

**TTY BIOPHARM COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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

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Independent Auditors' Review Report

To the Board of Directors of TTY Biopharm Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of TTY Biopharm Company Limited and its subsidiaries as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$165,256 thousand, constituting 1.73% of consolidated total assets as of March 31, 2023; total liabilities amounting to \$55,490 thousand, constituting 1.41% of consolidated total liabilities as of March 31, 2023; and total comprehensive income (loss) amounting to \$(11,994) thousand, constituting (5.09)% of consolidated total comprehensive income (loss) for the three months end March 31, 2023.

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 \$500,587 thousand and \$455,325 thousand as of March 31, 2024 and 2023, respectively, and the related share of profit amounting to \$16,303 thousand and \$21,320 thousand for the three months periods ended respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TTY Biopharm Company Limited and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of PharmaEngine, Inc., an associate of TTY Biopharm Company Limited and its subsidiaries, which represented as investment accounted for using the equity method. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for PharmaEngine, Inc., is based solely on the review report of another auditor. The investment in PharmaEngine, Inc. accounted for using the equity method amounted to \$874,396 thousand and \$876,140 thousand, constituting 8.68% and 9.16% of consolidated total assets as of March 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method amounted to \$14,710 thousand and \$14,649 thousand, constituting 4.00% and 4.99% of consolidated total profit before tax for the three months ended March 31, 2024 and 2023, respectively.

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

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2024

Notes to Readers

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

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

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollar)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(a) and (s))	\$ 2,729,275	27	2,621,020	27	2,441,634	26	2100	Short-term borrowings (notes 6(j) and (s))	\$ 1,250,000	13	1,450,000	15	1,250,000	13
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (s))	206,480	2	79,228	1	54,112	1	2130	Contract liabilities-current (note 6(p))	18,638	-	14,234	-	34,495	-
1150	Notes receivable, net (notes 6(c) and (s))	32,168	-	33,441	-	40,093	-	2150	Notes payable (note 6(s))	56,916	1	56,134	1	58,015	1
1170	Accounts receivable, net (notes 6(c) and (s))	1,149,114	12	1,269,462	13	1,035,743	11	2170	Accounts payable (note 6(s))	184,802	2	238,530	2	227,924	3
1180	Accounts receivable due from related parties, net (notes 6(c), (s) and 7)	34,653	-	40,830	-	28,488	-	2216	Dividends payable (notes 6(n) and (s))	870,275	9	-	-	845,410	9
1200	Other receivables, net (notes 6(s) and 7)	31,495	-	28,809	-	32,268	-	2219	Other payables (notes 6(q) and (s))	540,554	5	645,748	7	468,415	5
130X	Inventories (notes 6(d) and 9)	1,091,863	11	1,095,956	11	1,028,235	11	2230	Current tax liabilities	230,238	2	156,965	2	202,571	2
1410	Prepayments	90,749	1	79,015	1	51,443	-	2280	Current lease liabilities (note 6(s))	5,230	-	5,863	-	5,031	-
1476	Other current financial assets (notes 6(i) and (s))	202,000	2	116,309	1	281,728	3	2300	Other current liabilities	26,442	-	16,271	-	34,242	-
1470	Other current assets (note 6(i))	10,467	-	6,364	-	15,128	-	2320	Long-term liabilities, current portion (notes 6(k) and (s))	-	-	-	-	418,965	4
		<u>5,578,264</u>	<u>55</u>	<u>5,370,434</u>	<u>54</u>	<u>5,008,872</u>	<u>52</u>			<u>3,183,095</u>	<u>32</u>	<u>2,583,745</u>	<u>27</u>	<u>3,545,068</u>	<u>37</u>
Non-current assets:								Non-current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (s))	195,226	2	194,467	2	201,494	2	2540	Long-term borrowings (notes 6(k) and (s))	400,000	4	400,000	4	4,812	-
1550	Investments accounted for using the equity method, net (note (e))	1,374,983	14	1,355,738	14	1,331,465	14	2570	Deferred tax liabilities	318,745	3	318,745	3	305,443	3
1600	Property, plant and equipment (notes 6(g) and 9)	2,268,541	23	2,278,114	24	2,390,635	25	2580	Non-current lease liabilities (note 6(s))	2,223	-	3,047	-	6,017	-
1755	Right-of-use assets	7,367	-	8,824	-	10,994	-	2640	Net defined benefit liability, non-current	27,153	-	27,402	-	3,101	-
1760	Investment property, net	132,893	1	132,843	1	134,377	2	2645	Guarantee deposits received (note 6(s))	2,431	-	2,428	-	2,431	-
1780	Intangible assets (notes 6(h) and 9)	153,007	2	164,009	2	239,593	3	2670	Other non-current liabilities (note 6(s))	19,600	-	33,400	-	74,800	1
1840	Deferred tax assets	48,719	-	48,709	-	47,106	-			<u>770,152</u>	<u>7</u>	<u>785,022</u>	<u>7</u>	<u>396,604</u>	<u>4</u>
1915	Prepayments for business facilities	15,620	-	18,734	-	8,714	-	Total liabilities		<u>3,953,247</u>	<u>39</u>	<u>3,368,767</u>	<u>34</u>	<u>3,941,672</u>	<u>41</u>
1920	Refundable deposits paid (note 6(s))	45,750	-	47,770	-	24,649	-	Equity attributable to owners of parent (note 6(n)):							
1984	Other non-current financial assets (notes 6(i), (s) and 8)	177,274	2	177,056	2	150,496	2	3100	Share capital	2,486,500	25	2,486,500	25	2,486,500	26
1990	Other non-current assets (notes 6(i) and 9)	76,462	1	78,211	1	17,342	-	3200	Capital surplus (note 6(e))	316,866	3	316,618	3	312,571	3
		<u>4,495,842</u>	<u>45</u>	<u>4,504,475</u>	<u>46</u>	<u>4,556,865</u>	<u>48</u>	3310	Legal reserve	1,389,227	14	1,389,227	14	1,389,227	15
								3320	Special reserve	198,071	2	198,071	2	198,071	2
								3350	Unappropriated retained earnings	1,005,205	10	1,594,709	16	730,493	8
								3400	Other equity interest	90,463	1	(43,785)	-	(67,988)	(1)
									Equity attributable to owners of parent:	5,486,332	55	5,941,340	60	5,048,874	53
								36XX	Non-controlling interests (notes 6(f) and (n))	634,527	6	564,802	6	575,191	6
									Total equity	<u>6,120,859</u>	<u>61</u>	<u>6,506,142</u>	<u>66</u>	<u>5,624,065</u>	<u>59</u>
Total assets		<u>\$ 10,074,106</u>	<u>100</u>	<u>9,874,909</u>	<u>100</u>	<u>9,565,737</u>	<u>100</u>	Total liabilities and equity		<u>\$ 10,074,106</u>	<u>100</u>	<u>9,874,909</u>	<u>100</u>	<u>9,565,737</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p) and 7)	\$ 1,273,605	100	1,166,332	100
5000	Operating costs (notes 6(d), (l) and 12)	<u>500,746</u>	<u>39</u>	<u>455,977</u>	<u>39</u>
	Gross profit	772,859	61	710,355	61
5910	Less: Unrealized profit (loss) from sales	15,429	1	6,925	1
5920	Add: Realized profit (loss) from sales	<u>13,490</u>	<u>1</u>	<u>8,544</u>	<u>1</u>
	Gross profit, net	<u>770,920</u>	<u>61</u>	<u>711,974</u>	<u>61</u>
6000	Operating expenses (notes 6(l), (q) and 12):				
6100	Selling expenses	271,110	21	288,928	25
6200	Administrative expenses	104,458	8	112,650	10
6300	Research and development expenses	84,880	7	65,487	5
6450	Expected (reversal of) credit losses (note 6(c))	<u>571</u>	<u>-</u>	<u>(490)</u>	<u>-</u>
	Total operating expenses	<u>461,019</u>	<u>36</u>	<u>466,575</u>	<u>40</u>
	Net operating income	<u>309,901</u>	<u>25</u>	<u>245,399</u>	<u>21</u>
	Non-operating income and expenses (note 6(r)):				
7100	Interest income	19,542	2	16,357	1
7010	Other income	2,640	-	2,704	-
7020	Other gains and losses, net (note 7)	12,322	1	(4)	-
7050	Finance costs, net	(7,364)	(1)	(7,083)	-
7060	Share of profit of associates accounted for using the equity method, net (note 6(e))	<u>31,013</u>	<u>2</u>	<u>35,969</u>	<u>3</u>
7055	Total non-operating income and expenses	<u>58,153</u>	<u>4</u>	<u>47,943</u>	<u>4</u>
	Profit before tax	368,054	29	293,342	25
7950	Less: Income tax expenses (note 6(m))	<u>73,328</u>	<u>6</u>	<u>58,801</u>	<u>5</u>
	Profit for the period	<u>294,726</u>	<u>23</u>	<u>234,541</u>	<u>20</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	128,011	10	10,233	1
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,733	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>129,744</u>	<u>10</u>	<u>10,233</u>	<u>1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	60,251	5	(9,004)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>60,251</u>	<u>5</u>	<u>(9,004)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>189,995</u>	<u>15</u>	<u>1,229</u>	<u>-</u>
	Total comprehensive income for the period	<u>\$ 484,721</u>	<u>38</u>	<u>235,770</u>	<u>20</u>
	Profit attributable to:				
8610	Owners of parent	\$ 280,771	22	238,680	20
8620	Non-controlling interests	<u>13,955</u>	<u>1</u>	<u>(4,139)</u>	<u>-</u>
		<u>\$ 294,726</u>	<u>23</u>	<u>234,541</u>	<u>20</u>
	Comprehensive income attributable to:				
	Owners of parent	\$ 415,019	33	235,469	20
	Non-controlling interests	<u>69,702</u>	<u>5</u>	<u>301</u>	<u>-</u>
		<u>\$ 484,721</u>	<u>38</u>	<u>235,770</u>	<u>20</u>
	Earnings per share, net of tax (note 6(o))				
9750	Basic earnings per share	<u>\$ 1.13</u>		<u>0.96</u>	
9850	Diluted earnings per share	<u>\$ 1.13</u>		<u>0.96</u>	

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Share capital		Retained earnings			Total other equity interest					Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent			
Balance at January 1, 2023	\$ 2,486,500	312,180	1,278,935	198,071	1,447,515	(83,359)	18,582	(64,777)	5,658,424	574,857	6,233,281	
Net income	-	-	-	-	238,680	-	-	-	238,680	(4,139)	234,541	
Other comprehensive income	-	-	-	-	-	(8,990)	5,779	(3,211)	(3,211)	4,440	1,229	
Total comprehensive income	-	-	-	-	238,680	(8,990)	5,779	(3,211)	235,469	301	235,770	
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	-	239	-	-	-	-	-	-	239	-	239	
Other changes in capital surplus	-	109	-	-	-	-	-	-	109	-	109	
Changes in ownership interests in subsidiaries	-	43	-	-	-	-	-	-	43	33	76	
Balance at March 31, 2023	\$ 2,486,500	312,571	1,389,227	198,071	730,493	(92,349)	24,361	(67,988)	5,048,874	575,191	5,624,065	
Balance at January 1, 2024	\$ 2,486,500	316,618	1,389,227	198,071	1,594,709	(75,492)	31,707	(43,785)	5,941,340	564,802	6,506,142	
Net income	-	-	-	-	280,771	-	-	-	280,771	13,955	294,726	
Other comprehensive income	-	-	-	-	-	60,215	74,033	134,248	134,248	55,747	189,995	
Total comprehensive income	-	-	-	-	280,771	60,215	74,033	134,248	415,019	69,702	484,721	
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(870,275)	-	-	-	(870,275)	-	(870,275)	
Other changes in capital surplus:												
Changes in equity of investments accounted for using the equity method	-	83	-	-	-	-	-	-	83	-	83	
Other changes in capital surplus	-	134	-	-	-	-	-	-	134	-	134	
Changes in ownership interests in subsidiaries	-	31	-	-	-	-	-	-	31	23	54	
Balance at March 31, 2024	\$ 2,486,500	316,866	1,389,227	198,071	1,005,205	(15,277)	105,740	90,463	5,486,332	634,527	6,120,859	

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	For the three months ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 368,054	293,342
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	37,120	38,360
Amortization expenses	11,930	11,623
Expected (reversal of) credit losses	571	(490)
Interest expenses	7,364	7,083
Interest income	(19,542)	(16,357)
Shares of profit of investments accounted for using the equity method	(31,013)	(35,969)
(Gain) losses on disposal of property, plant and equipment	(250)	23
Reversal of impairment loss on property, plant and equipment	(2,000)	-
Unrealized profit from sales	15,429	6,925
Realized profit from sales	(13,490)	(8,544)
Total adjustments to reconcile profit	6,119	2,654
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	1,273	(5,399)
Accounts receivable	126,129	128,724
Other receivables	(2,764)	4,783
Inventories	4,251	10,968
Prepayments and other current assets	(15,954)	(10,896)
Total changes in operating assets	112,935	128,180
Changes in operating liabilities:		
Contract liabilities	4,335	1,368
Notes payable	(13,020)	(18,762)
Accounts payable	(53,894)	1,193
Other payable	(105,300)	(151,230)
Other current liabilities	10,052	822
Net defined benefit liability	(250)	(37,712)
Total changes in operating liabilities	(158,077)	(204,321)
Total changes in operating assets and liabilities	(45,142)	(76,141)
Total adjustments	(39,023)	(73,487)
Cash inflow generated from operations	329,031	219,855
Interest received	19,850	17,220
Dividends received	8,524	-
Interest paid	(7,334)	(6,864)
Income taxes paid	(70)	(5,750)
Net cash flows from operating activities	350,001	224,461
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(22,004)	(6,329)
Proceeds from disposal of property, plant and equipment	2,275	6,960
Decrease in refundable deposits paid	2,022	4,944
Acquisition of intangible assets	(474)	(178)
Increase in other financial assets	(85,909)	(6,378)
Increase in prepayments for business facilities	(1,111)	(4,437)
Decrease in other non-current assets	251	504
Net cash flows used in investing activities	(104,950)	(4,914)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,450,000	1,750,000
Decrease in short-term loans	(1,650,000)	(1,870,000)
Repayments of long-term borrowings	-	(4,671)
Payment of lease liabilities	(1,456)	(1,420)
Dividends unclaimed by shareholders	188	185
Net cash flows used in financing activities	(201,268)	(125,906)
Effect of exchange rate changes on cash and cash equivalents	64,472	(9,331)
Net increase in cash and cash equivalents	108,255	84,310
Cash and cash equivalents at beginning of period	2,621,020	2,357,324
Cash and cash equivalents at end of period	\$ 2,729,275	2,441,634

See accompanying notes to financial statements.

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

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

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

(1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

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

(b) Basis of consolidation

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

Investor	Subsidiary	Nature of business	Shareholding			Notes
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Xudong Haipu International Co., Ltd.	Investing activities	100.00 %	100.00 %	100.00 %	
The Company	Worldco International Co., Ltd.	Investing activities and selling medicine	100.00 %	100.00 %	100.00 %	
The Company	American Taiwan Biopharma Philippines Inc.	Selling medicine	87.00 %	87.00 %	87.00 %	
The Company	TSH Biopharm Co., Ltd.(TSH)	Selling medicine	56.48 %	56.48 %	56.48 %	
The Company	EnhancX Biopharm Inc.(EnhancX)	Developing medicine	20.83 %	20.83 %	20.83 %	
The Company	Chuang Yi Biotech Co., Ltd.(CYB)	Selling functional food	23.12 %	23.12 %	49.05 %	(Note 2 and 4)

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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Investor	Subsidiary	Nature of business	Shareholding			Notes
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	TTY Biopharm Turkey Saglik Urunleri Sanayi ve Ticaret Limited Sirketi(TTY-Turkey)	Selling medicine	-%	-	%	100.00 % (Note 1)
Worldco International Co., Ltd.	Worldco Biotech (Chengdu) Pharmaceutical Ltd.	Selling medicine	100.00 %	100.00 %		100.00 %
Worldco International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.(TTY-Mexico)	Selling medicine	50.00 %	50.00 %		50.00 %
Xudong Haipu International Co., Ltd.	EnhanX Biopharm Inc.(EnhanX)	Developing medicine	29.17 %	29.17 %		29.17 %
Xudong Haipu International Co., Ltd.	TTY Biopharm Korea Co., Ltd. (TTY-Korea)	Selling medicine	100.00 %	100.00 %		100.00 %
Xudong Haipu International Co., Ltd.	TTY Biopharm Mexico S.A. de C.V.(TTY-Mexico)	Selling medicine	50.00 %	50.00 %		50.00 %
EnhanX Biopharm Inc.	EnhanX Biopharm B.V.	Developing medicine	100.00 %	100.00 %		100.00 % (Note 3)
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.(CYB)	Selling functional food	51.60 %	51.60 %		3.89 % (Note 2 and 4)
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Import and export trading and investment activities	100.00 %	100.00 %		100.00 % (Note 4)
Immortal Fame Global Ltd.	Chuang Yi (Shanghai) Trading Co., Ltd.	Selling functional food	100.00 %	100.00 %		100.00 % (Note 4)

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

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

(Note 3) In order to reduce the operating costs of the Group, a resolution was decided during the board meeting of EnhanX held on December 28, 2023 to liquidate EnhanX B.V.

(Note 4) Non-significant subsidiary whose financial statements have not been reviewed on March 31, 2023.

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

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

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

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

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

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

(d) Employee benefits

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

(e) Income taxes

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

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

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

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(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, 2023. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts:

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

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 3,853	3,149	3,016
Cash in banks	1,221,422	1,297,556	1,059,718
Time deposits	<u>1,504,000</u>	<u>1,320,315</u>	<u>1,378,900</u>
Total	<u>\$ 2,729,275</u>	<u>2,621,020</u>	<u>2,441,634</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.

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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>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
The equity investments at fair value through other comprehensive income:			
Domestic common stock—Lumosa Therapeutics Co., Ltd.	\$ 206,480	79,228	54,112
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares B	150,000	149,750	151,250
Domestic preferred stock—Fubon Financial Holding Co., Ltd. Preferred Shares C	3,177	3,188	3,426
Domestic preferred stock—Union Bank of Taiwan Preferred Shares A	21,040	20,520	20,880
International unlisted stock—CellMax Ltd.	9,017	9,017	11,376
Domestic unlisted stock—ExoOne Bio. Co., Ltd.	11,992	11,992	14,562
	<u>\$ 401,706</u>	<u>273,695</u>	<u>255,606</u>

- (i) The Group designated the investments as equity securities at fair value through other comprehensive income because the Group intends to hold the investments for long-term strategic and not for trading purposes.
- (ii) For the year ended December 31, 2023, the Group did not participate in the capital increase of ExoOne Bio. Co., Ltd., resulting in its shareholding ratio to dropped from 7.78% to 5.94%.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2024 and 2023.
- (iv) Please refer to Note 6(s) for information on credit and market risk.
- (v) The above financial assets were not pledged as collateral.

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Notes receivable	\$ 32,168	33,441	40,107
Accounts receivable	1,152,036	1,271,809	1,041,464
Accounts receivable-related parties	34,653	40,830	28,488
Less: allowance for expected credit losses	<u>(2,922)</u>	<u>(2,347)</u>	<u>(5,735)</u>
	<u>\$ 1,215,935</u>	<u>1,343,733</u>	<u>1,104,324</u>

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

	March 31, 2024		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,211,999	0%~1.35%	1,733
1 to 90 days overdue	6,576	1%~15.30%	918
91 to 180 days overdue	14	2%~43.69%	3
More than 181 days overdue	268	100%	268
	<u>\$ 1,218,857</u>		<u>2,922</u>
	December 31, 2023		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,342,406	0%~1%	1,730
1 to 90 days overdue	3,358	1%~8.14%	315
91 to 180 days overdue	38	2%~21.78%	24
More than 181 days overdue	278	100%	278
	<u>\$ 1,346,080</u>		<u>2,347</u>
	March 31, 2023		
	Face value of notes receivable and accounts receivable	Weighted average loss rate	Allowance for expected credit losses
Not overdue	\$ 1,091,136	0%~1%	1,217
1 to 90 days overdue	14,731	0%~2.32%	326
More than 181 days overdue	4,192	2%~100%	4,192
	<u>\$ 1,110,059</u>		<u>5,735</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2024	2023
Balance at January 1	\$ 2,347	6,221
Expected credit losses recognized	571	-
Reversal of expected credit losses	-	(490)
Foreign currency translation gains	4	4
Balance at March 31	\$ 2,922	5,735

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

(d) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise	\$ 348,239	307,381	220,360
Finished goods	213,310	175,679	169,608
Work in process	216,921	281,116	176,682
Raw materials	275,290	225,498	270,522
Materials	68,975	63,375	64,918
Subtotal	1,122,735	1,053,049	902,090
Goods in transit	65,483	137,896	229,587
Total	1,188,218	1,190,945	1,131,677
Less: allowance for inventory market decline and obsolescence	(96,355)	(94,989)	(103,442)
Net amount	\$ 1,091,863	1,095,956	1,028,235

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

	For the three months ended March 31,	
	2024	2023
Inventories have been sold	\$ 492,439	454,540
Cost of services	377	378
Write-off of inventories from cost to net realizable value and disposal of inventories	7,930	1,059
	\$ 500,746	455,977

(ii) As of March 31, 2024, December 31, 2023 and March 31, 2023, the inventories were not pledged as collateral.

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(e) Investments accounted for using the equity method

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

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	<u>\$ 1,374,983</u>	<u>1,355,738</u>	<u>1,331,465</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying value	<u>\$ 874,396</u>	<u>859,603</u>	<u>876,140</u>
Fair value	<u>\$ 2,565,987</u>	<u>2,728,948</u>	<u>2,793,615</u>

- 2) For the three months ended March 31, 2024 and 2023, as PharmaEngine, Inc. amortized the compensation cost of employee stock options and the employee stock options expired, the Group's equity has changed and its capital reserve was credit by \$83 thousand and \$239 thousand, respectively.

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

Associate	Nature of relationship	Country of registration	Equity ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
PharmaEngine, Inc.	Research for new drugs and drug development especially for Asian diseases	Taiwan	18.00 %	18.00 %	18.00 %

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

- Summary financial information on PharmaEngine, Inc.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 4,034,516	3,923,020	4,012,553
Non-current assets	28,152	30,899	37,772
Current liabilities	(109,497)	(83,863)	(82,129)
Non-current liabilities	(8,069)	(7,143)	(13,408)
Net assets	<u>\$ 3,945,102</u>	<u>3,862,913</u>	<u>3,954,788</u>
Net assets attributable to investee's owners	<u>\$ 3,945,102</u>	<u>3,862,913</u>	<u>3,954,788</u>

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	For the three months ended	
	March 31,	
	2024	2023
Operating revenue	\$ 164,471	168,333
Profit from continuing operations	81,726	81,380
Other comprehensive loss	\$ -	-
Total comprehensive income	\$ 81,726	81,380
Comprehensive income attributable to investee's owners	\$ 81,726	81,380

	For the three months ended	
	March 31,	
	2024	2023
Net assets attributable to the Group, January 1	\$ 695,325	696,974
Changes in capital surplus of associates	83	239
Comprehensive income attributable to the Group	14,710	14,649
Net assets attributable to the Group, March 31	710,118	711,862
Add: Goodwill	164,278	164,278
Carrying amount of interest in associates, March 31	\$ 874,396	876,140

(iii) Summary financial information on individually insignificant associates

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

	March 31,	December 31,	March 31,
	2024	2023	2023
Carrying amount of individually insignificant associates	\$ 500,587	496,135	455,325

	For the three months ended	
	March 31,	
	2024	2023
Attributable to the Group:		
Profit from continuing operations	\$ 16,303	21,320
Other comprehensive (loss) income	(1,389)	563
Total comprehensive income	\$ 14,914	21,883

(iv) Collateral

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

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

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

- (f) Material non-controlling interests of subsidiaries

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

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

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 956,790	770,331	904,943
Non-current assets	399,301	407,416	248,292
Current liabilities	(79,477)	(70,147)	(69,078)
Non-current liabilities	-	-	(3,425)
Net assets	<u>\$ 1,276,614</u>	<u>1,107,600</u>	<u>1,080,732</u>
Net assets attributable to non-controlling interest	<u>\$ 555,323</u>	<u>481,812</u>	<u>470,169</u>

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating revenue	<u>\$ 176,481</u>	<u>117,462</u>
Profit for the period	\$ 40,929	10,147
Other comprehensive income	128,031	10,234
Total comprehensive income	<u>\$ 168,960</u>	<u>20,381</u>
Profit attributable to non-controlling interest	<u>\$ 17,769</u>	<u>4,346</u>
Total comprehensive income attributable to non-controlling interest	<u>\$ 73,488</u>	<u>8,799</u>

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	For the three months ended March 31,	
	2024	2023
Cash flows from (used in) operating activities	\$ 47,300	(11,744)
Cash flows from (used in) investing activities	15,795	(10,955)
Cash flows used in financing activities	(1,132)	(1,114)
Net increase (decrease) in cash	\$ 61,963	(23,813)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 306,924	343,428	156,226
Non-current assets	45,110	47,805	55,901
Current liabilities	(36,556)	(63,479)	(60,331)
Non-current liabilities	-	-	(6,911)
Net assets	\$ 315,478	327,754	144,885
Net assets attributable to non-controlling interests	\$ 79,753	82,856	68,183

	For the three months ended March 31,	
	2024	2023
Operating revenue	\$ 24,010	27,396
Loss for the period	(12,316)	(13,685)
Other comprehensive income	40	12
Total comprehensive loss	\$ (12,276)	(13,673)
Loss attributable to non-controlling interest	\$ (3,113)	(6,440)
Total comprehensive losses attributable to non-controlling interest	\$ (3,103)	(6,435)
Cash flows from operating activities	\$ 6,265	10,711
Cash flows used in investing activities	(101,989)	(27)
Cash flows used in financing activities	(706)	(25,367)
Effect of exchange rates changes on cash and cash equivalents	31	9
Net decrease in cash	\$ (96,399)	(14,674)

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Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

The details of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023 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, 2024	\$ 902,897	1,461,122	836,063	5,085	570,870	19,806	8,945	3,804,788
Additions	-	1,260	293	-	1,691	-	18,760	22,004
Disposals	-	-	(73,435)	(2,500)	(735)	(13)	-	(76,683)
Reclassifications	-	-	-	-	1,080	-	2,690	3,770
Adjustment for foreign currency translation	-	-	8	-	18	3	-	29
Balance on March 31, 2024	<u>\$ 902,897</u>	<u>1,462,382</u>	<u>762,929</u>	<u>2,585</u>	<u>572,924</u>	<u>19,796</u>	<u>30,395</u>	<u>3,753,908</u>
Balance on January 1, 2023	\$ 902,897	1,431,841	830,568	5,085	552,816	29,428	77,086	3,829,721
Additions	-	2,968	674	-	1,395	11	1,403	6,451
Disposals	-	-	(3,551)	-	(32,653)	(9,635)	-	(45,839)
Reclassifications	-	7,470	-	-	-	-	(6,147)	1,323
Adjustment for foreign currency translation	-	-	2	-	17	3	-	22
Balance on March 31, 2023	<u>\$ 902,897</u>	<u>1,442,279</u>	<u>827,693</u>	<u>5,085</u>	<u>521,575</u>	<u>19,807</u>	<u>72,342</u>	<u>3,791,678</u>
Depreciation and impairment:								
Balance on January 1, 2024	\$ -	575,736	529,000	5,085	405,250	11,603	-	1,526,674
Depreciation for the year	-	16,520	9,412	-	8,680	710	-	35,322
Reversal of impairment loss recognised in profit	-	-	(2,000)	-	-	-	-	(2,000)
Disposals	-	-	(71,435)	(2,500)	(714)	(9)	-	(74,658)
Adjustment for foreign currency translation	-	-	8	-	18	3	-	29
Balance on March 31, 2024	<u>\$ -</u>	<u>592,256</u>	<u>464,985</u>	<u>2,585</u>	<u>413,234</u>	<u>12,307</u>	<u>-</u>	<u>1,485,367</u>
Balance on January 1, 2023	\$ -	510,578	458,959	5,085	413,635	15,021	-	1,403,278
Depreciation for the year	-	16,246	11,882	-	7,874	596	-	36,598
Disposals	-	-	(3,315)	-	(29,644)	(5,897)	-	(38,856)
Adjustment for foreign currency translation	-	-	2	-	18	3	-	23
Balance on March 31, 2023	<u>\$ -</u>	<u>526,824</u>	<u>467,528</u>	<u>5,085</u>	<u>391,883</u>	<u>9,723</u>	<u>-</u>	<u>1,401,043</u>
Carrying value:								
Balance on January 1, 2024	<u>\$ 902,897</u>	<u>885,386</u>	<u>307,063</u>	<u>-</u>	<u>165,620</u>	<u>8,203</u>	<u>8,945</u>	<u>2,278,114</u>
Balance on March 31, 2024	<u>\$ 902,897</u>	<u>870,126</u>	<u>297,944</u>	<u>-</u>	<u>159,690</u>	<u>7,489</u>	<u>30,395</u>	<u>2,268,541</u>
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 March 31, 2023	<u>\$ 902,897</u>	<u>915,455</u>	<u>360,165</u>	<u>-</u>	<u>129,692</u>	<u>10,084</u>	<u>72,342</u>	<u>2,390,635</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the property, plant and equipment were not pledged as collateral.

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

(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, 2024	\$ <u>18,705</u>	<u>92,573</u>	<u>52,731</u>	<u>164,009</u>
Balance on March 31, 2024	\$ <u>17,418</u>	<u>89,344</u>	<u>46,245</u>	<u>153,007</u>
Balance on January 1, 2023	\$ <u>18,649</u>	<u>162,016</u>	<u>70,084</u>	<u>250,749</u>
Balance on March 31, 2023	\$ <u>17,926</u>	<u>156,135</u>	<u>65,532</u>	<u>239,593</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. Information on amortization for the periods is discussed in Note 12(a). Please refer to Note 6(i) of the 2023 annual consolidated financial statements for other related information.
- (ii) As of March 31, 2024, December 31, 2023 and March 31, 2023, 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other current financial assets	\$ 202,000	116,309	281,728
Other non-current financial assets	177,274	177,056	150,496
Long-term prepayments	74,520	76,020	10,840
Other current and non-current assets	<u>12,409</u>	<u>8,555</u>	<u>21,630</u>
	<u>\$ 466,203</u>	<u>377,940</u>	<u>464,694</u>

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

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

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank loans	\$ <u>1,250,000</u>	<u>1,450,000</u>	<u>1,250,000</u>
Unused credit line	\$ <u>1,992,768</u>	<u>1,760,008</u>	<u>1,789,068</u>
Range of interest rates	<u>1.62%~1.79%</u>	<u>1.61%~1.68%</u>	<u>1.25%~1.78%</u>

(i) For the three months ended March 31, 2024 and 2023, the Group had the additional short-term borrowings amounting to \$1,450,000 thousand with an interest rate of 1.62%~1.79% and \$1,750,000 thousand with an interest rate of 1.25%~1.78%, respectively; the repayment amounted to \$1,650,000 thousand and \$1,870,000 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.

(k) Long-term borrowings

The long-term borrowings were summarized as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Secured bank loans	\$ -	-	23,777
Unsecured bank loans	400,000	400,000	400,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>(418,965)</u>
Total	\$ <u>400,000</u>	<u>400,000</u>	<u>4,812</u>
Unused long-term credit line	\$ <u>100,000</u>	<u>100,000</u>	<u>300,000</u>
Range of interest rates	<u>2.010%</u>	<u>1.881%</u>	<u>1.98%~2.50%</u>

There were no significant issues, repurchases and repayments of long-term borrowings for the three months ended March 31, 2024 and 2023. Please refer to Note 6(r) for related disclosure of interest expense and Note 6(s) for related risk exposure information.

(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, 2023 and 2022.

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	For the three months ended March 31,	
	2024	2023
Operating cost	\$ 38	39
Selling expenses	19	30
Administrative expenses	17	30
Research and development expenses	9	39
Total	\$ 83	138

(ii) Defined contributions plans

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

	For the three months ended March 31,	
	2024	2023
Operating cost	\$ 3,199	3,205
Selling expenses	3,975	3,788
Administrative expenses	2,092	1,911
Research and development expenses	1,156	1,406
Total	\$ 10,422	10,310

(m) Income tax

(i) Income tax expense

The components of income tax for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31,	
	2024	2023
Current tax expense		
Current period	\$ 73,486	58,801
Adjustment for prior periods	(158)	-
Income tax expense from continuing operations	\$ 73,328	58,801

(ii) Assessment of tax

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

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

(n) Capital and other equity

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

(i) Capital surplus

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Share capital	\$ 484	484	484
Long-term investment	315,336	315,222	311,175
Other	<u>1,046</u>	<u>912</u>	<u>912</u>
	<u>\$ 316,866</u>	<u>316,618</u>	<u>312,571</u>

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

(ii) Retained earnings

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

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

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

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".

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

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

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

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

3) Earnings distribution

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

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

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

	<u>Exchange differences on translation</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Total</u>
Balance at January 1, 2024	\$ (75,492)	31,707	(43,785)
Exchange differences on foreign operations	60,215	-	60,215
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	72,300	72,300
Unrealized gain from financial assets measured at fair value through other comprehensive income, associates accounted for using the equity method	-	1,733	1,733
Balance at March 31, 2024	<u>\$ (15,277)</u>	<u>105,740</u>	<u>90,463</u>
Balance at January 1, 2023	\$ (83,359)	18,582	(64,777)
Exchange differences on foreign operations	(8,990)	-	(8,990)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	5,779	5,779
Balance at March 31, 2023	<u>\$ (92,349)</u>	<u>24,361</u>	<u>(67,988)</u>

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

(iv) Non-controlling interests

	For the three months ended	
	March 31,	
	2024	2023
Balance at January 1	\$ 564,802	574,857
Attributable to non-controlling interests:		
Profit (losses) for the period	13,955	(4,139)
Exchange differences on translation in foreign operations	36	(14)
Unrealized gains on financial assets measured at fair value through other comprehensive income	55,711	4,454
Changes in ownership interest in subsidiaries	23	33
Balance at March 31	\$ 634,527	575,191

(o) Earnings per share

For the three months ended March 31, 2024 and 2023, the Company's earnings per share were calculated as follows:

	For the three months ended	
	March 31,	
	2024	2023
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>280,771</u>	<u>238,680</u>
Weighted average number of ordinary shares	<u>248,650</u>	<u>248,650</u>
	\$ 1.13	0.96
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>280,771</u>	<u>238,680</u>
Weighted average number of ordinary shares	248,650	248,650
Effect of employees' compensation	364	333
Weighted average number of ordinary shares (diluted)	249,014	248,983
	\$ 1.13	0.96

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

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the three months ended March 31, 2024						
		Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Total
Primary geographical markets:								
	Taiwan	\$ 533,632	265,423	46,143	51,395	-	197,080	1,093,673
	America	-	-	-	53,888	-	-	53,888
	Other countries	-	-	-	122,621	-	3,423	126,044
		<u>\$ 533,632</u>	<u>265,423</u>	<u>46,143</u>	<u>227,904</u>	<u>-</u>	<u>200,503</u>	<u>1,273,605</u>
Major products/services lines:								
	Medicine and functional food	\$ 533,632	265,423	45,944	205,250	-	150,831	1,201,080
	Services	-	-	199	375	-	49,672	50,246
	Royalty	-	-	-	22,279	-	-	22,279
		<u>\$ 533,632</u>	<u>265,423</u>	<u>46,143</u>	<u>227,904</u>	<u>-</u>	<u>200,503</u>	<u>1,273,605</u>
		For the three months ended March 31, 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	\$ 558,152	253,441	48,323	45,857	650	142,103	1,048,526
	America	-	-	-	27,090	-	-	27,090
	Other countries	-	-	-	86,754	1,092	2,870	90,716
		<u>\$ 558,152</u>	<u>253,441</u>	<u>48,323</u>	<u>159,701</u>	<u>1,742</u>	<u>144,973</u>	<u>1,166,332</u>
Major products/services lines:								
	Medicine and functional food	\$ 558,152	253,441	48,002	159,701	-	140,131	1,159,427
	Services	-	-	321	-	1,742	4,842	6,905
		<u>\$ 558,152</u>	<u>253,441</u>	<u>48,323</u>	<u>159,701</u>	<u>1,742</u>	<u>144,973</u>	<u>1,166,332</u>

(ii) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Contract liability	<u>\$ 18,638</u>	<u>14,234</u>	<u>34,495</u>

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

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$6,546 thousand and \$1,887 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 ended March 31, 2024 and 2023, the Company estimated its employee remuneration at \$7,208 thousand and \$5,896 thousand, respectively, and directors' remuneration both at \$3,737 thousand. These amounts were calculated by using the Company's profit before tax for the period before deducting the amounts of the remuneration to employees and directors based on the Company's Articles of Incorporation and the amount was recognized under operating expenses. If there would be any difference between accrued amount and the actual distributed amount in the following year, the difference shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

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

(r) Non-operating income and expenses

(i) Interest income

The details of total interest income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended	
	March 31,	
	2024	2023
Interest income from bank deposits	<u>\$ 19,542</u>	<u>16,357</u>

(ii) Other income

The details of other income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended	
	March 31,	
	2024	2023
Rent revenue	<u>\$ 2,640</u>	<u>2,704</u>

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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 ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31,	
	2024	2023
Gain (losses) on disposal of property, plant and equipment	\$ 250	(23)
Foreign exchange gains (losses)	9,762	(4,137)
Reversal of impairment loss on property, plant and equipment	2,000	-
Other gains and losses	310	4,156
	\$ 12,322	(4)

(iv) Finance costs

The details of finance costs for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31,	
	2024	2023
Interest expense	\$ 7,314	7,012
Other finance costs	50	71
	\$ 7,364	7,083

(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, 2023.

(i) Credit risk of receivables

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

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

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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>
March 31, 2024					
Non-derivative financial liabilities					
Bank loans	\$ 1,650,000	1,664,018	1,260,536	403,482	-
Non-interest-bearing liabilities (including related parties)	1,672,147	1,672,147	1,652,547	19,600	-
Lease liabilities (current and non-current)	7,453	7,567	5,320	2,247	-
Guarantee deposits received	2,431	2,431	2,431	-	-
	<u>\$ 3,332,031</u>	<u>3,346,163</u>	<u>2,920,834</u>	<u>425,329</u>	<u>-</u>
December 31, 2023					
Non-derivative financial liabilities					
Bank loans	\$ 1,850,000	1,866,059	1,460,926	405,133	-
Non-interest-bearing liabilities (including related parties)	973,812	973,812	940,412	33,400	-
Lease liabilities (current and non-current)	8,910	9,062	5,978	3,084	-
Guarantee deposits received	2,428	2,428	2,428	-	-
	<u>\$ 2,835,150</u>	<u>2,851,361</u>	<u>2,409,744</u>	<u>441,617</u>	<u>-</u>
March 31, 2023					
Non-derivative financial liabilities					
Bank loans	\$ 1,673,777	1,679,673	1,674,842	4,831	-
Non-interest-bearing liabilities (including related parties)	1,674,564	1,674,564	1,599,764	74,800	-
Lease liabilities (current and non-current)	11,048	11,236	5,101	6,135	-
Guarantee deposits received	2,431	2,431	2,431	-	-
	<u>\$ 3,361,820</u>	<u>3,367,904</u>	<u>3,282,138</u>	<u>85,766</u>	<u>-</u>

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

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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(iii) Market risk

1) Currency risk

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

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 11,414	32.0000	365,238	9,019	30.7050	276,940	10,611	30.4500	323,099
CNY	74	4.4080	324	2,432	4.3270	10,523	2,430	4.4310	10,766
JPY	92,039	0.2115	19,466	65,083	0.2172	14,136	147,752	0.2288	33,806
EUR	130	34.4600	4,496	310	33.9800	10,539	427	33.1500	14,145
<u>Non-monetary items</u>									
USD	50,514	32.0000	1,616,450	50,123	30.7050	1,539,016	48,563	30.4500	1,478,757
CNY	30,252	4.4080	133,353	30,313	4.3270	131,166	47,911	4.4310	212,294
THB	440,390	0.8840	389,305	428,699	0.9017	386,558	410,967	0.8973	368,761
EUR	25	34.4600	862	33	33.9800	1,108	42	33.1500	1,386
TRY	-	-	-	-	-	-	6,550	1.5870	10,395
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	2,547	32.0000	81,519	600	30.7050	18,421	2,323	30.4500	70,724
JPY	-	-	-	50,352	0.2172	10,936	15,300	0.2288	3,501

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

For the three months ended March 31, 2024 and 2023, a strengthening (weakening) of 1% of the NTD against the USD, CNY, JPY and EUR as of would have increased (decreased) the net profit after tax by \$2,464 thousand and \$2,461 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, the foreign exchange gains (including realized and unrealized portions) amounted gains \$9,762 thousand and losses \$4,137 thousand, respectively.

(iv) Interest rate analysis

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

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

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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 \$1,446 thousand and \$720 thousand for the three months ended March 31, 2024 and 2023, respectively with all other variable factors remaining constant.

(v) Other market price risk

For the three months ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31,			
	2024		2023	
	Other Comprehensive income after tax	Net income	Other Comprehensive income after tax	Net income
Increasing 10%	\$ 40,171	-	25,561	-
Decreasing 10%	\$ (40,171)	-	(25,561)	-

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

	March 31, 2024				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 174,217	174,217	-	-	174,217
Domestic stock in listed company at Taipei Exchange	206,480	206,480	-	-	206,480
Domestic unlisted stock	11,992	-	-	11,992	11,992
International stock	9,017	-	-	9,017	9,017
Subtotal	401,706	380,697	-	21,009	401,706

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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		March 31, 2024				
		Carrying Value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost						
	Cash and cash equivalents	\$ 2,729,275	-	-	-	-
	Notes and accounts receivable (including related party)	1,215,935	-	-	-	-
	Other receivables (including related party)	31,495	-	-	-	-
	Other financial assets (current and non-current)	379,274	-	-	-	-
	Refundable deposits paid	45,750	-	-	-	-
	Subtotal	<u>4,401,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total	<u>\$ 4,803,435</u>	<u>380,697</u>	<u>-</u>	<u>21,009</u>	<u>401,706</u>
Financial liabilities measured at amortized cost						
	Bank loans	\$ 1,650,000	-	-	-	-
	Notes and accounts payable (including related party)	241,718	-	-	-	-
	Dividends payable	870,275	-	-	-	-
	Other payables (including related party)	540,554	-	-	-	-
	Lease liabilities (current and non-current)	7,453	-	-	-	-
	Guarantee deposit received	2,431	-	-	-	-
	Other non-current liabilities	19,600	-	-	-	-
	Total	<u>\$ 3,332,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 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	\$ 173,458	173,458	-	-	173,458
	Domestic stock in listed company at Taipei Exchange	79,228	79,228	-	-	79,228
	Domestic unlisted stock	11,992	-	-	11,992	11,992
	International stock	9,017	-	-	9,017	9,017
	Subtotal	<u>273,695</u>	<u>252,686</u>	<u>-</u>	<u>21,009</u>	<u>273,695</u>

(Continued)

TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	December 31, 2023				
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,621,020	-	-	-	-
Notes receivable and accounts receivable (including related party)	1,343,733	-	-	-	-
Other receivables (including related party)	28,809	-	-	-	-
Other financial assets (current and non-current)	293,365	-	-	-	-
Refundable deposits paid	47,770	-	-	-	-
Subtotal	<u>4,334,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,608,392</u>	<u>252,686</u>	<u>-</u>	<u>21,009</u>	<u>273,695</u>
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,850,000	-	-	-	-
Notes payable and accounts payable (including related party)	294,664	-	-	-	-
Other payables (including related party)	645,748	-	-	-	-
Lease liabilities (current and non-current)	8,910	-	-	-	-
Guarantee deposit received	2,428	-	-	-	-
Other non-current liabilities	33,400	-	-	-	-
Total	<u>\$ 2,835,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 2023					
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic stock in listed company at Stock Exchange	\$ 175,556	175,556	-	-	175,556
Domestic stock in listed company at Taipei Exchange	54,112	54,112	-	-	54,112
Domestic unlisted stock	14,562	-	-	14,562	14,562
International stock	11,376	-	-	11,376	11,376
Subtotal	<u>255,606</u>	<u>229,668</u>	<u>-</u>	<u>25,938</u>	<u>255,606</u>

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
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	March 31, 2023				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,441,634	-	-	-	-
Notes and accounts receivable (including related party)	1,104,324	-	-	-	-
Other receivables (including related party)	32,268	-	-	-	-
Other financial assets (current and non-current)	432,224	-	-	-	-
Refundable deposits paid	24,649	-	-	-	-
Subtotal	<u>4,035,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,290,705</u>	<u>229,668</u>	<u>-</u>	<u>25,938</u>	<u>255,606</u>
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,673,777	-	-	-	-
Notes and accounts payable (including related party)	285,939	-	-	-	-
Dividends payable	845,410	-	-	-	-
Other payables (including related party)	468,415	-	-	-	-
Lease liabilities (current and non- current)	11,048	-	-	-	-
Guarantee deposit received	2,431	-	-	-	-
Other non-current liabilities	74,800	-	-	-	-
Total	<u>\$ 3,361,820</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 three months ended March 31, 2024 and 2023, so there was no transfer between levels.

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6) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2024	\$ 21,009
Balance at March 31, 2024	\$ 21,009
Balance at January 1, 2023	\$ 25,938
Balance at March 31, 2023	\$ 25,938

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income - equity investments without an active market	Comparable companies method	·Discount for lack of market liquidity (On March 31, 2024, December 31, 2023 and March 31, 2023 all of 27.3%~30%) ·Expected volatility (On December 31, 2023 was 57.78%)	·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:

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

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

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

(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, 2023.

(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, 2023. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(7) Related-party transactions:

(a) Names of related parties and relationship

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

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

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

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(b) Significant transactions with related parties

(i) Sales revenue

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

	For the three months ended March 31,	
	2024	2023
Associates	\$ 35,963	30,314
Other related parties	-	98
	\$ 35,963	30,412

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 March 31,	
		2024	2023
Other gains	Associates-ATB	\$ 3,208	3,100

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

(c) Assets and liabilities with related parties

Recognized item	Category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Associates	\$ 34,653	40,716	28,385
	Other related parties	-	114	103
		\$ 34,653	40,830	28,488
Other receivables	Associate-Gligio	-	-	8,134
	Associate-ATB	3,399	3,341	3,611
		\$ 3,399	3,341	11,745

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

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(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2024	2023
Salaries and other short-term employee benefits	\$ 22,016	18,532
Post-employment benefits	295	210
	\$ 22,311	18,742

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

The carrying amounts of pledged assets were as follows:

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

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Total price of unfinished contracts			
Purchase of equipment and construction engineering	\$ 60,365	55,220	31,409
Acquisition of intangible assets	403,746	393,122	174,500
Research and development service	122,840	118,745	118,745
Purchase of raw materials	104,225	103,011	102,772
Unpaid amount			
Purchase of equipment and construction engineering	\$ 25,737	39,366	15,075
Acquisition of intangible assets	326,109	315,588	154,299
Research and development service	45,660	43,505	43,739
Purchase of raw materials	30,000	28,786	28,547

(b) As of March 31, 2024, December 31, 2023, and March 31, 2023, the financial institutions provided guarantee for the import and sale of medicine amounted to \$58,445 thousand, \$91,205 thousand and \$62,146 thousand, respectively.

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(10) Losses due to major disasters: None

(11) Subsequent events:

In order to expand the scale of business operations, improve the operating performance and increase the competitiveness of the Group, TSH Biopharm Co., Ltd., a subsidiary of the Company, signed a share sale and purchase agreement with a non-related company on March 11, 2024, and acquired both 51% of ordinary shares outstanding of TOP PHARM. MEDICALWARE CO., LTD. and TOP Biological Technology Co., Ltd. for \$301,451 thousand. The settlement date was set on April 9, 2024.

(12) Other:

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

By item	By function					
	For the three months ended March 31,					
	2024			2023		
	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefit						
Salary	\$ 60,660	172,559	233,219	61,641	188,110	249,751
Health and labor insurance	5,619	12,275	17,894	5,872	12,997	18,869
Pension	3,237	7,268	10,505	3,244	7,204	10,448
Others	2,420	14,215	16,635	2,480	12,507	14,987
Depreciation expense	29,610	7,510	37,120	29,487	8,873	38,360
Amortization expense	6,775	5,155	11,930	4,307	7,316	11,623

- (b) Others

The Group donated \$40,770 thousand and \$32,835 thousand to related medical foundations and associations to support non-profit organizations developing drugs and promoting disease prevention and correct dosage for the three months ended March 31, 2024 and 2023, respectively.

- (c) With regard to the ex-chairman of the Company, Rong-Jin Lin (Mr. Lin), for his offense of aggravated breach of trust under the Securities and Exchange Act that has been put on trial several times, on December 23, 2021, the Supreme Court handed his case back to the Taiwan High Court for retrial, wherein it was still in progress as of the reporting date. On the other hand, on September 6, 2017, the relevant incidental civil action was later transferred to the civil court for further trial as a different case.
- (d) On May 31, 2016, the Company filed a claim against Inopha AG (Inopha) in the Cantonal Court of Zug, Switzerland, requesting that all 13 license agreements between the Company and Inopha be declared null and void, and further requesting that Inopha return all benefits received from the 13 agreements. The case is still in progress at Cantonal Court of Zug in Switzerland.

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- (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 March 31, 2024, the monies incurred from the agreement in dispute in the amount of \$21,456 thousand euros have been deposited into the escrow account by Janssen.
- (f) With regards to the dispute on the Risperidone Development Contract entered into between the Company and Center Laboratories, Inc. (referred to as the CLI), the Company considered that the signing of the said contract did not comply with the relevant procedures and legal requirements, and should therefore be deemed invalid. However, CLI disagreed with the Company's viewpoint and filed a civil lawsuit against the Company in the Taipei District Court on July 1, 2016, seeking for declaratory judgment of the said contract. The case has been appealed for several times, and on May 18, 2023, the Supreme Court had reversed the High Court's ruling and remanded the case to Taiwan High Court.
- (g) On February 28, 2020, the Company filed a civil lawsuit to the Labor Court Dresden of Germany against Denis Optiz, the beneficiary owner of Inopha AG. The case is still in progress at Labor Court Dresden of Germany.
- (h) On May 14, 2021, the Company was penalized by the Fair Trade Commission for concerted action due to the agreement it entered into with Lotus Pharmaceutical Co., Ltd. on February 4, 2009 regarding the exclusive right to sell "Furil Capsules". On July 12, 2021, the Company filed a complaint with the Taipei High Administrative Court to revoke the above penalty. The case is being heard by the Taipei High Administrative Court.
- (i) After being notified of certain improper activities of Huan-Lei Biotechnology Ltd. ("Huan-Lei"), the Company's distribution partner, the Company voluntarily informed the Criminal Investigation Bureau (CIB) about the matter for further investigation. During the investigation, Taiwan Shilin District Prosecutors Office found that TTY's payments totaling \$53,900 thousand to third parties, made out of Huan-Lei's request, should be considered Huan-Lei's illegal gains and therefore issued a letter to the Company on December 25, 2023, requesting return of said illegal gains. After consultation with external lawyers explaining about the complexity of the dispute that has yet to be tried, the Company evaluated the probability of filing claims for return of the sum, claims against wrongdoers and relief, and set aside a reserve for the partial loss in December 2023. On April 18, 2024, Taiwan Shilin District Prosecutors Office charged Shih, Chun Liang and other parties who are involved in the case.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Group significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the three months ended March 31, 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollar)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	ExoOne Bio. Co., Ltd. Common Stock	-	Financial assets measured at fair value through other comprehensive income–non-current	700	11,992	5.94 %	11,992	
TSH Biopharm Co., Ltd.	Lumosa Therapeutics Co., Ltd. Common Stock	-	Financial assets measured at fair value through other comprehensive income– current	1,160	206,480	0.70 %	206,480	
"	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets measured at fair value through other comprehensive income–non-current	2,500	150,000	0.38 %	150,000	
"	Union Bank of Taiwan Preferred Shares A	-	"	400	21,040	0.20 %	21,040	
"	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	"	58	3,177	0.02 %	3,177	
"	CellMax Ltd. Common Stock	-	"	1,593	9,017	- %	9,017	

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

(In Thousands of New Taiwan Dollar)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
TSH Biopharm Co., Ltd.	TOP PHARM MEDICALWARE COMPANY LIMITED	Note	Kao Tuan International Consulting Co., Ltd. and 13 other parties	-	-	-	-	-	-	-	-	-	-	-
"	TOP Biological Technology Company Limited	Note	Kao Tuan International Consulting Co., Ltd. and 6 other parties	-	-	-	-	-	-	-	-	-	-	-

Note: The company acquired 51% shares of both of the above-mentioned companies, with the approval of its board on March 31, 2024. Please refer to Note 11.

- (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: None
- (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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(x) Significant transactions and business relationship between the parent company and its subsidiaries:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	TSH Biopharm Co., Ltd.	1	Accounts receivable	7,410	By contract	0.07%
0	"	"	1	Other receivables	1,856	"	0.02%
0	"	"	1	Sales revenue	19,362	"	1.52%
0	"	"	1	Other income	1,149	"	0.09%
0	"	"	1	Other gains and losses	1,292	"	0.10%
0	"	"	1	Commission expense	1,149	"	0.09%
0	"	American Taiwan Biopharma Phils Inc.	1	Accounts receivable	2,917	"	0.03%
0	"	"	1	Other receivables	5,026	"	0.05%
0	"	"	1	Sale revenue	1,066	"	0.08%
0	"	Chuang Yi Biotech Co., Ltd.	1	Accounts receivable	18,051	"	0.18%
0	"	"	1	Sales revenue	19,148	"	1.50%
0	"	"	1	Other gains and losses	1,589	"	0.12%

Note 1): The numbering is as follows:

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

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

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

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

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

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TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	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 %	1,504,594	14,903	14,903	Subsidiary
The Company	Worldco International Co., Ltd.	Hong Kong	Selling chemical medicine	15,825	15,825	3,960	100.00 %	131,204	(535)	(535)	Subsidiary
The Company	American Taiwan Biopharma Philippines	Philippines	Selling chemical medicine	32,904	32,904	481	87.00 %	(5,575)	(534)	(464)	Subsidiary
The Company	TSH Biopharm Co., Ltd.	Taiwan	Selling chemical medicine	227,449	227,449	21,687	56.48 %	714,921	40,929	23,060	Subsidiary
The Company	Enhax Biopharm Inc.	Taiwan	Developing chemical medicine	50,000	50,000	5,000	20.83 %	280	(1,261)	(262)	Subsidiary
The Company	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	250,951	250,951	7,432	23.12 %	23,901	(12,316)	(2,847)	Subsidiary
The Company	PharmaEngine, Inc.	Taiwan	Developing chemical medicine	536,559	536,559	25,867	18.00 %	874,396	81,726	14,710	Investments accounted for using equity method
The Company	American Taiwan Biopharm	Thailand	Selling chemical medicine	2,966	2,966	380	40.00 %	389,305	26,902	10,761	Investments accounted for using equity method
The Company	Gligio International Limited	Hong Kong	Selling chemical medicine	2,685	2,685	620	40.00 %	111,856	13,854	5,542	Investments accounted for using equity method
Xudong Haipu International Co., Ltd.	Enhax Biopharm Inc.	Taiwan	Developing chemical medicine	70,000	70,000	7,000	29.17 %	12,364	(1,261)	(368)	Subsidiary
Xudong Haipu International Co., Ltd.	ITY Biopharm Korea Co., Ltd.	Korea	Selling chemical medicine	59,404	59,404	449	100.00 %	9,181	(2,080)	(2,080)	Subsidiary
Xudong Haipu International Co., Ltd.	ITY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	(2,916)	(1,458)	Subsidiary
Worldco International Co., Ltd.	ITY Biopharm Mexico S.A. de C.V.	Mexico	Selling chemical medicine	26,638	26,638	17,500	50.00 %	-	(2,916)	(1,458)	Subsidiary
Enhax Biopharm Inc.	Enhax Biopharm B.V.	Netherlands	Developing chemical medicine	3,538	3,538	100	100.00 %	862	(259)	(259)	Subsidiary
TSH Biopharm Co., Ltd.	Chuang Yi Biotech Co., Ltd.	Taiwan	Selling functional food	200,262	200,262	16,590	51.60 %	162,786	(12,316)	(6,355)	Subsidiary
Chuang Yi Biotech Co., Ltd.	Immortal Fame Global Ltd.	Samoa	Import and export trading and investment activities	16,820	16,820	568	100.00 %	2,185	(17)	(17)	Subsidiary

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(c) Information on investment in Mainland China:

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

(In Thousands)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Worldco Biotech Pharmaceutical Ltd. (Chengdu)	Selling chemical medicine	52,455	(2)	88,733	-	-	88,733	337	100 %	337	51,235	-
		CNY 11,900		CNY 20,130			CNY 20,130	CNY 77	CNY 77	CNY 11,623		
Chuang Yi (Shanghai) Trading Co., Ltd.	Selling functional food	16,000	(2)	16,000	-	-	16,000	(17)	100 %	(17)	2,149	-
		USD 500		USD 500			USD 500	CNY (4)		CNY (4)	CNY 487	

The exchange rate of USD to NTD as of the reporting date was 1:32.0000, and the average exchange rate of USD to NTD for the reporting period was 1:31.4075.

The exchange rate of CNY to NTD as of the reporting date was 1:4.4080, and the average exchange rate of CNY to NTD for the reporting period was 1:4.3665.

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.

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 104,733	NTD 1,511,296 (USD 47,228)	NTD 3,291,799

(iii) Significant transactions: None

(d) Major shareholders:

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

(14) Segment information:

(a) General information

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

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

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

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

For the three months ended March 31, 2024	Oncology Business Unit	Intensive Care Business Unit	Health Care Unit	Export And OEM Business Unit	Other Business Unit	Re-investment Business Unit	Adjustment and elimination	Total
Revenue:								
Revenue from external customers	\$ 533,632	265,423	46,143	227,904	-	200,503	-	1,273,605
Intersegment revenues	-	563	18,585	20,428	-	1,149	(40,725)	-
Total revenue	<u>\$ 533,632</u>	<u>265,986</u>	<u>64,728</u>	<u>248,332</u>	<u>-</u>	<u>201,652</u>	<u>(40,725)</u>	<u>1,273,605</u>
Reportable segment profit or loss	<u>\$ 241,761</u>	<u>99,795</u>	<u>34,186</u>	<u>69,767</u>	<u>(101,814)</u>	<u>47,908</u>	<u>(23,549)</u>	<u>368,054</u>

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For the three months ended March 31, 2023	Oncology Business Unit	Intensive Care Business Unit	HealthCare Business Unit	Export and CDMO Business Unit	Other Business Unit	Re-investment Business Unit	Adjustment and elimination	Total
Revenue:								
Revenue from external customers	\$ 558,152	253,441	48,323	159,701	1,742	144,973	-	1,166,332
Intersegment revenues	-	-	11,737	21,257	-	596	(33,590)	-
Total revenue	<u>\$ 558,152</u>	<u>253,441</u>	<u>60,060</u>	<u>180,958</u>	<u>1,742</u>	<u>145,569</u>	<u>(33,590)</u>	<u>1,166,332</u>
Reportable segment profit or loss	<u>\$ 259,430</u>	<u>98,399</u>	<u>37,239</u>	<u>4,621</u>	<u>(105,345)</u>	<u>(380)</u>	<u>(622)</u>	<u>293,342</u>
Reportable segment assets								
Balance on March 31, 2024	<u>\$ 1,231,581</u>	<u>467,335</u>	<u>600,996</u>	<u>1,789,308</u>	<u>5,270,878</u>	<u>3,180,487</u>	<u>(2,466,479)</u>	<u>10,074,106</u>
Balance on December 31, 2023	<u>\$ 1,390,277</u>	<u>425,485</u>	<u>603,057</u>	<u>1,765,255</u>	<u>5,052,413</u>	<u>2,958,023</u>	<u>(2,319,601)</u>	<u>9,874,909</u>
Balance on March 31, 2023	<u>\$ 1,233,206</u>	<u>369,367</u>	<u>549,853</u>	<u>1,643,954</u>	<u>5,087,547</u>	<u>3,056,049</u>	<u>(2,374,239)</u>	<u>9,565,737</u>