025		2024	
	Amount per share (dollars)	**Amount**	**Amount per share (dollars)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 4.50	1,118,925	4.20	1,044,330

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(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, 2026	$ 1,846	5,336	7,182
Exchange differences on foreign operations	4,922	-	4,922
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(6,798)	(6,798)
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(11,943)	(11,943)
Balance at June 30, 2026	**$ 6,768**	**(13,405)**	**(6,637)**
Balance at January 1, 2025	$ 31,316	27,372	58,688
Exchange differences on foreign operations	(193,483)	-	(193,483)
Disposal of affiliated companies using the equity method reclassified to profit or loss	282	-	282
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(14,734)	(14,734)
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method	-	8,400	8,400
Balance at June 30, 2025	**$ (161,885)**	**21,038**	**(140,847)**

(iv) Non-controlling interests

	For the six months ended June 30, 2026	2025
Balance at January 1	$ 812,932	760,492
Attributable to non-controlling interests:		
Profit for the period	48,139	33,967
Exchange differences on translation in foreign operations	15	41
Unrealized losses on financial assets measured at fair value through other comprehensive income	(5,238)	(11,352)
Cash dividend distributed	(62,679)	(40,287)
Changes in ownership interest in subsidiaries	31	111
Disposal of subsidiary	-	180
Balance at June 30	**$ 793,200**	**743,152**

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(p) Earnings per share

For the six months ended June 30, 2026 and 2025, the Company's earnings per share were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	$ **406,418**	**284,656**	**849,483**	**675,752**
Weighted average number of ordinary shares	248,650	248,650	248,650	248,650
	$ **1.63**	**1.14**	**3.42**	**2.72**
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company (diluted)	$ **406,418**	**284,656**	**849,483**	**675,752**
Weighted average number of ordinary shares	248,650	248,650	248,650	248,650
Effect of employees' compensation	109	97	412	327
Weighted average number of ordinary shares (diluted)	**248,759**	**248,747**	**249,062**	**248,977**
	$ **1.63**	**1.14**	**3.41**	**2.71**

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026						
	Oncology Business Unit	**Intensive Care Business Unit**	**HealthCare Business Unit**	**Export and CDMO Business Unit**	**Other Business Unit**	**Re-investment Business Unit**	**Total**
Primary geographical markets:							
Taiwan	$ 698,428	285,344	50,134	61,225	-	328,511	1,423,642
America	-	-	-	118,575	-	-	118,575
Other countries	-	-	-	109,085	-	362	109,447
	$ **698,428**	**285,344**	**50,134**	**288,885**	**-**	**328,873**	**1,651,664**

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	For the three months ended June 30, 2026							
		Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Major products/services lines:								
Medicine and functional food	$	695,095	285,344	50,134	241,973	-	312,607	1,585,153
Services		3,333	-	-	250	-	16,266	19,849
Royalty		-	-	-	46,662	-	-	46,662
	$	**698,428**	**285,344**	**50,134**	**288,885**	**-**	**328,873**	**1,651,664**

	For the three months ended June 30, 2025							
		Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:								
Taiwan	$	626,851	254,750	47,738	48,642	1,546	264,298	1,243,825
America		-	-	-	156,186	-	-	156,186
Other countries		-	-	-	108,363	-	3,676	112,039
	$	**626,851**	**254,750**	**47,738**	**313,191**	**1,546**	**267,974**	**1,512,050**
Major products/services lines:								
Medicine and functional food	$	623,851	254,750	47,730	256,859	-	254,128	1,437,318
Services		3,000	-	8	161	-	13,846	17,015
Royalty		-	-	-	56,171	1,546	-	57,717
	$	**626,851**	**254,750**	**47,738**	**313,191**	**1,546**	**267,974**	**1,512,050**

	For the six months ended June 30, 2026							
		Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:								
Taiwan	$	1,302,085	564,574	100,182	114,539	-	609,870	2,691,250
America		-	-	-	242,009	-	-	242,009
Other countries		-	-	-	235,059	-	3,833	238,892
	$	**1,302,085**	**564,574**	**100,182**	**591,607**	**-**	**613,703**	**3,172,151**
Major products/services lines:								
Medicine and functional food	$	1,291,133	564,574	100,182	486,264	-	581,803	3,023,956
Services		10,952	-	-	469	-	31,900	43,321
Royalty / commission		-	-	-	104,874	-	-	104,874
	$	**1,302,085**	**564,574**	**100,182**	**591,607**	**-**	**613,703**	**3,172,151**

	For the six months ended June 30, 2025							
		Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:								
Taiwan	$	1,191,651	534,021	93,364	103,778	1,546	544,623	2,468,983
America		-	-	-	277,592	-	-	277,592
Other countries		-	-	-	216,542	-	7,783	224,325
	$	**1,191,651**	**534,021**	**93,364**	**597,912**	**1,546**	**552,406**	**2,970,900**
Major products/services lines:								
Medicine and functional food	$	1,182,151	534,021	93,351	496,049	-	526,230	2,831,802
Services		9,500	-	13	1,126	-	26,176	36,815
Royalty / commission		-	-	-	100,737	1,546	-	102,283
	$	**1,191,651**	**534,021**	**93,364**	**597,912**	**1,546**	**552,406**	**2,970,900**

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(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Contract liability	$ 46,298	53,699	32,585

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

The amount of revenue recognized for the six months ended June 30, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were $33,214 thousand and $16,709 thousand, respectively.

(r) Remunerations to employees and directors

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles of Incorporation, if the Company has profit in a given year, 0.5% to 10% of the profit should be allocated as employee remuneration (with no less than 0.5% of the profit to be distributed to entry-level employees), and a maximum of 2% of the profit shall be allocated as remuneration to directors and supervisors. However, if the Company has accumulated losses, the Company shall reserve an amount to cover such losses in advance. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given year,0.5% to 10% should be allocated as employee remuneration and no more than 2% should be allocated as remuneration to the directors. However, if the Company has accumulated losses, the Company shall reserve an amount to cover such losses in advance.

For the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, the Company estimated its employee remuneration at $8,270 thousand, $7,303 thousand, $16,540 thousand and $14,607 thousand, respectively, and directors' remuneration at $3,595 thousand, $3,738 thousand, $7,800 thousand and $7,475 thousand, respectively. These amounts were calculated by using the Company's profit before tax for the period before deducting the amounts of the remuneration to employees and directors based on the Company's Articles of Incorporation and the amount was recognized under operating expenses. If there would be any difference between accrued amount and the actual distributed amount in the following year, the difference shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the Company accrued and recognized its employee compensation amounting to $43,000 thousand and $33,081 thousand, respectively and its remuneration to directors both amounting to $15,600 thousand. The actual distribution and related information can be accessed from the website of Market Observation Post System.

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(s) Non-operating income and expenses

(i) Interest income

The details of total interest income for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest income from bank deposits	$ **19,689**	**19,932**	**34,058**	**37,923**

(ii) Other income

The details of other income for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Rent revenue	$ 2,494	2,693	5,044	5,445
Compensation income	1	6	136	37,792
Others	12	57	12	180
	$ **2,507**	**2,756**	**5,192**	**43,417**

The Company reached an out-of-court settlement with Inopha AG in Switzerland on January 21, 2025, and recognized litigation settlement gain. For further details regarding the related litigation, please refer to Note 6(l).

(iii) Other gains and losses

The details of other gains and losses for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Gains (losses) on disposal of property, plant and equipment	$ 13	(19)	4	80
Gains on disposal of investments	-	-	-	946
Foreign exchange losses	(14,220)	(63,814)	(5,207)	(57,485)
Other	4,130	2,721	15,248	9,205
	$ **(10,077)**	**(61,112)**	**10,045**	**(47,254)**

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(iv) Finance costs

The details of finance costs for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest expense	$ 9,269	10,016	14,869	18,190
Other finance costs	187	179	410	348
	$ 9,456	**10,195**	**15,279**	**18,538**

(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, 2025.

(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, 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, 2025. Please refer to Note 6(i) 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**	**Over 5 years**
June 30, 2026						
Non-derivative financial liabilities						
Bank loans	$ 2,050,000	2,060,171	2,060,171	-	-	-
Non-interest-bearing liabilities (including related parties)	980,445	980,445	980,445	-	-	-
Lease liabilities (current and non-current)	14,007	14,645	9,307	5,338	-	-
Guarantee deposits received	2,469	2,469	2,469	-	-	-
Other non-current liabilities	272,481	272,481	-	-	-	272,481
	$ 3,319,402	**3,330,211**	**3,052,392**	**5,338**	**-**	**272,481**

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	Carrying value	Contractual cash flows	Within 1 year	2-3 years	4-5 years	Over 5 years
December 31, 2025						
Non-derivative financial liabilities						
Bank loans	$ 1,200,000	1,207,660	1,207,660	-	-	-
Non-interest-bearing liabilities (including related parties)	1,013,316	1,013,316	1,013,316	-	-	-
Lease liabilities (current and non-current)	15,748	16,549	8,932	7,617	-	-
Guarantee deposits received	2,454	2,454	2,454	-	-	-
Other non-current liabilities	266,849	266,849	-	-	-	266,849
	$ 2,498,367	2,506,828	2,232,362	7,617	-	266,849
June 30, 2025						
Non-derivative financial liabilities						
Bank loans	$ 2,200,000	2,209,657	2,108,706	100,951	-	-
Non-interest-bearing liabilities (including related parties)	868,256	868,256	868,256	-	-	-
Lease liabilities (current and non-current)	14,660	15,510	7,521	7,989	-	-
Guarantee deposits received	2,424	2,424	2,424	-	-	-
	$ 3,085,340	3,095,847	2,986,907	108,940	-	-

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:

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 21,593	31.8500	687,750	13,942	31.4300	438,208	19,895	29.3000	582,937
JPY	97,155	0.1963	19,072	177,112	0.2008	35,564	79,157	0.2034	16,101
EUR	8,716	36.2900	316,292	10,338	36.9000	381,489	1,299	34.3500	44,625
CHF	291	39.3350	11,440	-	39.6150	-	-	36.6650	-
Non-monetary items									
USD	45,576	31.8500	1,451,584	45,335	31.4300	1,424,864	44,143	29.3000	1,293,386
CNY	29,386	4.6900	137,821	29,631	4.4960	133,223	29,814	4.0910	121,969
THB	527,420	0.9641	508,486	517,295	1.0019	518,278	454,720	0.9069	439,592

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	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial liabilities									
Monetary items									
USD	346	31.8500	11,006	1,754	31.4300	55,141	224	29.3000	6,569
JPY	42,209	0.1963	8,286	4,080	0.2008	819	15,759	0.2034	3,205
EUR	926	36.2900	33,618	609	36.9000	22,487	1,482	34.3500	50,899

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 six months ended June 30, 2026 and 2025, a strengthening (weakening) of 1% of the NTD against the USD, JPY, EUR and CHF as of would have increased (decreased) the net profit after tax by $7,853 thousand and $4,664 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 six months ended June 30, 2026 and 2025, the foreign exchange gains (including realized and unrealized portions) amounted losses $5,207 thousand and losses $57,485 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 $1,061 thousand and $980 thousand for the six months ended June 30, 2026 and 2025, respectively with all other variable factors remaining constant.

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3) Other market price risk

For the six months ended June 30, 2026 and 2025, 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 six months ended June 30,			
	2026		2025	
Prices of securities at the reporting date	Other Comprehensive income after tax	Net income	Other Comprehensive income after tax	Net income
Increasing 10%	$ 20,984	-	24,913	-
Decreasing 10%	$ (20,984)	-	(24,913)	-

(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:

	June 30, 2026				
		Fair Value			
	Carrying 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	$ 181,967	181,967	-	-	181,967
Domestic stock in listed company at Taipei Exchange	15,885	15,885	-	-	15,885
Domestic unlisted stock	11,992	-	-	11,992	11,992
Subtotal	209,844	197,852	-	11,992	209,844
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,924,257	-	-	-	-
Notes and accounts receivable (including related party)	1,397,280	-	-	-	-
Other receivables (including related party)	93,431	-	-	-	-
Other financial assets (current and non-current)	889,374	-	-	-	-
Refundable deposits paid	66,421	-	-	-	-
Subtotal	5,370,763	-	-	-	-
Total	$ 5,580,607	197,852	-	11,992	209,844

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	June 30, 2026				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 2,050,000	-	-	-	-
Notes and accounts payable (including related party)	247,616	-	-	-	-
Dividends payable	62,523	-	-	-	-
Other payables (including related party)	670,306	-	-	-	-
Lease liabilities (current and non-current)	14,006	-	-	-	-
Guarantee deposit received	2,469	-	-	-	-
Other non-current liabilities	272,481	-	-	-	-
Total	**$ 3,319,401**	**-**	**-**	**-**	**-**

	December 31, 2025				
		Fair Value			
	Carrying 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	$ 179,145	179,145	-	-	179,145
Domestic stock in listed company at Taipei Exchange	30,743	30,743	-	-	30,743
Domestic unlisted stock	11,992	-	-	11,992	11,992
Subtotal	221,880	209,888	-	11,992	221,880
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,520,849	-	-	-	-
Notes receivable and accounts receivable (including related party)	1,517,879	-	-	-	-
Other receivables (including related party)	36,456	-	-	-	-
Other financial assets (current and non-current)	894,072	-	-	-	-
Refundable deposits paid	55,416	-	-	-	-
Subtotal	5,024,672	-	-	-	-
Total	**$ 5,246,552**	**209,888**	**-**	**11,992**	**221,880**

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	December 31, 2025				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 1,200,000	-	-	-	-
Notes payable and accounts payable (including related party)	270,777	-	-	-	-
Other payables	742,539	-	-	-	-
Lease liabilities (current and non-current)	15,748	-	-	-	-
Guarantee deposit received	2,454	-	-	-	-
Other non-current liabilities	266,849	-	-	-	-
Total	$ 2,498,367	-	-	-	-

	June 30, 2025				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Domestic stock in listed company at Stock Exchange	$ 181,532	181,532	-	-	181,532
Domestic stock in listed company at Taipei Exchange	45,131	45,131	-	-	45,131
Domestic unlisted stock	11,992	-	-	11,992	11,992
International unlisted stock	10,479	-	-	10,479	10,479
Subtotal	249,134	226,663	-	22,471	249,134
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,555,791	-	-	-	-
Notes and accounts receivable (including related party)	1,277,048	-	-	-	-
Other receivables (including related party)	176,130	-	-	-	-
Other financial assets (current and non-current)	508,695	-	-	-	-
Refundable deposits paid	30,451	-	-	-	-
Subtotal	4,548,115	-	-	-	-
Total	$ 4,797,249	226,663	-	22,471	249,134

(Continued)

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

	June 30, 2025				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 2,200,000	-	-	-	-
Notes and accounts payable (including related party)	245,095	-	-	-	-
Dividends payable	40,287	-	-	-	-
Other payables (including related party)	582,874	-	-	-	-
Lease liabilities (current and non-current)	14,660	-	-	-	-
Guarantee deposit received	2,424	-	-	-	-
Total	**$ 3,085,340**	-	-	-	-

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.

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.

(Continued)

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

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

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

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

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

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 six months ended June 30, 2026 and 2025, so there was no transfer between levels.

6) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2026	$ 11,992
Balance at June 30, 2026	**$ 11,992**
Balance at January 1, 2025	$ 22,471
Balance at June 30, 2025	**$ 22,471**

(Continued)

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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 June 30, 2026,, December 31, 2025 and June 30, 2025 all of 27.3%~30%, 27.3%~41.4% and 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:

			Other comprehensive income	
	Input	Change	Favorable	Unfavorable
June 30, 2026				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	165	(165)
December 31, 2025				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	165	(165)
June 30, 2025				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	270	(270)

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.

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(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, 2025.

(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, 2025. Also, there were no significant changes in the Group' s capital management information as disclosed for the year ended December 31, 2025. Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2025 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.

Name of related party	Relationship with the Group
American Taiwan Biopharm (ATB)	An associate
PharmaEngine, Inc.	An associate
American Taiwan Biopharm (ATB Taiwan)	A subsidiary of an associate

(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 June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Associates	$ 55,844	45,196	82,117	78,032

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.

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(ii) Service revenue

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

Recognized item	Category	For the three months ended June 30 2026	For the three months ended June 30 2025	For the six months ended June 30 2026	For the six months ended June 30 2025
Service revenue	Associate	$ -	-	-	331

(iii) Rental revenue

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

Recognized item	Category	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Rental revenue	Other related parties	$ 15	-	60	-

(iv) Other gains

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

Recognized item	Category	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Other gains	Associate-ATB	$ 2,277	3,252	4,626	6,626

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	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Associates	$ 32,149	36,644	46,043
Other receivables	Associate-ATB	$ 5,691	3,035	4,166
Other receivables	Associate-PharmaEngine, Inc.	51,734	35	155,146
	Other related parties	36	346	-
		$ 57,461	3,416	159,312

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 June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Salaries and other short-term employee benefits	$ 29,846	18,554	50,547	39,923
Post-employment benefits	360	344	713	707
	$ **30,206**	**18,898**	**51,260**	**40,630**

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged asset	Object	June 30, 2026	December 31, 2025	June 30, 2025
Other financial assets-non-current	Guarantee for provision attachment	$ 149,380	149,380	149,380
Other financial assets-non-current	Account receivable from distributors	10,000	10,000	5,000
		$ **159,380**	**159,380**	**154,380**

(9) Significant commitments and contingencies:

(a) The Group's unfinished contracts as of June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total price of unfinished contracts			
Purchase of equipment and construction engineering	$ **172,812**	**169,926**	**162,851**
Acquisition of intangible assets	$ **304,416**	**350,530**	**355,984**
Research and development service	$ **90,445**	**92,725**	**86,000**
Purchase of raw materials	$ **108,189**	**107,796**	**105,799**
Unpaid amount			
Purchase of equipment and construction engineering	$ **61,243**	**88,692**	**118,869**
Acquisition of intangible assets	$ **275,766**	**268,797**	**275,489**
Research and development service	$ **17,042**	**21,038**	**18,587**
Purchase of raw materials	$ **29,859**	**29,466**	**27,469**

(b) As of June 30, 2026, December 31, 2025, and June 30, 2025, the financial institutions provided guarantee for the import and sale of medicine amounted to $46,685 thousand, $82,125 thousand and $56,875 thousand, respectively.

(c) 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 $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 function / By item	For the three months ended June 30,					
	2026			2025		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	$ 66,814	192,077	258,891	66,402	192,770	259,172
Health and labor insurance	6,397	14,213	20,610	6,888	14,082	20,970
Pension	3,334	7,877	11,211	3,617	7,999	11,616
Others	3,673	27,371	31,044	3,533	21,124	24,657
Depreciation expense	32,186	7,295	39,481	32,325	7,220	39,545
Amortization expense	6,016	11,247	17,263	7,736	5,901	13,637

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By function / By item	For the six months ended June 30,					
	2026			2025		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	$ 132,172	367,123	499,295	129,940	378,971	508,911
Health and labor insurance	12,704	27,318	40,022	13,067	27,559	40,626
Pension	6,465	15,855	22,320	7,019	15,916	22,935
Others	7,644	50,638	58,282	7,215	43,251	50,466
Depreciation expense	64,274	14,409	78,683	64,436	14,261	78,697
Amortization expense	9,421	20,291	29,712	8,094	10,907	19,001

(b) Seasonality of operations:

The Group's operations are not affected by seasonal factors or cyclical factors.

(c) The Group donated $73,631 thousand and $81,804 thousand to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage for the six months ended June 30, 2026 and 2025, respectively.

(d) 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.

(e) On May 14, 2021, the Company was penalized by the Fair Trade Commission for concerted action due to the agreement it entered into with Lotus Pharmaceutical Co., Ltd. on February 4, 2009, regarding the exclusive right to sell “ Furil Capsules”. On July 12, 2021, the Company filed a complaint with the Taipei High Administrative Court to revoke the above penalty. The case is being heard by the Taipei High Administrative Court.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Group significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the six months ended June 30, 2026:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Material securities held as of June 30, 2026 (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	2.46 %	11,992	
TSH Biopharm Co., Ltd.	Lumosa Therapeutics Co., Ltd. Common Stock	-	Financial assets measured at fair value through other comprehensive income– current	158	15,885	0.09 %	15,885	
〃	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets measured at fair value through other comprehensive income–non-current	2,500	157,250	0.38 %	157,250	
〃	Union Bank of Taiwan Preferred Shares A	-	〃	400	21,720	0.20 %	21,720	
〃	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	〃	58	2,997	0.02 %	2,997	
〃	CellMax Ltd. Common Stock	-	〃	1,593	-	- %	-	

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

(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	Worldco International Co., Ltd.	1	Royalty revenue	26,919	By contract	0.85%
0	〃	〃	1	Accounts receivable	28,254	〃	0.24%
0	〃	TSH Biopharm Co., Ltd.	1	Accounts receivable	7,026	〃	0.06%
0	〃	〃	1	Other receivables	57,124	〃	0.48%
0	〃	〃	1	Sales revenue	36,602	〃	1.15%
0	〃	〃	1	Other income	2,449	〃	0.08%
0	〃	〃	1	Commission expense	2,675	〃	0.08%
0	〃	American Taiwan Biopharma Phils Inc.	1	Sales revenue	1,057	〃	0.03%
0	〃	〃	1	Accounts receivable	4,036	〃	0.03%
0	〃	〃	1	Other receivables	4,426	〃	0.04%
0	〃	Chuang Yi Biotech Co., Ltd.	1	Accounts receivable	15,342	〃	0.13%
0	〃	〃	1	Sales revenue	26,406	〃	0.83%
0	〃	〃	1	Other gains and losses	3,171	〃	0.10%
0	〃	〃	1	Other receivables	7,444	〃	0.06%
1	TSH Biopharm Co., Ltd	TOP Pharm Medicalware Co., Ltd.	3	Sales revenue	44,151	〃	1.39%
1	〃	〃	3	Accounts receivable	16,551	〃	0.14%
1	〃	〃	3	Other receivables	11,486	〃	0.10%

Note 1): The numbering is as follows:

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

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Note 2): The types of transaction between the parent company and subsidiaries are as follows:
1. Transactions from parent company to subsidiary.
2. Transactions from subsidiary to parent company.
3. Transactions between subsidiaries.

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

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

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2026 (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 June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	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 %	1,317,103	22,629	22,629	Subsidiary
The Company	Worldco International Co., Ltd.	Hong Kong	Selling chemical medicine	15,825	15,825	3,960	100.00 %	137,821	(1,127)	(1,127)	Subsidiary
The Company	American Taiwan Biopharma Philippines	Philippines	Selling chemical medicine	32,904	32,904	481	87.00 %	(5,778)	(705)	(614)	Subsidiary
The Company	TSH Biopharm Co., Ltd.	Taiwan	Selling chemical medicine	227,449	227,449	21,687	56.48 %	799,888	84,563	47,995	Subsidiary
The Company	EnhanX Biopharm Inc.	Taiwan	Developing chemical medicine	50,000	50,000	5,000	20.83 %	103	9	2	Subsidiary
The Company	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	250,951	250,951	7,432	23.12 %	48,025	10,838	2,506	Subsidiary
The Company	PharmaEngine, Inc.	Taiwan	Developing chemical medicine	536,559	536,559	25,867	18.00 %	1,048,044	271,250	48,825	Investments accounted for using equity method
The Company	American Taiwan Biopharm	Thailand	Selling chemical medicine	2,966	2,966	380	40.00 %	508,486	107,194	42,877	Investments accounted for using equity method
The Company	Gligio International Limited	Hong Kong	Selling chemical medicine	2,685	2,685	620	40.00 %	134,481	38,507	15,403	Investments accounted for using equity method
Xudong Haipu International Co., Ltd.	EnhanX Biopharm Inc.	Taiwan	Developing chemical medicine	70,000	70,000	7,000	29.17 %	12,062	9	3	Subsidiary
Xudong Haipu International Co., Ltd.	TTY Biopharm Korea Co., Ltd.	Korea	Selling chemical medicine	74,627	74,627	584	100.00 %	6,013	(389)	(389)	Subsidiary
Xudong Haipu International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	-	-	Subsidiary

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
Worldco International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	-	-	Subsidiary
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	200,262	200,262	16,590	51.60 %	187,128	10,838	5,592	Subsidiary
TSH Biopharm Co., Ltd.	TOP Pharm Medicalware Co., Ltd.	Taiwan	Selling and manufacturing of medicine and functional food	301,451	301,451	4,173	51.00 %	336,504	17,355	8,851	Subsidiary

Note1): Changes in subsidiaries included in the consolidated financial statements. Please refer to Note 4(b) for details.

Note2): The transaction was eliminated when preparing the 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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2026	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	55,811 CNY 11,900	(2)	94,410 CNY 20,130	-	-	94,410 CNY 20,130	143 CNY 31	100 %	143 CNY 31	55,345 CNY 11,801	-

The exchange rate of USD to NTD as of the reporting date was 1:31.8500, and the average exchange rate of USD to NTD for the reporting period was 1:31.5567.

The exchange rate of CNY to NTD as of the reporting date was 1:4.6900, and the average exchange rate of CNY to NTD for the reporting period was 1:4.5968.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

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

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

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 94,140	NTD 1,504,212 （USD 47,228 ）	NTD 4,173,256

(iii) Significant transactions: None

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

(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 June 30, 2026	Oncology Business Unit	Intensive Care Business Unit	Healthcare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Adjustment and elimination	Total
Revenue:								
Revenue from external customers	$ 698,428	285,344	50,134	288,885	-	328,873	-	1,651,664
Intersegment revenues	26,919	-	14,612	21,620	-	26,904	(90,055)	-
Total revenue	**$ 725,347**	**285,344**	**64,746**	**310,505**	**-**	**355,777**	**(90,055)**	**1,651,664**
Reportable segment profit or loss	**$ 340,297**	**84,522**	**50,455**	**68,430**	**(19,267)**	**66,994**	**(47,395)**	**544,036**
For the three months ended June 30, 2025								
Revenue:								
Revenue from external customers	$ 626,851	254,750	47,738	313,191	1,546	267,974	-	1,512,050
Intersegment revenues	24,824	-	18,596	20,171	-	24,319	(87,910)	-
Total revenue	**$ 651,675**	**254,750**	**66,334**	**333,362**	**1,546**	**292,293**	**(87,910)**	**1,512,050**
Reportable segment profit or loss	**$ 293,880**	**59,885**	**53,061**	**86,791**	**(134,327)**	**36,255**	**(1,914)**	**393,631**
For the six months ended June 30, 2026								
Revenue:								
Revenue from external customers	$ 1,302,085	564,574	100,182	591,607	-	613,703	-	3,172,151
Intersegment revenues	26,919	(5)	26,410	37,659	-	48,529	(139,512)	-
Total revenue	**$ 1,329,004**	**564,569**	**126,592**	**629,266**	**-**	**662,232**	**(139,512)**	**3,172,151**
Reportable segment profit or loss	**$ 656,239**	**173,412**	**100,919**	**168,605**	**(6,264)**	**119,149**	**(94,405)**	**1,117,655**

(Continued)

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

For the six months ended June 30, 2025	Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Adjustment and elimination	Total
Revenue:								
Revenue from external customers	$ 1,191,651	534,021	93,364	597,912	1,546	552,406	-	2,970,900
Intersegment revenues	24,824	23,193	30,990	46,630	-	46,362	(171,999)	-
Total revenue	**$ 1,216,475**	**557,214**	**124,354**	**644,542**	**1,546**	**598,768**	**(171,999)**	**2,970,900**
Reportable segment profit or loss	**$ 548,213**	**174,667**	**92,850**	**176,455**	**(143,698)**	**81,124**	**(20,384)**	**909,227**
Reportable segment assets								
Balance on June 30, 2026	**$ 1,571,265**	**623,497**	**752,496**	**2,061,634**	**5,807,189**	**3,471,578**	**(2,462,096)**	**11,825,563**
Balance on December 31, 2025	**$ 1,128,446**	**876,701**	**929,411**	**1,983,228**	**5,419,833**	**3,220,319**	**(2,209,869)**	**11,348,069**
Balance on June 30, 2025	**$ 1,196,443**	**412,978**	**657,884**	**1,906,459**	**5,559,313**	**3,150,593**	**(2,213,405)**	**10,670,265**