

**TTY BIOPHARM COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022**

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

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Independent Auditors' Review Report

To the Board of Directors of TTY Biopharm Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of TTY Biopharm Company Limited and its subsidiaries as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months and nine months ended September 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$287,942 thousand and \$232,344 thousand, constituting 2.89% and 2.36% of consolidated total assets as of September 30, 2023 and 2022, respectively; total liabilities amounting to \$48,178 thousand and \$45,489 thousand, constituting 1.35% and 1.20% of consolidated total liabilities as of September 30, 2023 and 2022, respectively; and total comprehensive income (loss) amounting to \$22,420 thousand, \$24,827 thousand, \$5,644 thousand and \$8,829 thousand, constituting 4.95%, 5.60%, 0.54% and 0.84% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2023 and 2022, respectively.

Furthermore, as stated in Note 6(e), the investments accounted for using the equity method of TTY Biopharm Company Limited and its subsidiaries amounting to \$464,465 thousand and \$408,588 thousand as of September 30, 2023 and 2022, respectively, and the related share of profit amounting to \$12,358 thousand, \$14,541 thousand, \$50,817 thousand and \$46,806 thousand for the three months and nine months periods ended respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TTY Biopharm Company Limited and its subsidiaries as of September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, and its consolidated cash flows for the nine months ended September 30, 2023 and 2022, 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 \$852,799 thousand and \$851,355 thousand, constituting 8.56% and 8.65% of consolidated total assets as of September 30, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method amounted to \$14,540 thousand, \$15,744 thousand, \$42,709 thousand and \$47,749 thousand, constituting 2.88%, 3.60%, 3.58% and 4.44% of consolidated total profit before tax for the three months and nine months ended September 30, 2023 and 2022, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yilien Han and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)
November 3, 2023

Notes to Readers

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

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

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollar)

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(a) and (s))	\$ 2,522,794	25	2,357,324	25	2,512,985	26	2100	Short-term borrowings (notes 6(j) and (s))	\$ 1,780,000	18	1,370,000	14	1,770,000	18
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (s))	72,384	1	51,811	1	47,405	-	2130	Contract liabilities-current (note 6(p))	26,226	-	33,126	-	32,637	-
1150	Notes receivable, net (notes 6(c) and (s))	30,292	-	34,694	-	31,919	-	2150	Notes payable (note 6(s))	55,786	1	62,978	1	57,913	1
1170	Accounts receivable, net (notes 6(c) and (s))	1,269,984	13	1,175,906	12	1,092,332	11	2170	Accounts payable (note 6(s))	158,956	2	226,418	2	498,880	5
1180	Accounts receivable due from related parties, net (notes 6(c), (s) and 7)	22,039	-	16,548	-	32,102	-	2219	Other payables (notes 6(q) and (s))	604,694	6	619,311	6	479,988	5
1200	Other receivables, net (notes 6(s) and 7)	26,939	-	29,676	-	19,622	-	2230	Current tax liabilities	127,651	1	149,519	2	88,978	1
130X	Inventories (notes 6(d) and 9)	1,347,103	14	1,039,100	11	1,261,882	13	2280	Current lease liabilities (note 6(s))	5,377	-	3,916	-	6,779	-
1410	Prepayments	39,472	-	49,894	1	52,960	1	2300	Other current liabilities	22,465	-	33,308	-	30,088	-
1476	Other current financial assets (notes 6(i) and (s))	116,829	1	275,053	3	259,841	3	2320	Long-term liabilities, current portion (notes 6(k) and (s))	14,354	-	418,852	4	400,000	4
1470	Other current assets (note 6(i))	17,800	-	5,366	-	17,642	-			<u>2,795,509</u>	<u>28</u>	<u>2,917,428</u>	<u>29</u>	<u>3,365,263</u>	<u>34</u>
		<u>5,465,636</u>	<u>54</u>	<u>5,035,372</u>	<u>53</u>	<u>5,328,690</u>	<u>54</u>	Non-current liabilities:							
Non-current assets:								2540	Long-term borrowings (notes 6(k) and (s))	400,000	4	9,595	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (s))	199,330	2	193,562	2	196,065	2	2570	Deferred tax liabilities	305,443	3	305,443	3	260,519	3
1550	Investments accounted for using the equity method, net (note (e))	1,317,264	13	1,301,209	14	1,259,943	13	2580	Non-current lease liabilities (note 6(s))	3,896	-	3,043	-	10,169	-
1600	Property, plant and equipment (notes 6(g) and 9)	2,297,714	24	2,426,443	25	2,443,290	25	2640	Net defined benefit liability, non-current (note 6(l))	1,934	-	40,814	1	50,138	1
1755	Right-of-use assets	9,194	-	6,905	-	16,792	-	2645	Guarantee deposits received (note 6(s))	2,431	-	2,431	-	2,432	-
1760	Investment property, net	133,612	1	134,605	1	135,282	1	2670	Other non-current liabilities (note 6(s))	47,200	1	88,600	2	102,400	1
1780	Intangible assets (notes 6(h) and 9)	230,030	2	250,749	3	118,791	1			<u>760,904</u>	<u>8</u>	<u>449,926</u>	<u>6</u>	<u>425,658</u>	<u>5</u>
1840	Deferred tax assets	47,111	1	47,095	-	63,722	1	Total liabilities		<u>3,556,413</u>	<u>36</u>	<u>3,367,354</u>	<u>35</u>	<u>3,790,921</u>	<u>39</u>
1915	Prepayments for business facilities	18,262	-	6,473	-	13,434	-	Equity attributable to owners of parent (note 6(n)):							
1920	Refundable deposits paid (note 6(s))	27,546	-	29,588	-	24,341	-	3100	Share capital	2,486,500	25	2,486,500	26	2,486,500	25
1984	Other non-current financial assets (notes 6(i), (s) and 8)	150,194	2	150,793	2	150,954	2	3200	Capital surplus (note 6(e))	312,903	3	312,180	3	311,831	3
1990	Other non-current assets (notes 6(i) and 9)	60,978	1	17,841	-	85,550	1	3310	Legal reserve	1,389,227	14	1,278,935	14	1,278,935	13
		<u>4,491,235</u>	<u>46</u>	<u>4,565,263</u>	<u>47</u>	<u>4,508,164</u>	<u>46</u>	3320	Special reserve	198,071	2	198,071	2	198,071	2
								3350	Unappropriated retained earnings	1,419,361	14	1,447,515	15	1,194,311	12
								3400	Other equity interest	16,258	-	(64,777)	(1)	(6,000)	-
									Equity attributable to owners of parent:	5,822,320	58	5,658,424	59	5,463,648	55
								36XX	Non-controlling interests (notes 6(f) and (n))	578,138	6	574,857	6	582,285	6
								Total equity		<u>6,400,458</u>	<u>64</u>	<u>6,233,281</u>	<u>65</u>	<u>6,045,933</u>	<u>61</u>
Total assets		<u>\$ 9,956,871</u>	<u>100</u>	<u>9,600,635</u>	<u>100</u>	<u>9,836,854</u>	<u>100</u>	Total liabilities and equity		<u>\$ 9,956,871</u>	<u>100</u>	<u>9,600,635</u>	<u>100</u>	<u>9,836,854</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

	For the three months ended September 30				For the nine months ended September 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(p) and 7)	\$ 1,432,880	100	1,326,174	100	3,860,775	100	3,528,806	100
5000	Operating costs (notes 6(d), (l) and 12)	490,522	34	496,680	37	1,448,589	38	1,332,494	38
	Gross profit	942,358	66	829,494	63	2,412,186	62	2,196,312	62
5910	Less: Unrealized profit (loss) from sales	(1,159)	-	(614)	-	10,066	-	7,256	-
5920	Add: Realized profit (loss) from sales	-	-	-	-	8,544	-	8,161	-
	Gross profit, net	943,517	66	830,108	63	2,410,664	62	2,197,217	62
6000	Operating expenses (notes 6(l), (q) and 12):								
6100	Selling expenses	257,536	18	251,199	19	805,479	21	694,875	19
6200	Administrative expenses	96,653	7	106,407	8	309,941	8	312,579	9
6300	Research and development expenses	84,891	6	103,559	8	213,317	5	273,517	8
6450	(Reversal of) expected credit losses (note 6(c))	33	-	(84)	-	(1,859)	-	2,940	-
	Total operating expenses	439,113	31	461,081	35	1,326,878	34	1,283,911	36
	Net operating income	504,404	35	369,027	28	1,083,786	28	913,306	26
	Non-operating income and expenses (note 6(r)):								
7100	Interest income	19,257	1	8,383	1	57,383	1	14,085	1
7010	Other income	2,698	-	2,696	-	8,088	-	8,087	-
7020	Other gains and losses, net (note 7)	(37,751)	(2)	33,004	2	(24,109)	(1)	60,884	2
7050	Finance costs, net	(9,812)	-	(6,415)	-	(26,250)	-	(15,663)	(1)
7060	Share of profit of associates accounted for using the equity method, net (note 6(e))	26,898	2	30,285	2	93,526	2	94,555	3
7055	Total non-operating income and expenses	1,290	1	67,953	5	108,638	2	161,948	5
	Profit before tax	505,694	36	436,980	33	1,192,424	30	1,075,254	31
7950	Less: Income tax expenses (note 6(m))	113,752	8	82,837	6	254,146	6	210,251	6
	Profit for the period	391,942	28	354,143	27	938,278	24	865,003	25
8300	Other comprehensive income:								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	537	-	(9,087)	(1)	35,462	1	(17,164)	(1)
8320	Share of other comprehensive income (loss) of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,612	-	1,566	-	(3,907)	-	2,820	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	2,149	-	(7,521)	(1)	31,555	1	(14,344)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation	59,230	4	96,454	7	68,736	2	199,068	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	59,230	4	96,454	7	68,736	2	199,068	6
8300	Other comprehensive income	61,379	4	88,933	6	100,291	3	184,724	5
	Total comprehensive income for the period	\$ 453,321	32	443,076	33	1,038,569	27	1,049,727	30
	Profit attributable to:								
8610	Owners of parent	\$ 376,336	27	338,048	26	923,710	24	849,717	25
8620	Non-controlling interests	15,606	1	16,095	1	14,568	-	15,286	-
		\$ 391,942	28	354,143	27	938,278	24	865,003	25
	Comprehensive income attributable to:								
	Owners of parent	\$ 437,451	31	430,924	32	1,008,583	26	1,041,787	30
	Non-controlling interests	15,870	1	12,152	1	29,986	1	7,940	-
		\$ 453,321	32	443,076	33	1,038,569	27	1,049,727	30
	Earnings per share, net of tax (note 6(o))								
9750	Basic earnings per share	\$ 1.51		1.36		3.71		3.42	
9850	Diluted earnings per share	\$ 1.51		1.36		3.71		3.41	

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent											
	Share capital		Retained earnings			Total other equity interest					Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent			
Balance at January 1, 2022	\$ 2,486,500	311,876	1,198,617	133,709	1,235,223	(216,773)	18,703	(198,070)	5,167,855	599,379	5,767,234	
Net income	-	-	-	-	849,717	-	-	-	849,717	15,286	865,003	
Other comprehensive income	-	-	-	-	-	198,944	(6,874)	192,070	192,070	(7,346)	184,724	
Total comprehensive income	-	-	-	-	849,717	198,944	(6,874)	192,070	1,041,787	7,940	1,049,727	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	80,318	-	(80,318)	-	-	-	-	-	-	
Special reserve appropriated	-	-	-	64,362	(64,362)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(745,949)	-	-	-	(745,949)	-	(745,949)	
Other changes in capital surplus:												
Changes in equity of investments accounted for using the equity method	-	(180)	-	-	-	-	-	-	(180)	-	(180)	
Other changes in capital surplus	-	93	-	-	-	-	-	-	93	-	93	
Changes in ownership interests in subsidiaries	-	42	-	-	-	-	-	-	42	32	74	
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(25,066)	(25,066)	
Balance at September 30, 2022	\$ 2,486,500	311,831	1,278,935	198,071	1,194,311	(17,829)	11,829	(6,000)	5,463,648	582,285	6,045,933	
Balance at January 1, 2023	\$ 2,486,500	312,180	1,278,935	198,071	1,447,515	(83,359)	18,582	(64,777)	5,658,424	574,857	6,233,281	
Net income	-	-	-	-	923,710	-	-	-	923,710	14,568	938,278	
Other comprehensive income	-	-	-	-	-	68,751	16,122	84,873	84,873	15,418	100,291	
Total comprehensive income	-	-	-	-	923,710	68,751	16,122	84,873	1,008,583	29,986	1,038,569	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	110,292	-	(110,292)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(845,410)	-	-	-	(845,410)	-	(845,410)	
Other changes in capital surplus:												
Changes in equity of investments accounted for using the equity method	-	571	-	-	-	-	-	-	571	-	571	
Other changes in capital surplus	-	109	-	-	-	-	-	-	109	-	109	
Changes in ownership interests in subsidiaries	-	43	-	-	-	-	-	-	43	33	76	
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,838	-	(3,838)	(3,838)	-	-	-	
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,738)	(26,738)	
Balance at September 30, 2023	\$ 2,486,500	312,903	1,389,227	198,071	1,419,361	(14,608)	30,866	16,258	5,822,320	578,138	6,400,458	

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollar)**

	For the nine months ended September 30	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,192,424	1,075,254
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	116,108	118,910
Amortization expenses	35,618	16,842
(Reversal of) expected credit losses	(1,859)	2,940
Interest expenses	26,250	15,663
Interest income	(57,383)	(14,085)
Dividend income	(6,464)	(6,379)
Shares of profit of investments accounted for using the equity method	(93,526)	(94,555)
Losses (gain) on disposal of property, plant and equipment	105	(12)
Impairment loss on non-financial assets	54,540	-
Unrealized profit from sales	10,066	7,256
Realized profit from sales	(8,544)	(8,161)
Other	-	275
Total adjustments to reconcile profit	74,911	38,694
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	4,402	5,727
Accounts receivable	(97,710)	(26,702)
Other receivables	(2,557)	1,162
Inventories	(307,787)	(306,678)
Prepayments and other current assets	(3,596)	(22,240)
Total changes in operating assets	(407,248)	(348,731)
Changes in operating liabilities:		
Contract liabilities	(6,947)	(7,132)
Notes payable	(48,591)	(40,723)
Accounts payable	(67,896)	368,601
Other payable	(15,629)	(42,790)
Other current liabilities	(10,979)	4,584
Net defined benefit liability	(38,880)	(2,459)
Total changes in operating liabilities	(188,922)	280,081
Total changes in operating assets and liabilities	(596,170)	(68,650)
Total adjustments	(521,259)	(29,956)
Cash inflow generated from operations	671,165	1,045,298
Interest received	63,291	7,569
Dividends received	78,481	91,267
Interest paid	(25,371)	(15,858)
Income taxes paid	(275,995)	(271,665)
Net cash flows from operating activities	511,571	856,611
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(10,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,121	-
Acquisition of property, plant and equipment	(38,501)	(51,733)
Proceeds from disposal of property, plant and equipment	7,014	114
Decrease in refundable deposits paid	2,050	9,507
Acquisition of intangible assets	(14,610)	(9,175)
Decrease in other financial assets	158,822	60,230
Decrease in prepayments for business facilities	(17,683)	(12,934)
Increase in other non-current assets	(43,206)	(5,750)
Net cash flows from (used in) investing activities	63,007	(20,241)
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,680,000	7,370,000
Decrease in short-term loans	(7,270,000)	(7,311,070)
Proceeds from long-term borrowings	400,000	400,000
Repayments of long-term borrowings	(414,092)	(412,051)
Increase in guarantee deposits received	-	69
Payment of lease liabilities	(4,268)	(5,864)
Cash dividends paid	(872,148)	(771,015)
Dividends unclaimed by shareholders	184	167
Net cash flows used in financing activities	(480,324)	(729,764)
Effect of exchange rate changes on cash and cash equivalents	71,216	184,126
Net increase in cash and cash equivalents	165,470	290,732
Cash and cash equivalents at beginning of period	2,357,324	2,222,253
Cash and cash equivalents at end of period	\$ 2,522,794	2,512,985

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

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

(1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on November 3, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) 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, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

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

(Continued)

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

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

The 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 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of significant 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, 2022.

- (b) Basis of consolidation

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

Investor	Subsidiary	Nature of business	Shareholding			Notes
			September 30, 2023	December 31, 2022	September 30, 2022	
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.	Selling medicine	87.00 %	87.00 %	87.00 %	
The Company	TSH Biopharm Co., Ltd.	Selling medicine	56.48 %	56.48 %	56.48 %	
The Company	EnhanX Biopharm Inc.	Developing medicine	20.83 %	20.83 %	20.83 %	
The Company	Chuang Yi Biotech Co., Ltd.	Selling functional food	49.05 %	49.05 %	49.05 %	(Note 2)
The Company	TTY Biopharm Turkey Saglik Urunleri Sanayi ve Ticaret Limited Sirketi	Selling medicine	100.00 %	100.00 %	100.00 %	(Note 1)

(Continued)

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

Investor	Subsidiary	Nature of business	Shareholding			Notes
			September 30, 2023	December 31, 2022	September 30, 2022	
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.	Selling medicine	50.00 %	50.00 %	50.00 %	
Xudong Haipu International Co., Ltd.	EnhanX Biopharm Inc.	Developing medicine	29.17 %	29.17 %	29.17 %	
Xudong Haipu International Co., Ltd.	TTY Biopharm Korea Co., Ltd.	Selling medicine	100.00 %	100.00 %	100.00 %	
Xudong Haipu International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.	Selling medicine	50.00 %	50.00 %	50.00 %	
EnhanX Biopharm Inc.	EnhanX Biopharm B.V.	Developing medicine	100.00 %	100.00 %	100.00 %	
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.	Selling functional food	3.89 %	3.89 %	3.89 %	(Note 2)
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Import and export trading and investment activities	100.00 %	100.00 %	100.00 %	(Note 2)
Immortal Fame Global Ltd.	Chuang Yi (Shanghai) Trading Co., Ltd.	Selling functional food	100.00 %	100.00 %	100.00 %	(Note 2)

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

(Note 2) Non-significant subsidiary whose financial statements have not been reviewed.

(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.

(Continued)

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

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

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, 2022. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

(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, 2022. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand	\$ 3,156	3,411	3,011
Cash in banks	832,028	914,093	1,089,974
Time deposits	<u>1,687,610</u>	<u>1,439,820</u>	<u>1,420,000</u>
Total	<u>\$ 2,522,794</u>	<u>2,357,324</u>	<u>2,512,985</u>

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

(Continued)

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

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
The equity investments at fair value through other comprehensive income:			
Domestic common stock— Lumosa Therapeutics Co., Ltd.	\$ 72,384	51,811	47,405
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares B	149,500	143,750	147,250
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares C	3,252	3,194	3,304
Domestic preferred stock—Union Bank of Taiwan Preferred Shares A	20,640	20,680	20,240
International unlisted stock—CellMax Ltd.	11,376	11,376	14,771
Domestic unlisted stock—ExoOne Bio. Co., Ltd.	14,562	14,562	10,500
	<u>\$ 271,714</u>	<u>245,373</u>	<u>243,470</u>

- (i) The Group designated the investments as equity securities at fair value through other comprehensive income because the Group intends to hold the investments for long-term strategic and not for trading purposes.
- (ii) In April 2022, the Group participated in the capital increase of ExoOne Bio. Co., Ltd. with the amount of \$10,500 thousand and acquired 7.78% equity interests, consisting of 700 thousand common shares.
- (iii) The Group sold its shares amounting to \$9,121 thousand resulting in a gain on disposal of \$6,796 thousand, of which attributable to the Group amounting \$3,838 thousand for the nine months ended September 30, 2023. The gain on disposal of strategic investments has already been reclassified from other comprehensive income to retained earnings. There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2022.
- (iv) Please refer to Note 6(s) for information on credit and market risk.
- (v) The above financial assets were not pledged as collateral.

(Continued)

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 30,307	34,708	31,934
Accounts receivable	1,274,337	1,182,113	1,098,168
Accounts receivable-related parties	22,039	16,548	32,102
Less: allowance for expected credit losses	<u>(4,368)</u>	<u>(6,221)</u>	<u>(5,851)</u>
	<u>\$ 1,322,315</u>	<u>1,227,148</u>	<u>1,156,353</u>

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

	September 30, 2023		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,319,092	0%~1%	1,733
1 to 90 days overdue	5,260	1%~4.5%	324
More than 181 days overdue	<u>2,331</u>	51%~100%	<u>2,311</u>
	<u>\$ 1,326,683</u>		<u>4,368</u>
	December 31, 2022		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,204,910	0.03%~1%	1,142
1 to 90 days overdue	23,357	0.13%~1.36%	317
More than 181 days overdue	<u>5,102</u>	2%~100%	<u>4,762</u>
	<u>\$ 1,233,369</u>		<u>6,221</u>

(Continued)

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

	September 30, 2022		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,151,715	0.03%~1%	2,131
1 to 90 days overdue	6,179	0.2%~30%	428
91 to 180 days overdue	1,649	1%~67%	1,102
More than 181 days overdue	2,661	2%~100%	2,190
	\$ 1,162,204		5,851

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

	For the nine months ended September 30,	
	2023	2022
Balance at January 1	\$ 6,221	2,911
Expected credit losses recognized	-	2,940
Reversal of expected credit losses	(1,859)	-
Foreign currency translation losses	6	-
Balance at September 30	\$ 4,368	5,851

As of September 30, 2023, December 31, 2022 and September 30, 2022, the notes receivable and accounts receivable for the Group were not pledged as collateral.

(d) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Merchandise	\$ 546,439	239,756	489,605
Finished goods	191,009	162,491	177,853
Work in process	329,639	250,536	159,307
Raw materials	262,755	256,076	317,652
Materials	63,550	56,818	62,336
Subtotal	1,393,392	965,677	1,206,753
Goods in transit	44,060	175,806	154,226
Total	1,437,452	1,141,483	1,360,979
Less: allowance for inventory market decline and obsolescence	(90,349)	(102,383)	(99,097)
Net amount	\$ 1,347,103	1,039,100	1,261,882

(Continued)

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Inventories have been sold	\$ 500,362	484,979	1,439,551	1,303,130
Cost of services	569	751	1,324	3,140
Write-off of inventories from cost to net realizable value and disposal (reversal) of inventories	(10,409)	10,950	7,714	26,224
	<u>\$ 490,522</u>	<u>496,680</u>	<u>1,448,589</u>	<u>1,332,494</u>

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

- (ii) As of September 30, 2023, December 31, 2022 and September 30, 2022, 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	<u>\$ 1,317,264</u>	<u>1,301,209</u>	<u>1,259,943</u>

- 1) As of September 30, 2023, December 31, 2022 and September 30, 2022, the associate which the Group invested had a quoted market price was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying value	<u>\$ 852,799</u>	<u>861,252</u>	<u>851,355</u>
Fair value	<u>\$ 2,245,239</u>	<u>3,233,351</u>	<u>3,052,283</u>

- 2) For the nine months ended September 30, 2023 and 2022, as PharmaEngine, Inc. amortized the compensation cost of employee stock options and the compensation cost of restricted stock awards, and employee stock options expired, the Group's equity has changed and its capital reserve was credit (debit) by \$571 thousand and \$(180) thousand, respectively.

For the nine months ended September 30, 2023, the Group's shareholding ratio had on change.

For the nine months ended September 30, 2022, the Group's shareholding ratio dropped from 18.01% to 18.00%.

(Continued)

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

(ii) Associate that had materiality was as follows:

Associate	Nature of relationship	Country of registration	Equity ownership		
			September 30, 2023	December 31, 2022	September 30, 2022
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.

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 3,867,197	3,926,084	3,897,457
Non-current assets	32,697	40,458	19,719
Current liabilities	(62,455)	(78,737)	(97,754)
Non-current liabilities	(12,321)	(15,728)	(2,329)
Net assets	<u>\$ 3,825,118</u>	<u>3,872,077</u>	<u>3,817,093</u>
Net assets attributable to investee's owners	<u>\$ 3,825,118</u>	<u>3,872,077</u>	<u>3,817,093</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Operating revenue	<u>\$ 245,942</u>	<u>154,882</u>	<u>580,345</u>	<u>495,910</u>
Profit from continuing operations	\$ 80,781	87,462	237,277	265,166
Other comprehensive loss	-	-	-	-
Total comprehensive income	<u>\$ 80,781</u>	<u>87,462</u>	<u>237,277</u>	<u>265,166</u>
Comprehensive income attributable to investee's owners	<u>\$ 80,781</u>	<u>87,462</u>	<u>237,277</u>	<u>265,166</u>

(Continued)

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

	For the nine months ended September 30,	
	2023	2022
Net assets attributable to the Group, January 1	\$ 696,974	709,349
Changes in capital surplus of associates	571	(180)
Comprehensive income attributable to the Group	42,709	47,749
Cash dividends received from associates	(51,733)	(69,841)
Net assets attributable to the Group, September 30	688,521	687,077
Add: Goodwill	164,278	164,278
Carrying amount of interest in associates, September 30	<u>\$ 852,799</u>	<u>851,355</u>

(iii) Summary financial information on individually insignificant associates

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

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of individually insignificant associates	<u>\$ 464,465</u>	<u>439,954</u>	<u>408,588</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Attributable to the Group:				
Profit from continuing operations	\$ 12,358	14,541	50,817	46,806
Other comprehensive income (loss)	4,878	6,028	(4,505)	16,529
Total comprehensive income	<u>\$ 17,236</u>	<u>20,569</u>	<u>46,312</u>	<u>63,335</u>

(iv) Collateral

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group did not provide any investment accounted for using equity method as collateral.

(Continued)

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

(f) Material non-controlling interests of subsidiaries

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

<u>Subsidiary</u>	<u>Country of registration</u>	<u>Ownership and voting rights ratio</u>		
		<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
TSH Biopharm Co., Ltd.	Taiwan	56.48 %	56.48 %	56.48 %
EnhanX Biopharm Inc.	Taiwan	50.00 %	50.00 %	50.00 %
Chuang Yi Biotech Co., Ltd.	Taiwan	52.94 %	52.94 %	52.94 %

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

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 905,241	907,522	886,470
Non-current assets	248,096	239,811	231,375
Current liabilities	(72,006)	(82,501)	(63,403)
Non-current liabilities	(1,146)	(4,557)	-
Net assets	<u>\$ 1,080,185</u>	<u>1,060,275</u>	<u>1,054,442</u>
Net assets attributable to non-controlling interest	<u>\$ 469,935</u>	<u>461,337</u>	<u>458,725</u>

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 123,709</u>	<u>112,157</u>	<u>367,874</u>	<u>342,255</u>
Profit for the period	\$ 17,638	19,121	45,808	54,069
Other comprehensive income (loss)	541	(9,084)	35,463	(17,160)
Total comprehensive income	<u>\$ 18,179</u>	<u>10,037</u>	<u>81,271</u>	<u>36,909</u>
Profit attributable to non-controlling interest	<u>\$ 7,740</u>	<u>8,226</u>	<u>19,870</u>	<u>23,487</u>
Total comprehensive income attributable to non-controlling interest	<u>\$ 7,975</u>	<u>4,272</u>	<u>35,303</u>	<u>16,019</u>

(Continued)

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

	For the nine months ended September 30,	
	2023	2022
Cash flows from operating activities	\$ 15,452	52,449
Cash flows from investing activities	162,581	35,276
Cash flows used in financing activities	(64,794)	(61,017)
Net increase in cash	<u>\$ 113,239</u>	<u>26,708</u>
Dividends paid to non-controlling interests	<u>\$ 26,738</u>	<u>25,066</u>

(ii) Summary financial information on EnhanX Biopharm Inc.

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 4,719	8,867	10,718
Non-current assets	63,441	70,839	89,790
Current liabilities	(562)	(2,007)	(1,312)
Non-current liabilities	-	-	(120)
Net assets	<u>\$ 67,598</u>	<u>77,699</u>	<u>99,076</u>
Net assets attributable to non-controlling interests	<u>\$ 33,799</u>	<u>38,849</u>	<u>49,538</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Operating revenue	\$ -	-	-	-
Loss for the period	\$ (3,521)	(6,173)	(10,148)	(18,807)
Other comprehensive income (loss)	3	9	48	(5)
Total comprehensive loss	<u>\$ (3,518)</u>	<u>(6,164)</u>	<u>(10,100)</u>	<u>(18,812)</u>
Loss attributable to non-controlling interest	<u>\$ (1,760)</u>	<u>(3,086)</u>	<u>(5,074)</u>	<u>(9,403)</u>
Total comprehensive loss attributable to non-controlling interest	<u>\$ (1,759)</u>	<u>(3,082)</u>	<u>(5,050)</u>	<u>(9,406)</u>

	For the nine months ended September 30,	
	2023	2022
Cash flows used in operating activities	\$ (4,222)	(12,717)
Net decrease in cash	<u>\$ (4,222)</u>	<u>(12,717)</u>

(Continued)

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 280,875	235,384	221,127
Non-current assets	50,500	58,573	60,457
Current liabilities	(171,801)	(122,999)	(120,416)
Non-current liabilities	(679)	(12,400)	(3,213)
Net assets	<u>\$ 158,895</u>	<u>158,558</u>	<u>157,955</u>
Net assets attributable to non-controlling interests	<u>\$ 74,776</u>	<u>74,618</u>	<u>74,333</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Operating revenue	<u>\$ 145,711</u>	<u>121,692</u>	<u>216,683</u>	<u>191,713</u>
Profit for the period	\$ 20,542	23,154	334	3,814
Other comprehensive income	68	17	3	72
Total comprehensive income	<u>\$ 20,610</u>	<u>23,171</u>	<u>337</u>	<u>3,886</u>
Profit attributable to non-controlling interest	<u>\$ 9,667</u>	<u>10,896</u>	<u>157</u>	<u>1,795</u>
Total comprehensive income attributable to non-controlling interest	<u>\$ 9,699</u>	<u>10,905</u>	<u>158</u>	<u>1,829</u>

	For the nine months ended September 30,	
	2023	2022
Cash flows from (used in) operating activities	\$ 362	(24,868)
Cash flows (used in) from investing activities	(26)	243
Cash flows used in financing activities	(36,186)	(71,121)
Effect of exchange rates changes on cash and cash equivalents	(121)	70
Net decrease in cash	<u>\$ (35,971)</u>	<u>(95,676)</u>

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(g) Property, plant and equipment

The details of the property, plant and equipment of the Group for the nine months ended September 30, 2023 and 2022 were as follows:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:								
Balance on January 1, 2023	\$ 902,897	1,431,841	830,568	5,085	552,816	29,428	77,086	3,829,721
Additions	-	4,983	10,100	-	20,236	11	3,171	38,501
Disposals	-	-	(4,730)	-	(35,141)	(9,635)	-	(49,506)
Reclassifications	-	7,470	3,953	-	9,430	-	(15,710)	5,143
Adjustment for foreign currency translation	-	-	2	-	29	4	-	35
Balance on September 30, 2023	<u>\$ 902,897</u>	<u>1,444,294</u>	<u>839,893</u>	<u>5,085</u>	<u>547,370</u>	<u>19,808</u>	<u>64,547</u>	<u>3,823,894</u>
Balance on January 1, 2022	\$ 902,897	1,419,790	792,785	5,601	531,758	28,571	95,000	3,776,402
Additions	-	12,001	3,596	-	8,800	7,030	20,306	51,733
Disposals	-	(7,141)	(1,513)	(516)	(2,281)	-	-	(11,451)
Reclassifications	-	1,191	-	-	(753)	920	4,800	6,158
Adjustment for foreign currency translation	-	-	14	-	4	-	-	18
Balance on September 30, 2022	<u>\$ 902,897</u>	<u>1,425,841</u>	<u>794,882</u>	<u>5,085</u>	<u>537,528</u>	<u>36,521</u>	<u>120,106</u>	<u>3,822,860</u>
Depreciation and impairment:								
Balance on January 1, 2023	\$ -	510,578	458,959	5,085	413,635	15,021	-	1,403,278
Depreciation for the year	-	48,902	36,048	-	24,075	1,766	-	110,791
Impairment loss	-	-	54,466	-	-	-	-	54,466
Disposals	-	-	(4,460)	-	(32,030)	(5,897)	-	(42,387)
Adjustment for foreign currency translation	-	-	1	-	27	4	-	32
Balance on September 30, 2023	<u>\$ -</u>	<u>559,480</u>	<u>545,014</u>	<u>5,085</u>	<u>405,707</u>	<u>10,894</u>	<u>-</u>	<u>1,526,180</u>
Balance on January 1, 2022	\$ -	453,439	425,048	5,176	384,450	10,897	-	1,279,010
Depreciation for the year	-	48,109	35,128	398	24,137	4,123	-	111,895
Disposals	-	(7,141)	(1,513)	(489)	(2,205)	-	-	(11,348)
Reclassifications	-	-	-	-	(184)	184	-	-
Adjustment for foreign currency translation	-	-	11	-	2	-	-	13
Balance on September 30, 2022	<u>\$ -</u>	<u>494,407</u>	<u>458,674</u>	<u>5,085</u>	<u>406,200</u>	<u>15,204</u>	<u>-</u>	<u>1,379,570</u>
Carrying value:								
Balance on January 1, 2023	<u>\$ 902,897</u>	<u>921,263</u>	<u>371,609</u>	<u>-</u>	<u>139,181</u>	<u>14,407</u>	<u>77,086</u>	<u>2,426,443</u>
Balance on September 30, 2023	<u>\$ 902,897</u>	<u>884,814</u>	<u>294,879</u>	<u>-</u>	<u>141,663</u>	<u>8,914</u>	<u>64,547</u>	<u>2,297,714</u>
Balance on January 1, 2022	<u>\$ 902,897</u>	<u>966,351</u>	<u>367,737</u>	<u>425</u>	<u>147,308</u>	<u>17,674</u>	<u>95,000</u>	<u>2,497,392</u>
Balance on September 30, 2022	<u>\$ 902,897</u>	<u>931,434</u>	<u>336,208</u>	<u>-</u>	<u>131,328</u>	<u>21,317</u>	<u>120,106</u>	<u>2,443,290</u>

- (i) Due to the amendments in relevant regulations, the Group's machinery equipment needed to be upgraded, which will cause a huge cost of reinvestment. The Group assess the reinvestment has no substantial benefit. Thus, the Group decided to halt its investment, and instead, recognized the impairment loss of \$54,466 thousand as other gains and losses in September 2023.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(ii) Collateral

As of September 30, 2023, December 31, 2022 and September 30, 2022, the property, plant and equipment were not pledged as collateral.

(iii) Property, plant and equipment under construction

As of the reporting date, the Group's plant under construction has incurred expenditures amounting to \$64,547 thousand, and there were no capitalized loan cost for the nine months ended September 30, 2023 and 2022.

(h) Intangible assets

	<u>Computer software</u>	<u>Patent and franchise</u>	<u>Others Intangible assets</u>	<u>Total</u>
Carrying amount:				
Balance on January 1, 2023	\$ <u>18,649</u>	<u>162,016</u>	<u>70,084</u>	<u>250,749</u>
Balance on September 30, 2023	\$ <u>20,550</u>	<u>152,740</u>	<u>56,740</u>	<u>230,030</u>
Balance on January 1, 2022	\$ <u>14,002</u>	<u>110,902</u>	<u>-</u>	<u>124,904</u>
Balance on September 30, 2022	\$ <u>13,975</u>	<u>104,816</u>	<u>-</u>	<u>118,791</u>

(i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2023 and 2022. Information on amortization for the periods is discussed in Note 12(a). Please refer to Note 6(i) of the 2022 annual consolidated financial statements for other related information.

(ii) As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's aforementioned intangible assets were not pledged as collateral.

(i) Other financial assets and other assets

Details of other financial assets and other assets were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other current financial assets	\$ 116,829	275,053	259,841
Other non-current financial assets	150,194	150,793	150,954
Long-term prepayments	49,146	10,840	85,421
Other current and non-current assets	<u>29,632</u>	<u>12,367</u>	<u>17,771</u>
	<u>\$ 345,801</u>	<u>449,053</u>	<u>513,987</u>

(i) Other current financial assets were bank deposits that did not qualify as cash and cash equivalents.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(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.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured bank loans	\$ -	20,000	-
Unsecured bank loans	1,780,000	1,350,000	1,770,000
	<u>\$ 1,780,000</u>	<u>1,370,000</u>	<u>1,770,000</u>
Unused credit line	<u>\$ 1,246,330</u>	<u>1,689,068</u>	<u>1,259,068</u>
Range of interest rates	<u>1.60%~1.68%</u>	<u>1.28%~2.675%</u>	<u>1.10%~1.585%</u>

(i) For the nine months ended September 30, 2023 and 2022, the Group had the additional short-term borrowings amounting to \$7,680,000 thousand with an interest rate of 1.60%~1.68% and \$7,370,000 thousand with an interest rate of 1.10%~1.585%, respectively; the repayment amounted to \$7,270,000 thousand and \$7,311,070 thousand, respectively. Please refer to Note 6(r) for disclosure of interest expense.

(ii) Please refer to Note 6(s) for the exposure information of the Group's interest rate and liquidity risk.

(iii) Please refer to Note 13 for the collateral for the Group's short-term borrowings.

(k) Long-term borrowings

The long-term borrowings were summarized as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured bank loans	\$ 14,354	28,447	-
Unsecured bank loans	400,000	400,000	400,000
Less: Current portion	(14,354)	(418,852)	(400,000)
Total	<u>\$ 400,000</u>	<u>9,595</u>	<u>-</u>
Unused long-term credit line	<u>\$ 100,000</u>	<u>300,000</u>	<u>300,000</u>
Range of interest rates	<u>1.93%~2.50%</u>	<u>1.8488%~2.25%</u>	<u>1.377%</u>

There were no significant issues, repurchases and repayments of long-term borrowings for the nine months ended September 30, 2023 and 2022. Please refer to Note 6(r) for related disclosure of interest expense, Note 6(s) for related risk exposure information and Note 13 for the collateral for long-term borrowings.

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Notes to the Consolidated Financial Statements

(l) 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, 2022 and 2021. The Group estimated the balance of labor pension special account in accordance with the provisions of the Labor Standards Act, and made a one-off contribution of \$37,000 on March 31, 2023.

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Operating cost	\$ 38	34	116	101
Selling expenses	30	29	90	86
Administrative expenses	30	33	90	101
Research and development expenses	40	31	118	94
Total	<u>\$ 138</u>	<u>127</u>	<u>414</u>	<u>382</u>

(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		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Operating cost	\$ 2,688	2,534	9,253	8,778
Selling expenses	3,737	3,383	11,180	10,358
Administrative expenses	1,665	1,794	5,489	5,699
Research and development expenses	1,105	1,434	3,928	4,980
Total	<u>\$ 9,195</u>	<u>9,145</u>	<u>29,850</u>	<u>29,815</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(m) Income tax

(i) Income tax expense

The components of income tax for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Current tax expense				
Current period	\$ 113,752	82,880	254,146	209,316
Adjustment for prior periods	-	(43)	-	935
Income tax expense from continuing operations	<u>\$ 113,752</u>	<u>82,837</u>	<u>254,146</u>	<u>210,251</u>

(ii) Assessment of tax

The Company's income tax returns through 2021 have been assessed and approved by the Tax Authorities.

(n) Capital and other equity

There was no significant change in capital and other equity for the nine months ended September 30, 2023 and 2022. For the related information, please refer to Note 6(o) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

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

	September 30,	December 31,	September 30,
	2023	2022	2022
Share capital	\$ 484	484	484
Long-term investment	311,507	310,893	310,544
Other	912	803	803
	<u>\$ 312,903</u>	<u>312,180</u>	<u>311,831</u>

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

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

(ii) Retained earnings

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

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

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

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".

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

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

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

As of September 30, 2023, December 31, 2022 and September 30, 2022, all of the special reserve amounted to \$198,071 thousand.

3) Earnings distribution

Earnings distribution for 2022 and 2021 was resolved in the special resolution of the Board of Directors and the general meeting of shareholders on March 14, 2023 and May 26, 2022, respectively. The appropriation for dividends to ordinary shareholders is as follows:

	2022		2021	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 3.40	<u>845,410</u>	3.00	<u>745,949</u>

(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, 2023	\$ (83,359)	18,582	(64,777)
Exchange differences on foreign operations	68,751	-	68,751
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	20,029	20,029
Disposal of investments in equity instruments designated at fair value through other comprehensive income reclassified to retained earning	-	(3,838)	(3,838)
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method	-	(3,907)	(3,907)
Balance at September 30, 2023	<u>\$ (14,608)</u>	<u>30,866</u>	<u>16,258</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	Exchange differences on translation	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2022	\$ (216,773)	18,703	(198,070)
Exchange differences on foreign operations	198,944	-	198,944
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(9,694)	(9,694)
Unrealized gains from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method	-	2,820	2,820
Balance at September 30, 2022	<u>\$ (17,829)</u>	<u>11,829</u>	<u>(6,000)</u>

(iv) Non-controlling interests

	For the nine months ended September 30,	
	2023	2022
Balance at January 1	\$ 574,857	599,379
Attributable to non-controlling interests:		
Profit for the period	14,568	15,286
Exchange differences on translation in foreign operations	(15)	124
Unrealized gains (losses) on financial assets	15,433	(7,470)
Cash dividend distributed	(26,738)	(25,066)
Changes in ownership interest in subsidiaries	33	32
Balance at September 30	<u>\$ 578,138</u>	<u>582,285</u>

(o) Earnings per share

For the nine months ended September 30, 2023 and 2022, the Company's earnings per share were calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	\$ <u>376,336</u>	<u>338,048</u>	<u>923,710</u>	<u>849,717</u>
Weighted average number of ordinary shares	248,650	248,650	248,650	248,650
	<u>\$ 1.51</u>	<u>1.36</u>	<u>3.71</u>	<u>3.42</u>

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	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>376,336</u>	<u>338,048</u>	<u>923,710</u>	<u>849,717</u>
Weighted average number of ordinary shares	248,650	248,650	248,650	248,650
Effect of employees' compensation	76	80	314	326
Weighted average number of ordinary shares (diluted)	<u>248,726</u>	<u>248,730</u>	<u>248,964</u>	<u>248,976</u>
	<u>\$ 1.51</u>	<u>1.36</u>	<u>3.71</u>	<u>3.41</u>

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2023						
	Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:							
Taiwan	\$ 581,353	257,632	52,476	53,709	-	266,407	1,211,577
Other countries	-	-	-	177,842	38,863	4,598	221,303
	<u>\$ 581,353</u>	<u>257,632</u>	<u>52,476</u>	<u>231,551</u>	<u>38,863</u>	<u>271,005</u>	<u>1,432,880</u>
Major products/services lines:							
Medicine and functional food	\$ 581,353	257,632	52,217	148,473	-	262,753	1,302,428
Services	-	-	259	442	8,640	8,252	17,593
Royalty	-	-	-	82,636	30,223	-	112,859
	<u>\$ 581,353</u>	<u>257,632</u>	<u>52,476</u>	<u>231,551</u>	<u>38,863</u>	<u>271,005</u>	<u>1,432,880</u>
	For the three months ended September 30, 2022						
	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	\$ 605,617	240,238	52,644	59,191	1,250	231,133	1,190,073
Other countries	-	-	-	106,405	25,312	4,384	136,101
	<u>\$ 605,617</u>	<u>240,238</u>	<u>52,644</u>	<u>165,596</u>	<u>26,562</u>	<u>235,517</u>	<u>1,326,174</u>
Major products/services lines:							
Medicine and functional food	\$ 605,617	240,238	52,419	164,442	-	231,838	1,294,554
Services	-	-	225	1,154	4,985	3,679	10,043
Royalty	-	-	-	-	21,577	-	21,577
	<u>\$ 605,617</u>	<u>240,238</u>	<u>52,644</u>	<u>165,596</u>	<u>26,562</u>	<u>235,517</u>	<u>1,326,174</u>

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For the nine months ended September 30, 2023							
	Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:							
Taiwan	\$ 1,740,596	754,595	151,667	145,267	2,686	576,082	3,370,893
Other countries	-	-	-	423,268	55,386	11,228	489,882
	<u>\$ 1,740,596</u>	<u>754,595</u>	<u>151,667</u>	<u>568,535</u>	<u>58,072</u>	<u>587,310</u>	<u>3,860,775</u>
Major products/services lines:							
Medicine and functional food	\$ 1,740,596	754,595	150,707	485,253	-	567,271	3,698,422
Services	-	-	960	646	20,740	20,039	42,385
Royalty	-	-	-	82,636	37,332	-	119,968
	<u>\$ 1,740,596</u>	<u>754,595</u>	<u>151,667</u>	<u>568,535</u>	<u>58,072</u>	<u>587,310</u>	<u>3,860,775</u>
For the nine months ended September 30, 2022							
	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	\$ 1,717,224	654,986	137,515	163,241	1,750	528,299	3,203,015
Other countries	-	-	-	259,966	56,870	8,955	325,791
	<u>\$ 1,717,224</u>	<u>654,986</u>	<u>137,515</u>	<u>423,207</u>	<u>58,620</u>	<u>537,254</u>	<u>3,528,806</u>
Major products/services lines:							
Medicine and functional food	\$ 1,717,224	654,986	137,235	418,345	-	526,247	3,454,037
Services	-	-	280	4,862	13,005	11,007	29,154
Royalty	-	-	-	-	45,615	-	45,615
	<u>\$ 1,717,224</u>	<u>654,986</u>	<u>137,515</u>	<u>423,207</u>	<u>58,620</u>	<u>537,254</u>	<u>3,528,806</u>

(ii) Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022
Contract liability	<u>\$ 26,226</u>	<u>33,126</u>	<u>32,637</u>

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

The amount of revenue recognized for the nine months ended September 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$26,418 thousand and \$16,560 thousand, respectively.

(q) Remunerations to employees and directors

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

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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For the three months and nine months ended September 30, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to \$5,897 thousand, \$5,799 thousand, \$17,689 thousand and \$17,396 thousand, respectively, as well as its remuneration to directors amounting to \$3,737 thousand, \$3,737 thousand, \$11,212 thousand and \$11,212 thousand, respectively. These amounts were calculated by using the Company's profit before tax for the period before deducting the amounts of the remuneration to employees and directors based on the Company's Articles of Incorporation and the amount was recognized under operating expenses. If there would be any difference between accrued amount and the actual distributed amount in the following year, the difference shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2022 and 2021, the Company accrued and recognized its employee compensation amounting to \$24,328 thousand and \$23,195 thousand, respectively, and its remuneration to directors both amounting to \$14,950 thousand. The actual distribution and related information can be accessed from the website of Market Observation Post System.

(r) Non-operating income and expenses

(i) Interest income

The details of total interest income for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Interest income from bank deposits	<u>\$ 19,257</u>	<u>8,383</u>	<u>57,383</u>	<u>14,085</u>

(ii) Other income

The details of other income for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Rent revenue	<u>\$ 2,698</u>	<u>2,696</u>	<u>8,088</u>	<u>8,087</u>

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(iii) Other gains and losses

The details of other gains and losses for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(Losses) gains on disposal of property, plant and equipment	\$ (51)	(31)	(105)	12
Impairment loss on non-financial assets	(54,540)	-	(54,540)	-
Dividend income	6,464	5,419	6,464	6,379
Foreign exchange gains	7,040	24,047	12,375	38,949
Other gains and losses	3,336	3,569	11,697	15,544
	<u>\$ (37,751)</u>	<u>33,004</u>	<u>(24,109)</u>	<u>60,884</u>

(iv) Finance costs

The details of finance costs for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expense	\$ 9,767	6,352	26,114	15,456
Other finance costs	45	63	136	207
	<u>\$ 9,812</u>	<u>6,415</u>	<u>26,250</u>	<u>15,663</u>

(s) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2022.

(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 and time deposits. 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, 2022.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(ii) Liquidity risk

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

	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>
September 30, 2023					
Non-derivative financial liabilities					
Bank loans	\$ 2,194,354	2,213,197	1,805,985	407,212	-
Non-interest-bearing liabilities (including related parties)	866,636	866,636	819,436	47,200	-
Lease liabilities (current and non-current)	9,273	9,444	5,464	3,980	-
Guarantee deposits received	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,072,694</u>	<u>3,091,708</u>	<u>2,633,316</u>	<u>458,392</u>	<u>-</u>
December 31, 2022					
Non-derivative financial liabilities					
Bank loans	\$ 1,798,447	1,808,401	1,798,739	9,662	-
Non-interest-bearing liabilities (including related parties)	997,307	997,307	908,707	88,600	-
Lease liabilities (current and non-current)	6,959	7,050	3,950	3,100	-
Guarantee deposits received	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,805,144</u>	<u>2,815,189</u>	<u>2,713,827</u>	<u>101,362</u>	<u>-</u>
September 30, 2022					
Non-derivative financial liabilities					
Bank loans	\$ 2,170,000	2,178,507	2,178,507	-	-
Non-interest-bearing liabilities (including related parties)	1,139,181	1,139,181	1,036,781	102,400	-
Lease liabilities (current and non-current)	16,948	17,275	6,913	8,581	1,781
Guarantee deposits received	<u>2,432</u>	<u>2,432</u>	<u>2,432</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,328,561</u>	<u>3,337,395</u>	<u>3,224,633</u>	<u>110,981</u>	<u>1,781</u>

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

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

(iii) Market risk

1) Currency risk

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

	September 30, 2023			December 31, 2022			September 30, 2022		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 4,770	32.2700	153,925	8,433	30.7100	258,978	13,668	31.7500	433,968
CNY	2,432	4.4150	10,737	2,382	4.4080	10,500	2,382	4.4730	10,655
JPY	46,640	0.2162	10,084	185,734	0.2324	43,165	334,108	0.2201	73,537
EUR	564	33.9100	19,121	312	32.7200	10,206	325	31.2600	10,156
GBP	-	-	-	-	-	-	108	35.5300	3,826
<u>Non-monetary items</u>									
USD	49,658	32.2700	1,602,451	48,213	30.7100	1,480,633	47,826	31.7500	1,518,468
CNY	30,527	4.4150	134,778	48,604	4.4080	214,245	49,535	4.4730	221,569
THB	414,602	0.8822	365,762	394,733	0.8941	352,931	384,267	0.8452	324,783
EUR	35	33.9100	1,199	43	32.7200	1,420	45	31.2600	1,405
TRY	7,089	1.1770	8,344	6,528	1.6410	10,712	6,631	1.7120	11,352

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.

A strengthening (weakening) of 1% of the NTD against the USD, CNY, JPY and EUR as of September 30, 2023 and 2022 would have increased (decreased) the net profit after tax by \$1,551 thousand and \$4,257 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the nine months ended September 30, 2023 and 2022, the foreign exchange gains (including realized and unrealized portions) amounted \$12,375 thousand and \$38,949 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.

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

If the interest rate had increased/decreased by 0.25%, the Group's after-tax net income would have decreased/increased by \$2,023 thousand and \$1,273 thousand for the nine months ended September 30, 2023 and 2022, respectively with all other variable factors remaining constant.

3) Other market price risk

For the nine months ended September 30, 2023 and 2022, 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 nine months ended September 30,			
	2023		2022	
	Other Comprehensive income after tax	Net income	Other Comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 10%	\$ <u>27,171</u>	<u>-</u>	<u>24,347</u>	<u>-</u>
Decreasing 10%	\$ <u>(27,171)</u>	<u>-</u>	<u>(24,347)</u>	<u>-</u>

(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:

	September 30, 2023				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 173,392	173,392	-	-	173,392
Domestic stock in listed company at Taipei Exchange	72,384	72,384	-	-	72,384
Domestic unlisted stock	14,562	-	-	14,562	14,562
International stock	<u>11,376</u>	<u>-</u>	<u>-</u>	<u>11,376</u>	<u>11,376</u>
Subtotal	<u>271,714</u>	<u>245,776</u>	<u>-</u>	<u>25,938</u>	<u>271,714</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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September 30, 2023					
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,522,794	-	-	-	-
Notes and accounts receivable (including related party)	1,322,315	-	-	-	-
Other receivables (including related party)	26,939	-	-	-	-
Other financial assets (current and non-current)	267,023	-	-	-	-
Refundable deposits paid	<u>27,546</u>	-	-	-	-
Subtotal	<u>4,166,617</u>	-	-	-	-
Total	<u>\$ 4,438,331</u>	<u>245,776</u>	<u>-</u>	<u>25,938</u>	<u>271,714</u>
Financial liabilities measured at amortized cost					
Bank loans	\$ 2,194,354	-	-	-	-
Notes and accounts payable (including related party)	214,742	-	-	-	-
Other payables (including related party)	604,694	-	-	-	-
Lease liabilities (current and non-current)	9,273	-	-	-	-
Guarantee deposit received	2,431	-	-	-	-
Other non-current liabilities	<u>47,200</u>	-	-	-	-
Total	<u>\$ 3,072,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2022					
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 167,624	167,624	-	-	167,624
Domestic stock in listed company at Taipei Exchange	51,811	51,811	-	-	51,811
Domestic unlisted stock	14,562	-	-	14,562	14,562
International stock	<u>11,376</u>	-	-	<u>11,376</u>	<u>11,376</u>
Subtotal	<u>245,373</u>	<u>219,435</u>	<u>-</u>	<u>25,938</u>	<u>245,373</u>

(Continued)

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	December 31, 2022				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,357,324	-	-	-	-
Notes receivable and accounts receivable (including related party)	1,227,148	-	-	-	-
Other receivables (including related party)	29,676	-	-	-	-
Other financial assets (current and non-current)	425,846	-	-	-	-
Refundable deposits paid	<u>29,588</u>	-	-	-	-
Subtotal	<u>4,069,582</u>	-	-	-	-
Total	<u>\$ 4,314,955</u>	<u>219,435</u>	<u>-</u>	<u>25,938</u>	<u>245,373</u>
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,798,447	-	-	-	-
Notes payable and accounts payable (including related party)	289,396	-	-	-	-
Other payables (including related party)	619,311	-	-	-	-
Lease liabilities (current and non-current)	6,959	-	-	-	-
Guarantee deposit received	2,431	-	-	-	-
Other non-current liabilities	<u>88,600</u>	-	-	-	-
Total	<u>\$ 2,805,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	September 30, 2022				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 170,794	170,794	-	-	170,794
Domestic stock in listed company at Taipei Exchange	47,405	47,405	-	-	47,405
Domestic stock in listed company at emerging stock market	10,500	-	-	10,500	10,500
International stock	<u>14,771</u>	-	-	<u>14,771</u>	<u>14,771</u>
Subtotal	<u>243,470</u>	<u>218,199</u>	<u>-</u>	<u>25,271</u>	<u>243,470</u>

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	September 30, 2022				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,512,985	-	-	-	-
Notes and accounts receivable (including related party)	1,156,353	-	-	-	-
Other receivables (including related party)	19,622	-	-	-	-
Other financial assets (current and non-current)	410,795	-	-	-	-
Refundable deposits paid	24,341	-	-	-	-
Subtotal	<u>4,124,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,367,566</u>	<u>218,199</u>	<u>-</u>	<u>25,271</u>	<u>243,470</u>
Financial liabilities measured at amortized cost					
Bank loans	\$ 2,170,000	-	-	-	-
Notes and accounts payable (including related party)	556,793	-	-	-	-
Other payables (including related party)	479,988	-	-	-	-
Lease liabilities (current and non- current)	16,948	-	-	-	-
Guarantee deposit received	2,432	-	-	-	-
Other non-current liabilities	102,400	-	-	-	-
Total	<u>\$ 3,328,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Fair value hierarchy

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

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

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

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

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

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

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

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

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

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

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

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

5) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the nine months ended September 30, 2023 and 2022, so there was no transfer between levels.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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6) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2023	\$ 25,938
Balance at September 30, 2023	\$ 25,938
Balance at January 1, 2022	\$ 14,771
Addition	10,500
Balance at September 30, 2022	\$ 25,271

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income - equity investments without an active market	Comparable companies method	<ul style="list-style-type: none"> ·Discount for lack of market liquidity (On September 30, 2023, December 31, 2022 and September 30, 2022 were 27.3%~30%, 27.3%~30% and 28.52%, respectively) ·Expected volatility (On September 30, 2023, December 31, 2022 and September 30, 2022 were 58.78%, 58.78% and 60.84%, respectively) 	<ul style="list-style-type: none"> ·The higher the discount for lack of market liquidity, the lower the fair value. ·The higher the volatility, the higher the fair value.

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

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

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	<u>Input</u>	<u>Change</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2023				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	314	(314)
	Expected volatility	1%	39	(39)
December 31, 2022				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	314	(314)
	Expected volatility	1%	39	(39)
September 30, 2022				
Financial assets at fair value through other comprehensive income - equity investments without an active market	Discounted of liquidity	1%	253	(253)
	Expected volatility	1%	494	(489)

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.

(t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

(u) 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, 2022. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2022 for further details.

(7) Related-party transactions:

(a) Names of related parties and relationship

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

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

(Continued)

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(b) Significant transactions with related parties

(i) Sales revenue

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Associates	\$ 21,144	32,871	87,407	82,451
Other related parties	31	105	257	265
	<u>\$ 21,175</u>	<u>32,976</u>	<u>87,664</u>	<u>82,716</u>

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

(ii) Other gains

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

Recognized item	Category	For the three months ended September 30,		For the nine months ended September 30,	
		2023	2022	2023	2022
Other gains	Associate-ATB	<u>\$ 3,171</u>	<u>3,096</u>	<u>9,375</u>	<u>9,226</u>

Other gains of the Group to the associates were mainly paid in accordance with the management service contract between the two parties. The payment terms are three months, which were not different from the payment terms given by other non-related parties.

(c) Assets and liabilities with related parties

Recognized item	Category	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable	Associates	\$ 22,006	16,426	31,991
	Other related parties	33	122	111
		<u>\$ 22,039</u>	<u>16,548</u>	<u>32,102</u>
Other receivables	Associate-ATB	<u>\$ 3,288</u>	<u>3,669</u>	<u>3,421</u>

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

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(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Salaries and other short-term employee benefits	\$ 22,195	19,850	55,268	55,054
Post-employment benefits	281	204	797	584
	<u>\$ 22,476</u>	<u>20,054</u>	<u>56,065</u>	<u>55,638</u>

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged asset	Object	September 30, 2023	December 31, 2022	September 30, 2022
Other financial assets-non-current	Guarantee for provision attachment	<u>\$ 149,380</u>	<u>149,380</u>	<u>149,380</u>

(9) Significant commitments and contingencies:

(a) The Group's unfinished contracts as of September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Total price of unfinished contracts			
Purchase of equipment and construction engineering	<u>\$ 57,825</u>	<u>40,124</u>	<u>59,646</u>
Acquisition of intangible assets	<u>398,181</u>	<u>160,907</u>	<u>219,119</u>
Research and development service	<u>118,745</u>	<u>114,245</u>	<u>109,894</u>
Purchase of raw materials	<u>104,478</u>	<u>103,016</u>	<u>105,447</u>
Unpaid amount			
Purchase of equipment and construction engineering	<u>\$ 39,942</u>	<u>16,660</u>	<u>30,568</u>
Acquisition of intangible assets	<u>340,629</u>	<u>143,424</u>	<u>148,174</u>
Research and development service	<u>43,739</u>	<u>39,739</u>	<u>36,707</u>
Purchase of raw materials	<u>30,253</u>	<u>47,984</u>	<u>79,375</u>

(b) As of September 30, 2023, December 31, 2022, and September 30, 2022, the financial institutions provided guarantee for the import and sale of medicine amounted to \$74,883 thousand, \$62,146 thousand and \$72,226 thousand, respectively.

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

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

By item	By function					
	For the three months ended September 30,					
	2023			2022		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	\$ 60,875	165,670	226,545	58,407	170,562	228,969
Health and labor insurance	5,084	11,858	16,942	4,796	12,006	16,802
Pension	2,726	6,607	9,333	2,568	6,704	9,272
Others	4,459	15,342	19,801	1,544	12,058	13,602
Depreciation expense	30,048	9,073	39,121	29,531	10,260	39,791
Amortization expense	2,906	7,464	10,370	101	5,562	5,663

By item	By function					
	For the nine months ended September 30,					
	2023			2022		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	\$ 185,036	509,270	694,306	175,539	518,912	694,451
Health and labor insurance	17,452	37,482	54,934	16,249	37,122	53,371
Pension	9,369	20,895	30,264	8,879	21,318	30,197
Others	9,375	45,047	54,422	4,762	36,496	41,258
Depreciation expense	89,268	26,840	116,108	87,782	31,128	118,910
Amortization expense	13,453	22,165	35,618	281	16,561	16,842

- (b) Others

The Group donated \$74,466 thousand and \$31,461 thousand to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage for the nine months ended September 30, 2023 and 2022, respectively.

- (c) In June 2015, the Taiwan Taipei District Prosecutors Office (TTDPO) filed a charge against the exchairman of the Company, Rong-Jin Lin (Mr. Lin), for the offense of aggravated breach of trust under the Securities and Exchange Act.

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

According to the verdict rendered by the Taipei District Court on September 1, 2017, Mr. Lin was found guilty for violating the Securities and Exchange Act. However, Mr. Lin disagreed with the decision made by the Taipei District Court; therefore, appealed to the Taiwan Supreme Court. On December 23, 2021 the Supreme Court sent it back to the Taiwan High Court for remand. On the other hand, on April 23, 2018, the TTDPO requested the Taiwan High Court to review both cases of Mr. Lin' s offense concerning the aggravated breach of trust under the Securities and Exchange Act, and the dispute on the contract entered into by the Company and Center Laboratories, Inc. regarding the drug called "Risperidone". However, on May 27, 2020, the Taiwan High Court rejected the above request, and such case regarding the drug called " Risperidone" was rejected by Taiwan High Court and further investigated by TTDPO. Consequently, it also acquitted Mr. Lin on the case with regards to the aggravated breach of trust, wherein Taiwan High Prosecutors Office was dissatisfied with the verdict, hence, further appealed to the Taiwan Supreme Court. On September 29, 2020, TTDPO requested the Taiwan Supreme Court to review both cases of Mr. Lin' s offense concerning the aggravated breach of trust under the Securities and Exchange Act, and the dispute on the contract entered into by the Company and Center Laboratories, Inc. regarding the drug called " Risperidone" . On September 6, 2017, the relevant incidental civil action was later transferred to the civil court for further trial as a different case. As of June 29, 2018, the Company supplemented and raised the amount of its damage claim against Mr. Lin in the incidental civil action of the second appeal, which was also appealed to the Taiwan Supreme Court.

- (d) On May 31, 2016, the Company filed a claim with the Cantonal Court of Zug in Switzerland against Inopha AG (Inopha) for all 13 licensing agreements between the Company and Inopha being declared null and void, and further sought an order that Inopha returns all the benefits it had gained from the 13 agreements. The case is still in progress at Cantonal Court of Zug in Switzerland.
- (e) On May 30, 2016, Janssen Pharmaceutica NV (Janssen) filed a request for arbitration with the WIPO Arbitration and Mediation Center, at the Company's request, to confirm whether the monies incurred from the agreement in dispute belong to the Company or Inopha. The case was suspended. As of September 30, 2023, the monies incurred from the agreement in dispute in the amount of \$21,456 thousand euros have been deposited into the escrow account by Janssen.
- (f) With regard to the dispute on the Risperidone Contract entered into by and between the Company and Center Laboratories, Inc. (CLI), CLI filed an administrative action for declaration of such Contract, as a civil lawsuit, against the Company in the Taipei District Court on July 1, 2016. The Taipei District Court ruled in favor of CLI on March 1, 2018, and the appeal to the Taiwan High Court by the Company, had been dismissed on March 11, 2020. Therefore, the Company filed an appeal to the Supreme Court on April 10, 2020. On May 19, 2021, the original judgment was declared to be invalid by the Supreme Court, and the case was further remanded to Taiwan High Court, which ruled that the agreement between the Company and CLI for the development of the Risperidone drug did not exist. CLI has filed an appeal to the Supreme Court on December 21, 2022, and the original judgment was declared to be invalid by the Supreme Court, and the case is remanded to the Taiwan High Court for trial in May 2023.
- (g) On February 28, 2020, the Company filed a civil lawsuit to the Labor Court Dresden of Germany against Denis Optiz, the beneficiary owner of Inopha AG. The case is still in progress at Labor Court Dresden of Germany.

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

- (h) On May 14, 2021, the Company was penalized by the Fair Trade Commission for concerted action due to the agreement it entered 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 on trial at the Taipei High Administrative Court.
- (i) On July 21, 2023, Taiwan Shilin District Prosecutors Office and the Ministry of Justice Investigation Bureau (referred to as the Investigation Bureau) came to the Company to investigate the drug contract case, and the Investigation Bureau reviewed and selected the Company's transaction documents related to certain drugs from July 2011 to July 2023. The case is under investigation and has no impact on the Company's finances and operations at this time.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Group significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the nine months ended September 30, 2023:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No. (Note1)	Name of guarantor	Party being endorsed/guaranteed		Limitation on amount of guarantees and endorsements for a specific enterprise (Note3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note2)										
0	The Company	Chuang Yi Biotech Co., Ltd.	2	1,164,464	50,000	50,000	14,354	-	0.86 %	2,911,160	Y	N	N

Note1: The numbering is as follows:

1. The issuer is coded “0”.
2. Subsidiaries are sequentially numbered from 1 by company.

Note2: The 7 types of relationship between the guarantor and parties being endorsed/guaranteed were as follows:

1. An investee company that has a business relationship with the Company.
2. An investee in which the Company holds directly and indirectly over 50% of voting shares.
3. An investee in which the Company and its subsidiaries directly and indirectly hold over 50% of voting shares.

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

4. An investee in which the Company holds directly and indirectly over 90% of voting shares.
5. An investee that has provided guarantees to the Company, and vice versa, due to contractual requirements.
6. An investee in which the Company conjunctly invests with other shareholders, and for which the Company has provided endorsement/guarantee in proportion to its shareholding percentage.
7. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note3: The amount of guarantee/endorsement to a Company shall not exceed 20% and the total amount of guarantee/endorsement to others shall not exceed 50% of the worth of the Company in the latest financial statements.

The amount of guarantee/endorsement to a Company shall not exceed 20% and the total amount of guarantee/endorsement to others shall not exceed 50% of the worth of the Company and its subsidiaries in their latest financial statements.

(iii) Securities held as of September 30, 2023 (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	14,562	7.78 %	14,562	
TSH Biopharm Co., Ltd.	Lumosa Therapeutics Co., Ltd. Common Stock	-	Financial assets measured at fair value through other comprehensive income– current	1,160	72,384	0.71 %	72,384	
"	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets measured at fair value through other comprehensive income–non-current	2,500	149,500	0.38 %	149,500	
"	Union Bank of Taiwan Preferred Shares A	-	"	400	20,640	0.20 %	20,640	
"	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	"	58	3,252	0.02 %	3,252	
"	CellMax Ltd. Common Stock	-	"	1,593	11,376	- %	11,376	

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- (iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None
- (v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None
- (vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None
- (vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chuang Yi Biotech Co., Ltd.	The subsidiary	Sale	(146,730)	(4.47)%	90 days T/T	Normal	-	123,965	10.58%	
Chuang Yi Biotech Co., Ltd.	The Company	The parent company	Purchase	146,730	97.93%	90 days T/T	Normal	No different to other vendors	123,965	(98.55)%	

- (viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital: None
- (ix) Information regarding trading in derivative financial instruments: None

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	TTY Biopharm Co., Ltd.	Worldco International Co., Ltd.	1	Royalty revenue	32,708	By contract	0.85%
0	"	"	1	Accounts receivable	4,369	"	0.04%
0	"	TSH Biopharm Co., Ltd.	1	Accounts receivable	6,593	"	0.07%
0	"	"	1	Other receivables	1,915	"	0.02%
0	"	"	1	Sales revenue	62,785	"	1.63%
0	"	"	1	Other income	3,447	"	0.09%
0	"	"	1	Other gains and losses	3,743	"	0.10%
0	"	"	1	Commission expense	1,827	"	0.05%
0	"	American Taiwan Biopharma Phils Inc.	1	Other receivables	5,026	"	0.05%
0	"	"	1	Accounts receivable	2,913	"	0.03%
0	"	Chuang Yi Biotech Co., Ltd.	1	Accounts receivable	123,965	"	1.25%
0	"	"	1	Sales revenue	146,730	"	3.80%
0	"	"	1	Other gains and losses	4,913	"	0.13%

Note 1): The numbering is as follows:

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

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

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

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

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

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Xudong Haipu International Co., Ltd.	Cayman Is.	Investing activities	303,998	303,998	25,000	100.00 %	1,503,399	37,396	37,396	Subsidiary
The Company	Worldco International Co., Ltd.	Hong Kong	Selling chemical medicine	15,825	158,254	3,960	100.00 %	132,535	1,216	1,216	Subsidiary
The Company	American Taiwan Biopharma Phils Inc.	Philippines	Selling chemical medicine	32,904	32,904	481	87.00 %	(2,716)	(1,222)	(1,063)	Subsidiary
The Company	TSH Biopharm Co., Ltd.	Taiwan	Selling chemical medicine	227,449	227,449	21,687	56.48 %	606,464	45,808	25,787	Subsidiary (Note)
The Company	EnhancX Biopharm Inc.	Taiwan	Developing chemical medicine	50,000	50,000	5,000	20.83 %	14,081	(10,148)	(2,114)	Subsidiary
The Company	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	250,951	250,951	7,432	49.05 %	19,749	334	164	Subsidiary
The Company	TTY Biopharm Turkey Saglik Urunleri Sanayi ve Ticaret Limited Sirketi	Turkey	Selling chemical medicine	13,863	13,863	240	100.00 %	8,344	800	800	Subsidiary
The Company	PharmaEngine, Inc.	Taiwan	Developing chemical medicine	536,559	536,559	25,867	18.00 %	852,799	237,277	42,709	Investments accounted for using equity method
The Company	American Taiwan Biopharm	Thailand	Selling chemical medicine	2,966	2,966	380	40.00 %	365,762	88,841	35,537	Investments accounted for using equity method
The Company	Gligio International Limited	Hong Kong	Selling chemical medicine	2,685	2,685	620	40.00 %	99,052	38,199	15,280	Investments accounted for using equity method
Xudong Haipu International Co., Ltd.	EnhancX Biopharm Inc.	Taiwan	Developing chemical medicine	70,000	70,000	7,000	29.17 %	31,791	(10,148)	(2,960)	Subsidiary
Xudong Haipu International Co., Ltd.	TTY Biopharm Korea Co., Ltd.	Korea	Selling chemical medicine	59,404	43,834	449	100.00 %	13,237	(6,572)	(6,572)	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 %	8,685	(6,410)	(3,205)	Subsidiary
Worldco International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	8,685	(6,410)	(3,205)	Subsidiary
EnhancX Biopharm Inc.	EnhancX Biopharm B.V.	Netherlands	Developing chemical medicine	3,538	3,538	100	100.00 %	1,199	(270)	(270)	Subsidiary
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	40,252	40,252	589	3.89 %	6,181	334	13	Subsidiary

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Samoa	Import and export trading and investment activities	16,820	16,820	568	100.0 %	2,280	(122)	(122)	Subsidiary

Note: Net income (losses) of investee was calculated at the level of the consolidated group.

(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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2023	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	52,539	(2)	88,874	-	-	88,874	377	100 %	377	50,854	-
		CNY 11,900		CNY 20,130			CNY 20,130	CNY 86		CNY 86	CNY 11,518	
Chuang Yi (Shanghai) Trading Co., Ltd.	Selling functional food	16,135	(2)	16,135	-	-	16,135	(124)	100 %	(124)	2,243	-
		USD 500		USD 500			USD 500	CNY (28)		CNY (28)	CNY 508	

The exchange rate of USD to NTD as of the reporting date was 1:32.2700, and the average exchange rate of USD to NTD for the reporting period was 1:30.9294.

The exchange rate of CNY to NTD as of the reporting date was 1:4.4150, and the average exchange rate of CNY to NTD for the reporting period was 1:4.3848.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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Note 1): Investment methods are classified into the following four categories.

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

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

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 105,009	NTD 1,524,048 (USD 47,228)	NTD 3,493,392

(iii) Significant transactions: None

(d) Major shareholders:

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

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(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:

<u>For the three months ended September 30, 2023</u>	<u>Oncology Business Unit</u>	<u>Intensive Care Business Unit</u>	<u>Healthcare Business Unit</u>	<u>Export and CDMO Business Unit</u>	<u>Other Business Unit</u>	<u>Re-investment Business Unit</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Revenue:								
Revenue from external customers	\$ 581,353	257,632	52,476	231,551	38,863	271,005	-	1,432,880
Intersegment revenues	5,182	-	119,044	21,064	-	751	(146,041)	-
Total revenue	<u>\$ 586,535</u>	<u>257,632</u>	<u>171,520</u>	<u>252,615</u>	<u>38,863</u>	<u>271,756</u>	<u>(146,041)</u>	<u>1,432,880</u>
Reportable segment profit or loss	<u>\$ 268,443</u>	<u>92,782</u>	<u>71,148</u>	<u>104,398</u>	<u>(51,620)</u>	<u>48,547</u>	<u>(28,004)</u>	<u>505,694</u>
For the three months ended September 30, 2022								
Revenue:								
Revenue from external customers	\$ 605,617	240,238	52,644	165,596	26,562	235,517	-	1,326,174
Intersegment revenues	28,414	-	75,814	19,624	-	636	(124,488)	-
Total revenue	<u>\$ 634,031</u>	<u>240,238</u>	<u>128,458</u>	<u>185,220</u>	<u>26,562</u>	<u>236,153</u>	<u>(124,488)</u>	<u>1,326,174</u>
Reportable segment profit or loss	<u>\$ 321,597</u>	<u>71,182</u>	<u>69,022</u>	<u>26,188</u>	<u>(71,534)</u>	<u>45,510</u>	<u>(24,985)</u>	<u>436,980</u>
For the nine months ended September 30, 2023								
Revenue:								
Revenue from external customers	\$ 1,740,596	754,595	151,667	568,535	58,072	587,310	-	3,860,775
Intersegment revenues	32,707	-	146,730	63,011	400	1,827	(244,675)	-
Total revenue	<u>\$ 1,773,303</u>	<u>754,595</u>	<u>298,397</u>	<u>631,546</u>	<u>58,472</u>	<u>589,137</u>	<u>(244,675)</u>	<u>3,860,775</u>
Reportable segment profit or loss	<u>\$ 843,120</u>	<u>270,336</u>	<u>135,292</u>	<u>134,623</u>	<u>(218,085)</u>	<u>76,824</u>	<u>(49,686)</u>	<u>1,192,424</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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For the nine months ended September 30, 2022	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	\$ 1,717,224	654,986	137,515	423,207	58,620	537,254	-	3,528,806
Intersegment revenues	44,916	-	102,434	62,526	59	1,540	(211,475)	-
Total revenue	<u>\$ 1,762,140</u>	<u>654,986</u>	<u>239,949</u>	<u>485,733</u>	<u>58,679</u>	<u>538,794</u>	<u>(211,475)</u>	<u>3,528,806</u>
Reportable segment profit or loss	<u>\$ 921,816</u>	<u>199,140</u>	<u>131,876</u>	<u>54,449</u>	<u>(262,022)</u>	<u>50,425</u>	<u>(20,430)</u>	<u>1,075,254</u>
Reportable segment assets								
Balance on September 30, 2023	<u>\$ 1,403,236</u>	<u>505,903</u>	<u>780,894</u>	<u>1,686,802</u>	<u>4,911,639</u>	<u>3,187,790</u>	<u>(2,519,393)</u>	<u>9,956,871</u>
Balance on December 31, 2022	<u>\$ 1,322,687</u>	<u>361,260</u>	<u>568,250</u>	<u>1,647,027</u>	<u>4,957,345</u>	<u>3,137,657</u>	<u>(2,393,591)</u>	<u>9,600,635</u>
Balance on September 30, 2022	<u>\$ 1,286,266</u>	<u>341,813</u>	<u>807,165</u>	<u>1,675,610</u>	<u>5,044,057</u>	<u>3,191,246</u>	<u>(2,509,303)</u>	<u>9,836,854</u>