

Stock Code: 4105



台灣東洋藥品工業股份有限公司
TTY BIOPHARM COMPANY LIMITED

2016 Annual General Shareholders' Meeting Meeting Handbook

Meeting Date: June 24, 2016

Meeting Venue: Building E, 4th Floor, No.19-11, Sanchong Rd., Nangang Dist.,
Taipei City, Taiwan

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2016 ANNUAL SHAREHOLDERS' MEETING (THE "AGENDA") OF TTY BIOPHARM COMPANY LIMITED (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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I.Meeting Procedure

Time of Meeting: June 24, 2016(Friday) at 9:00 am
Location of Meeting: Room 423, Nangang Software Incubator
(Building E, 4th Floor, No.19-11, Sanchong Rd., Nangang
Dist., Taipei City ,Taiwan)

- I. Report the total number of shares represented at this AGM
- II. Meeting Commencement Announced
- III. Chairman’s Address
- IV. Discussion Items
 - (1) To approve the amendment to the “Articles of Incorporation”
- V. Report Items
 - (1) To report the business of 2015
 - (2) Supervisor’s review report on the 2015 Financial Statements
 - (3) To report 2015 compensation of Employee, Directors and Supervisors Status
 - (4) Report of Company's indirect investment in Mainland China
- VI. Ratification Items
 - (1) To ratify 2015 Business Report and Financial Statements
 - (2) To ratify the distribution of 2015 profits
- VII. Discussion and Election Items
 - (1) To approve the amendment to the “Regulations for Lending Funds to Other Parties”
 - (2) To approve the amendment to the “Regulations for Endorsement and Guarantee”
 - (3) To approve the amendment to the “Procedures for Financial Derivatives Transactions”
 - (4) To approve the amendment to the “Regulations for Election of Directors and Supervisors”
 - (5) To elect Directors
 - (6) To approve the release of non-competition restrictions for Directors
- VIII. Extraordinary Motions
- IX. Adjournment

II. Discussion Items

Item One:

(Proposed by the Board of Directors)

To approve the amendment to the “Articles of Incorporation”

Description:

In accordance with the amendment of Company Act, setup of Audit Committee and actual operating need, the proposed amendments to the Company’s “Articles of Incorporation” are shown in a comparison table on Attachment 1 (Pages 7-11).

Resolution:

III. Report Items

Item One:

To report the business of 2015

Description:

Please refer to Attachment 2 for detailed Business Reports (Pages 12-15).

Item Two:

Supervisor's review report on the 2015 Financial Statements

Description:

The Financial Statement, Business Report, and Distribution of 2015 Profits Table have been audited by Supervisors of the Company. Please refer to Attachment 3 for Supervisor's Review Report (Page 32)

Item Three:

To report 2015 compensation of Employee, Directors and Supervisors Status

Description:

The Company's 2015 net income was NT\$1,491,581,674. The Board of Director approved that Compensation of Employee is NT\$22,373,000, 1.5% of the Company's 2015 net income and Directors and Supervisors' compensation is NT\$ 21,468,000, 1.44% of the Company's 2015 net income on March 30th, 2016 and the total amounts will be distributed in cash.

Item Four:

Report of Company's indirect investment in Mainland China

Description:

The share of profit of subsidiaries WORLDSCO INTERNATIONAL LIMITED and its subsidiaries TTY BIOPHARM (BEIJING) COMPANY LIMITED and CHENGDU SHUYU PHARMACEUTICAL CO., LTD. amounted to NT\$ 8,555 thousand. The share of loss of associates TOT BIOPHARM CO. LTD amounted to NT\$ 89,018 thousand. The share of profit of associates SHANGHAI XUDONG HAIPU PHARMACEUTICAL CO., LTD. amounted to NT\$ 16,099 thousand. In December 2015, the Company sold all shares of TAIWAN TUNG YANG INTERNATIONAL COMPANY LTD. and TOT BIOPHARM INTERNATIONAL COMPANY LTD. and sold indirectly all shares of SHANGHAI XUDONG HAIPU PHARMACEUTICAL CO., LTD. 、TOT BIOPHARM CO. LTD. 、TOT SHANGHAI R AND D CENTER CO., LTD. 、JIANG SU TUNG YANG BIOPHARM TECH CO., LIMITED. The Company recognized an investment disposal gain of NT\$ 609,274 thousand.

IV. Ratification Items

Item One: (Proposed by the Board of Directors.)

To ratify 2015 Business Report and Financial Statements

Description:

1. The Company's 2015 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by Supervisors of the Company.
2. The Company's 2015 Financial Statements have been audited by KPMG Taiwan with the auditing opinion "Modified Unqualified Opinion"
3. Please refer to the Attachment 2 for 2015 Business Report and Financial Statements (pages12-31).

Resolution:

Item Two: (Proposed by the Board of Directors)

To ratify the distribution of 2015 profits

Description:

Allocation of cash dividend proposed by the Board is a total of NT\$870,274,857 or NT\$3.5 per share based on the number of shares recorded in the Register of Shareholders on the ex-dividend date. All cash dividends are rounded down to the nearest dollar after discount any cents. The remaining amount will be treated as the other revenue of the Company. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors shall be authorized to resolve the ex-dividend date, payment date and other relevant issues.

Please refer to the Attachment 4 for Distribution of 2015 Profits Table (page 33).

Resolution:

V. Discussion and Election Items

Item One: (Proposed by the Board of Directors.)

To approve the amendment to the “Regulations for Lending Funds to Other Parties”

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Lending Funds to Other Parties are shown in a comparison table on Attachment 5 (Pages 34-41).

Resolution:

Item Two: (Proposed by the Board of Directors.)

To approve the amendment to the “Regulations for Endorsement and Guarantee”

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Endorsement and Guarantee are shown in a comparison table on Attachment 6 (Pages 42-50).

Resolution:

Item Three: (Proposed by the Board of Directors.)

To approve the amendment to the “Procedures for Financial Derivatives Transactions”

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Procedures for Financial Derivatives Transactions are shown in a comparison table on Attachment 7 (Pages 51-59).

Resolution:

Item Four: (Proposed by the Board of Directors.)

To approve the amendment to the “Regulations for Election of Directors and Supervisors”

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Election of Directors and Supervisors are shown in a comparison table on Attachment 8 (Pages 60-63).

Resolution:

Item Five: (Proposed by the Board of Directors.)

To elect Directors

Description:

1. The current terms of Directors and Supervisors of the Company will be expired on June 23, 2017. In accordance with improvement of company governance and setup of Audit Committee, all the directors and supervisors shall be elected in advance at this shareholders’ meeting.
2. Based on the Article of Incorporation, Nine directors will be considered for the Board, including three Independent Directors who shall be elected by shareholders from Independent Director

candidate name list through the candidate nomination system. The Independent Director candidate name list was reviewed at the Board meeting on May 10, 2016. Please refer to Attachment 9(Pages 64-65) for detailed Independent Director candidate name list.

3. The term for elected Directors is three years, starting from June 24th, 2016 to June 23rd, 2019.

Voting Result :

Item Six: (Proposed by the Board of Directors.)

To approve the release of non-competition restrictions for Directors

Description:

1. According to Article 209, Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions for the actual operation need and no harm to the Company's interest.

Resolution:

VI. Extraordinary Motions

Adjournment

VII. Attachments

Attachment 1

TTY BIOPHARM COMPANY LIMITED Articles of Incorporation Amendment Comparison Table

| Before amendment | After amendment | Reason for amendment |
|--|--|--|
| <i>Chapter 4 Directors <u>and</u> <u>supervisors</u></i> | <i>Chapter 4 Directors</i> | Amendment was made in Correspondence with setup of Audit Committee |
| <p>Article 14 The Company shall appoint <u>5</u> to 11 board directors and <u>3 supervisors</u>. The number of directors shall be determined in a board meeting. <u>Board directors and supervisors</u> shall serve for a term of three years. <u>They shall be elected by a shareholders meeting from candidates with full legal capacity.</u> They may serve consecutive terms if reelected. At least of the aforementioned 5 to 11 directors and 20% of the aforementioned quota shall be independent directors. <u>A candidate nomination system shall be employed and the shareholders meeting shall elect independent directors from the list of candidates.</u> The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in charge of securities.</p> | <p>Article 14 The Company shall appoint <u>7</u> to 11 board directors. The number of directors <u>elected</u> shall be determined in a board meeting. <u>And a candidate nomination system shall be adapted and the shareholders meeting shall elect directors from the list of candidates.</u> They shall serve for a term of three years. And They may serve consecutive terms if reelected. At least of the aforementioned 5 to 11 directors and 20% of the aforementioned quota shall be independent directors. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in charge of securities.</p> | <ol style="list-style-type: none"> 1. Deletion the Supervisor in compliance with the setup of Audit Committee 2. Directors shall be elected by adopting the candidate nomination system. |
| <p>Article 14.1 When terms of directors <u>or supervisors</u> expire prior to elections, terms may be extended until the newly elected directors <u>and supervisors</u> assume office. The total number of inscribed stocks held by the directors <u>and supervisors</u> of the Company shall conform to the standards prescribed in the Rules and</p> | <p>Article 14.1 When terms of directors expire prior to elections, terms may be extended until the newly elected directors assume office. The total number of inscribed stocks held by the directors of the Company shall conform to the standards prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership</p> | <ol style="list-style-type: none"> 1. Deletion the Supervisor in compliance with the setup of Audit Committee 2. Spelling correction. |

| Before amendment | After amendment | Reason for amendment |
|--|---|---|
| Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies made public by the competent authority. | Ratios at Public Companies made public by the competent authority. | |
| Article 14.2 When director vacancies account for 1/3 <u>or all supervisors resign</u> , the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors/supervisors shall serve for the remainder of the original terms. | Article 14.2 When director vacancies account for 1/3, the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors/supervisors shall serve for the remainder of the original terms. | Deletion the Supervisor in compliance with the setup of Audit Committee |
| Article 14.3 Board meetings shall be convened annually. Directors <u>and supervisors</u> shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies. Directors/ <u>supervisors</u> shall be notified of scheduled meetings in writing, by fax, or by e-mail. | Article 14.3 Board meetings shall be convened annually. Directors shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies. Directors shall be notified of scheduled meetings in writing, by fax, or by e-mail. | Deletion the Supervisor in compliance with the setup of Audit Committee |
| Article 14.4 The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors. <u>The Audit Committee shall replace the supervisors and the regulations pertaining to supervisors in these articles of Incorporation shall be repealed on the date of establishment of the committee.</u> The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company. | Article 14.4 The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors. The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company. | Deletion the Supervisor in compliance with the setup of Audit Committee |
| Article 17.1 The Company may purchase | <u>Article 18</u> The Company may purchase | 1. Deletion the Supervisor in |

| Before amendment | After amendment | Reason for amendment |
|---|--|--|
| liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws. <u>This regulation shall also be applicable to supervisors.</u> | liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws. | compliance with the setup of Audit Committee. 2. Change of article number |
| <u>Article 18</u> <u>Supervisors shall exercise their supervisory duties in accordance with relevant laws and may attend board meetings to state their opinions. They shall have no voting rights.</u> | Deleted | Deletion the Supervisor in compliance with the setup of Audit Committee. |
| Article 20 The accounting year runs from January 1 to December 31. Accounts shall be settled at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which <u>shall be submitted to the supervisors for review 30 days prior to the Regular Shareholders Meeting.</u> These documents and the review report shall be submitted to the shareholders meeting for ratification and <u>forwarded to the competent authority for approval for future reference in accordance with relevant laws.</u> 1. Business report 2. Financial statement 3. Surplus allocation or loss make-up proposal | Article 20 The accounting year runs from January 1 to December 31. Accounts shall be settled at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which These documents and the review report shall be submitted to the shareholders meeting for ratification <u>in accordance with relevant laws</u> 1. Business report 2. Financial statement 3. Surplus allocation or loss make-up proposal | Deletion the Supervisor in compliance with the setup of Audit Committee |
| Added | Article 21 If there is profit in any given fiscal year, the Company shall set aside 1% to 8% as the compensation for employees, and no more than 2% as the compensation for Directors and Supervisors . Nevertheless, accumulated losses shall be offset in advance. | Amendment was made in correspondence with regulation and actual operating need |

| Before amendment | After amendment | Reason for amendment |
|--|---|--|
| | for offsetting losses. | |
| <p><u>Article 21</u> Where surpluses are recorded upon annual settlement of accounts, 10% shall be appropriated as legal reserve upon payment of taxes and making up for previous losses in accordance with relevant laws. <u>A special reserve may be set aside if deemed necessary. Distribution ratios for the remainder shall be defined as follows:</u></p> <ol style="list-style-type: none"> 1. Rewards for directors and supervisors shall not exceed 2%. 2. Employee bonuses shall range from 2% to 8%. 3. Proposals for allocation of all or part of the remainder as shareholder bonuses or retained earnings shall be formulated by the board of directors and implemented upon resolution of the shareholders meeting. | <p><u>Article 22</u> Where surpluses are recorded upon annual settlement of accounts, 10% shall be appropriated as legal reserve upon payment of taxes and making up for previous losses in accordance with relevant laws <u>unless the Legal Reserve has reached the Company's total paid-in capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board for approval at a shareholders' meeting.</u></p> | <ol style="list-style-type: none"> 1. Amendment was made in correspondence with regulation . 2. Change of article number |
| <p><u>Article 21.1</u> In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting</p> | <p><u>Article 23</u> In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting</p> | Change of article number |
| <p><u>Article 21.2</u> The Company shall adopt a dividend equalization policy to ensure a sound financial structure and safeguard investor rights and interests. A minimum of 50% of distributable surpluses in the</p> | <p><u>Article 24</u> The Company shall adopt a dividend equalization policy to ensure a sound financial structure and safeguard investor rights and interests. A minimum of 50% of distributable surpluses in the</p> | Change of article number |

| Before amendment | After amendment | Reason for amendment |
|--|---|---|
| respective year shall be distributed as stock dividends. A minimum of 10% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends. | respective year shall be distributed as stock dividends. A minimum of 10% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends. | |
| <u>Article 21.3</u> The board of directors <u>and supervisors</u> shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the company with reference to prevailing industry standards. In case of surpluses, rewards shall be granted pursuant to the regulations set forth in Article 21. | <u>Article 25</u> The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the company with reference to prevailing industry standards. In case of surpluses, rewards shall be granted pursuant to the regulations set forth in Article 21. | 1. Deletion the Supervisor in compliance with the setup of Audit Committee. 2. Change of article number |
| <u>Article 22</u> The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors. | <u>Article 26</u> The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors. | Change of article number |
| <u>Article 23</u> Matters not specifically covered in these articles of Incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws. | <u>Article 27</u> Matters not specifically covered in these articles of Incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws. | Change of article number |
| <u>Article 24</u> These articles of incorporation were formulated on June 23, 1960. They were amended for the first time on June 17, 1966. : They were amended for the fifteenth time on June 7, 2015 | <u>Article 28</u> These articles of incorporation were formulated on June 23, 1960. They were amended for the first time on June 17, 1966. They were amended for the fifteenth time on June 7, 2015 : <u>They were amended for the sixteenth time on June 24, 2016</u> | 1. Adding the amendment sequence number, and the date of the latest amendment. 2. Change of article number |

Attachment 2

TTY BIOPHARM COMPANY LIMITED

Business Report

1. The Company's Business Result for 2015

(1) Business Plan Implementation Result

The Company's consolidated net business revenue for 2015 is NTD3,195,218,000, which constitutes an increase amount of NTD215,316,000 and a percentage of 7.23% over NTD2,979,902,000 for 2013. This is mainly because of increase in OEM for 2015. Net profit attributed to the parent company for 2015 is NTD1,211,018,000 which constitutes an increase amount of NTD431,373,000 and a percentage 55.33% over NTD779,645,000 for 2014. This is mainly because of increase in business profit from increases of OEM revenue and anti-infective medicine sales as well as enhanced cost/expense management.

(2) Budget Implementation Status

The Company's net business revenue for 2015 is NTD2,738,956,000, achieving 98.15% of annual budget target. Pre-tax net profit is NTD1,447,740,000, achieving 166.97% of annual budget target.

(3) Income & Expenditure and Profitability Analysis

| Item | | Year | 2015 | 2014 |
|------------------------|--------------------------------|------|--------|--------|
| | | | | |
| Income & Expenditure | Interest Income(in 000s) | | 2,767 | 2,190 |
| | Interest Expenditure (in 000s) | | 25,467 | 19,831 |
| Profitability Analysis | Return of Asset % | | 16.14 | 11.63 |
| | Return on Equity % | | 26.05 | 19.32 |
| | Net Profit Margin % | | 44.21 | 32.70 |
| | Earnings Per Share (NTD) | | 4.87 | 3.14 |

(4) Research & Development Status

The Company's medicine development result for 2015 is summarized as follows:

| | |
|----------------|---|
| January, 2015 | "Pexeda Injection" obtained Taiwan drug approval. |
| January, 2015 | "Tynen Injection" obtained Malaysia drug approval. |
| August, 2015 | "Folina Tablets 15MG" obtained Malaysia drug approval. |
| October, 2015 | "Fupadine Injection 50mg/ml" obtained Taiwan drug approval. |
| December, 2015 | "Tynen Injection" obtained Vietnam drug approval. |

2. Business Plan Summary for This Year (2016)

(1) Operation Policy

Ever since its founding, TTY has experienced several critical strategic leaps and successfully transformed itself into a “new drug development oriented innovative international biopharma company” for the purpose of creating excellence and ever-lasting business. In addition to the in-depth exploration of Taiwan market, China and major countries in Asia in order to obtain stable growth for domestic and offshore businesses, we also continue to evaluate emerging markets across the world. TTY explores its self-developed product revenue and brand efficiency through regular chain or collaboration with strategic partners. TTY is also closely connected with international expert social media groups and provides treatment solutions with the best drug economic values. TTY is dedicated to becoming a leading international biopharma company specialized in developing special preparation and biotechnological drugs, marketing and manufacturing.

(2) Quantity and Basis for Projected Sales

In 2016, the Company is expected to sell 374,000,000 tablets of oral preparation and 3,100,000 doses of injection. The Company’s projected sales volume has been established in accordance with IMS statistic report and under considerations of possible changes in market supply and demand going forward, new product development speed as well as national health insurance policy.

(3) Critical Production and Marketing Policies

For the upcoming year, TTY shall continue its strategy and goal from last year, and shall utilize its previous achievements as a basis during its relentless dedication to self-challenge while marching towards its next milestone:

With respect to “marketing strategy,” we shall continue to evaluate major countries in Asia as well as global emerging markets in addition to our in-depth exploration of Taiwan market. Exploration of TTY product revenue and brand efficiency will be conducted through management of regular chain and strategic partner collaboration. As for “Research & Development Strategy,” we shall continue to enhance the development of specialty pharma platform. In the meantime, we shall balance our needs for short/medium/long term R&D and be engaged in aggressive and cautious search for and assessment of development targets in a bid to enhance product assortments for respective business divisions in the Company. With respect to “Production Strategy,” we shall continue to establish and maintain drug manufacturing bases meeting international quality requirements and enhance production capacity planning which comes with flexibility and economies of scale for the purpose of ensuring our cost advantages.

3. The Company’s Future Development Strategy

Corporate Vision: “Enhance Human Life Quality with Technology”

Corporate Mission: “Commitment to development and manufacturing of specialty pharma (patented or high market-entrance obstacle), biological products and new drugs; Enhancement of TTY product assortments; Continuous enhancement of high market-entrance obstacle drug development platform as well as uninterrupted extension of utilization efficiency over such platform,” “Specialized in the in-depth exploration and international development over manufacturing and R&D for anti-cancer, critical illness anti-infection and specialty pharma,” “Becoming one of the most innovative biopharma company in the world as well as the best

collaborating partner for international biotechnology company in drug development and international market promotion.”

For future development, each year TTY shall, in addition to exploiting maximum efficiency over current R&D achievements, continue to explore 3 international markets and aggressively look for international collaboration opportunities, and achieve its development goals through the following critical strategies:

- (1) Balanced evaluations over early/middle/final phase drug development targets for the purpose of enhancing product assortments (specialty pharma, biopharma, new drug) and meeting this organization’s short/long term operation goals;
- (2) Collaboration with international cooperation partners in order to speed up development for new drugs which come with unsatisfied medical needs, high market-entrance obstacle (technology, manufacturing) and high drug economic values;
- (3) Concentrate in an ongoing basis on the implementation of “localized” business activities and life cycle management “best suited for local community” in respective target markets;
- (4) Development of specialty pharma through competitive self-owned and joint developments for the purpose of creating stable operation patterns for Contract Development and Manufacturing Organization (CDMO) and adding values to TTY international business development;
- (5) Establishment, renewal and maintenance of drug manufacturing bases which meet with international quality requirements;
- (6) Utilization of critical strategic activities of mergers and acquisitions, strategic alliance or joint venture to complete integration of value chain which starts from R&D to manufacturing;
- (7) Continued implementation of production process improvement and enhancement of production capacity planning (capable of supplying international mass production demand) which comes with flexibility and economies of scale for the purpose of ensuring cost advantage;
- (8) Rapid acquisition and cultivation of local talents with “entrepreneurial spirit” and continued enhancement over product development talents possessing balanced developments in the fields of “science, regulation, business management;”
- (9) Product development supported by current sales revenue in Taiwan;
- (10) Amortization of factory operation costs through international characteristic drug OEM/joint development revenue;
- (11) Introduction of R&D result into in global market and completion of offshore authorization; Combination of product and R&D revenue for the purpose of investing the future while creating positive business cycle;
- (12) Concentration on global biotechnology investment targets to maximize group profits.

4. Impacts from External Competition Environment, Regulatory Environment and Macro-Economic Environment

With the increasing stringent regulations in recent years, production costs after the implementation of PIC/S continues to increase exponentially. Meanwhile, health insurance drug payment prices have experienced numerous price adjustments which lead to imbalance between input and output as well squeeze on drug manufacturers’ revenue and profits.

Additionally, Ministry of Health and Welfare intends to implement “Balance Billing Plan” in the future. This plan offers people an option of brand drug by paying differences over health insurance price. Although this is Ministry of Health and Welfare’s goodwill to take care of people’s rights on drugs, it is likely that this will lead to people’s myth on taking drugs and cause harm to domestic pharma industry if appropriate supporting measures are not stipulated accordingly.

With respect to industry development, China, India and even countries across Southeast Asia have all been engaged in generic drug industry and price competition has therefore become even fiercer. Furthermore, scales of drug manufacturers as well as market in Taiwan are small. Difficulty for industry development will surely be incurred in the event of cut-throat competition among companies with the same nature. Drug price competition result will lead to difficulty in the development of Taiwan pharma market.

All of TTY’s cancer product dosage forms and production processes meet with Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice (PIC/S GMP) regulations, and currently there are numerous drug applications being submitted in accordance with laws and regulations. All these have helped TTY’s drugs maintain their competitiveness in domestic market. Furthermore, TTY’s liposome technology platform, long acting slow release injection technology platform, freeze-dry manufacturing process and capsule manufacturing process technologies have become matured. In the meantime, TTY owns drug manufacturing bases which meet with international quality requirements, and PIC/S GMP certifications in numerous countries have already been obtained through official factory inspections in Europe, Japan and U.S. With our preeminent technology and high standard factory equipment, numerous large scale or innovative pharma companies have actively approached TTY for collaboration discussion. TTY will also choose appropriate strategic partners for collaboration in order to enhance our competitiveness in offshore markets.

Chairman of the Board: Hsiao, Ying-Chun

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen



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(English Translation of Financial Report Originally Issued in Chinese)

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

**To the Board of Directors of
TTY Biopharm Company Limited**

We have audited the accompanying balance sheets of TTY Biopharm Company Limited (the “Company”) as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain investees accounted for using equity method, in which the Company’s investments accounted for using the equity method represented 7.24% and 32.83% of total assets as of December 31, 2015 and 2014, respectively, and related share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method represented 5.26% and 3.86% of profit before tax for the years ended December 31, 2015 and 2014, respectively. The financial statements of these investees were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these investees, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall non-consolidated financial statement presentation. We believe that our audits and the reports issued by other auditors provide a reasonable basis for our opinion.



In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, the results of its operations and its cash flows for the years then ended, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

A handwritten signature of the letters 'KPMG' in black ink, written in a cursive, stylized font.

KPMG

Taipei, Taiwan (the Republic of China)

March 30, 2016

Note to Readers

The accompanying non-consolidated financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” in the Republic of China. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants’ report and the accompanying non-consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language accountants’ report and financial statements shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | December 31, 2015 | | December 31, 2014 | |
|--|---------------------|------------|-------------------|------------|
| | Amount | % | Amount | % |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents (Notes 6(1) and (20)) | \$ 490,702 | 6 | 356,917 | 6 |
| Notes receivable, net (Notes 6(4) and (20)) | 26,678 | - | 22,204 | - |
| Notes receivable—related parties (Notes 6(4) and (20) and 7) | 342 | - | 407 | - |
| Accounts receivable, net (Notes 6(4) and (20)) | 796,759 | 9 | 477,103 | 7 |
| Accounts receivable, net—related parties (Notes 6(4) and (20) and 7) | 32,016 | - | 29,062 | - |
| Other receivables (Notes 6(4) and (20) and 7) | 35,637 | - | 61,392 | 1 |
| Inventories (Note 6(5)) | 492,165 | 6 | 441,915 | 7 |
| Prepayments | 42,328 | 1 | 13,951 | - |
| Other financial assets—current (Notes 6(1) and (20)) | 5,550 | - | 4,950 | - |
| Other current assets | 586 | - | 1,313 | - |
| | <u>1,922,763</u> | <u>22</u> | <u>1,409,214</u> | <u>21</u> |
| Non-current assets: | | | | |
| Available-for-sale financial assets—noncurrent (Notes 6(2) and (20)) | 134,384 | 2 | - | - |
| Financial assets carried at cost—noncurrent (Notes 6(3) and (20)) | - | - | 10,048 | 38 |
| Investments accounted for using equity method (Note 6(6)) | 3,393,662 | 40 | 2,609,578 | 33 |
| Property, plant and equipment, net (Note 6(7)) | 2,271,907 | 27 | 2,277,105 | 1 |
| Investment property, net (Notes 6(8) and 8) | 78,354 | 1 | 78,709 | - |
| Intangible assets (Note 6(9)) | 22,935 | - | 28,443 | 6 |
| Prepayments for equipment | 443,012 | 6 | 384,341 | 1 |
| Refundable deposits (Notes 6(20) and 7) | 20,565 | - | 25,987 | - |
| Cash surrender value of life insurance (Note 6(20)) | 8,505 | - | 8,484 | - |
| Other financial assets—other—noncurrent (Notes 6(20) and 8) | 125,346 | 2 | 5,109 | - |
| Other noncurrent assets—other | 6,340 | - | - | - |
| | <u>6,505,010</u> | <u>78</u> | <u>5,427,804</u> | <u>79</u> |
| TOTAL ASSETS | \$ 8,427,773 | 100 | 6,837,018 | 100 |

The accompanying notes are an integral part of the non-consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED BALANCE SHEETS (CONT'D)
DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | December 31, 2015 | | December 31, 2014 | |
|---|-------------------|-----|-------------------|-----|
| | Amount | % | Amount | % |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Short-term loans (Notes 6(10) and (20) and 7) | \$ 1,200,000 | 14 | 1,815,960 | 27 |
| Notes payable (Note 6(20)) | 19,242 | - | 8,743 | - |
| Accounts payable (Note 6(20)) | 125,665 | 1 | 100,962 | 1 |
| Accounts payable—related parties (Notes 6(20) and 7) | 4,814 | - | 4,960 | - |
| Current income tax liabilities (Note 6(13)) | 112,537 | 1 | 49,114 | 1 |
| Provisions—current | 3,805 | - | 3,805 | - |
| Other payables (Notes 6(12) and (20) and 7) | 352,308 | 4 | 376,881 | 6 |
| Other current liabilities (Notes 6(20) and 7) | 466,736 | 6 | 31,888 | - |
| | 2,285,107 | 26 | 2,392,313 | 35 |
| Non-current liabilities: | | | | |
| Long-term loans (Notes 6(11) and (20)) | 700,000 | 8 | - | - |
| Deferred tax liabilities (Note 6(13)) | 296,259 | 4 | 209,062 | 3 |
| Net defined benefit liability—noncurrent (Note 6(12)) | 42,475 | 1 | 38,769 | 1 |
| Guarantee deposit received (Note 6(20)) | 2,631 | - | 1,996 | - |
| | 1,041,365 | 13 | 249,827 | 4 |
| Total Liabilities | 3,326,472 | 39 | 2,642,140 | 39 |
| EQUITY (Note 6(14)) | | | | |
| Share capital | 2,486,500 | 31 | 2,486,500 | 36 |
| Capital surplus | 373,985 | 4 | 378,007 | 5 |
| Legal reserve | 482,511 | 6 | 404,547 | 6 |
| Special reserve | 110,154 | 1 | 110,154 | 2 |
| Unappropriated retained earnings | 1,288,140 | 15 | 780,767 | 11 |
| Other equity interest | 360,011 | 4 | 34,903 | 1 |
| Total Equity | 5,101,301 | 61 | 4,194,878 | 61 |
| TOTAL LIABILITIES AND EQUITY | \$ 8,427,773 | 100 | 6,837,018 | 100 |

The accompanying notes are an integral part of the non-consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

| | For the Years ended December 31 | | | |
|--|---------------------------------|-----------|----------------|-----------|
| | 2015 | | 2014 | |
| | Amount | % | Amount | % |
| Operating revenues (Notes 6(16) and 7) | \$ 2,738,956 | 100 | 2,384,207 | 100 |
| Cost of sales (Notes 6(5) and 7) | 954,054 | 35 | 979,898 | 41 |
| Gross profit | 1,784,902 | 65 | 1,404,309 | 59 |
| Unrealized profit on intercompany transactions | 9,319 | - | 26,136 | 1 |
| Realized profit on intercompany transactions | 2,358 | - | 33,702 | 1 |
| Gross profit, net | 1,777,941 | 65 | 1,411,875 | 59 |
| Operating expenses (Note 7) | | | | |
| Selling expenses | 578,606 | 21 | 632,567 | 26 |
| General and administrative expenses | 220,408 | 8 | 228,367 | 10 |
| Research and development expenses | 236,398 | 9 | 283,466 | 12 |
| | 1,035,412 | 38 | 1,144,400 | 48 |
| Results from operating activities | 742,529 | 27 | 267,475 | 11 |
| Non-operating income and expenses (Notes 6(18) and 7) | | | | |
| Other income | 59,524 | 2 | 85,640 | 4 |
| Other gains and losses | 8,230 | - | 476,373 | 20 |
| Finance costs | (25,467) | (1) | (19,831) | (1) |
| Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (Note 6(6)) | 662,924 | 25 | 54,403 | 2 |
| | 705,211 | 26 | 596,585 | 25 |
| Profit before tax | 1,447,740 | 53 | 864,060 | 36 |
| Income tax expense (Note 6(13)) | 236,722 | 9 | 84,415 | 3 |
| Profit for the year | 1,211,018 | 44 | 779,645 | 33 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Remeasurement effects on defined benefit plans | (4,056) | - | - | - |
| Less: Income tax relating to components of other comprehensive income | - | - | - | - |
| | (4,056) | - | - | - |
| Items which may be reclassified to profit and loss in subsequent periods | | | | |
| Foreign currency translation differences – foreign operations | (10,273) | - | 19,282 | 1 |
| Unrealized (loss) gain on available-for-sale financial assets | 124,336 | 5 | - | - |
| Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method (Note 6(19)) | 204,990 | 7 | 3,220 | - |
| Less: Income tax relating to components of other comprehensive income | (6,055) | - | 5,665 | - |
| | 325,108 | 12 | 16,837 | 1 |
| Other comprehensive income for the year, net of tax | 321,052 | 12 | 16,837 | 1 |
| Total comprehensive income for the year | \$ 1,532,070 | 56 | 796,482 | 34 |
| Earnings per share, net of tax (Note 6(15)) | | | | |
| Basic earnings per share | \$ 4.87 | | \$ 3.14 | |
| Diluted earnings per share | \$ 4.86 | | \$ 3.13 | |

The accompanying notes are an integral part of the non-consolidated financial statements.

(English Translations of Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
 (All Amounts Expressed in Thousands of New Taiwan Dollars)

| | Share capital | Capital surplus | Retained earnings | | | Other adjustments to equity | | Total | Total equity |
|--|---------------|-----------------|-------------------|-----------------|----------------|--|--|-----------|--------------|
| | | | Legal reserve | Special reserve | Unappropriated | Foreign currency translation differences | Unrealized gains (losses) on available-for-sale financial assets | | |
| Balance, January 1, 2014 | \$ 2,330,365 | 390,153 | 345,803 | 110,154 | 682,073 | 18,066 | - | 3,876,614 | |
| Profit for the year | - | - | - | - | 779,645 | - | - | 779,645 | |
| Other comprehensive income for the year | - | - | - | - | - | 27,658 | (10,821) | 16,837 | |
| Total comprehensive income for the year | - | - | - | - | 779,645 | 27,658 | (10,821) | 796,482 | |
| Appropriation and distribution of retained earnings (Note 1) | | | | | | | | | |
| Legal reserve | - | - | 58,744 | - | (58,744) | - | - | - | |
| Cash dividends of ordinary shares | - | - | - | - | (466,072) | - | - | (466,072) | |
| Stock dividends of ordinary shares | 156,135 | - | - | - | (156,135) | - | - | - | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | 12,092 | - | - | - | - | - | 12,092 | |
| Disposal of investments accounted for using equity method | - | (24,238) | - | - | - | - | - | (24,238) | |
| Balance, December 31, 2014 | 2,486,500 | 378,007 | 404,547 | 110,154 | 780,767 | 45,724 | (10,821) | 4,194,878 | |
| Profit for the year | - | - | - | - | 1,211,018 | - | - | 1,211,018 | |
| Other comprehensive income for the year | - | - | - | - | (4,056) | (29,564) | 354,672 | 321,052 | |
| Total comprehensive income for the year | - | - | - | - | 1,206,962 | (29,564) | 354,672 | 1,532,070 | |
| Appropriation and distribution of retained earnings (Note 2) | | | | | | | | | |
| Legal reserve | - | - | 77,964 | - | (77,964) | - | - | - | |
| Cash dividends of ordinary shares | - | - | - | - | (621,625) | - | - | (621,625) | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | (4,022) | - | - | - | - | - | (4,022) | |
| Balance, December 31, 2015 | \$ 2,486,500 | 373,985 | 482,511 | 110,154 | 1,288,140 | 16,160 | 343,851 | 5,101,301 | |

Note 1: The directors' and supervisors' remuneration of \$10,600 for the year ended December 31, 2014, had been deducted from comprehensive income for the year ended December 31, 2014.

Note 2: The directors' remuneration of \$14,034 for the year ended December 31, 2015, had been deducted from comprehensive income for the year ended December 31, 2015.

The accompanying notes are an integral part of the non-consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|---|--|-----------------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Profit before tax | \$ 1,447,740 | 864,060 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 93,871 | 94,298 |
| Amortization | 13,732 | 17,531 |
| Allowance for uncollectable accounts | 13,319 | - |
| Interest expense | 25,467 | 19,831 |
| Interest income | (2,767) | (2,190) |
| Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method | (662,924) | (54,403) |
| Gain on disposal of property, plant and equipment | (33) | (784) |
| Allocation of deferred income | (1,010) | (1,031) |
| Gain on disposal of investments | - | (483,809) |
| Unrealized profits on intercompany transactions | 9,319 | 26,136 |
| Realized loss on intercompany transactions | (2,358) | (33,702) |
| | <u>(513,384)</u> | <u>(418,123)</u> |
| Changes in operating assets and liabilities | | |
| Notes receivable, net | (4,409) | 6,957 |
| Accounts receivable, net | (335,929) | 54,640 |
| Other receivables | 25,755 | (4,503) |
| Inventories | (50,250) | 23,217 |
| Other current assets | (27,650) | 21,771 |
| Notes payable | 10,499 | (30,179) |
| Accounts payable | 24,557 | 4,463 |
| Other payables | 76,335 | (33,033) |
| Other current liabilities | (20,962) | 11,695 |
| Decrease in net defined benefit liability | (350) | (292) |
| Net changes in operating assets and liabilities | <u>(302,404)</u> | <u>54,736</u> |
| Total changes in operating assets and liabilities | <u>(815,788)</u> | <u>(363,387)</u> |
| Cash provided by operating activities | 631,952 | 500,673 |
| Interest received | 2,767 | 2,190 |
| Dividend received | 68,914 | 68,154 |
| Interest paid | (25,373) | (19,888) |
| Income taxes paid | (80,047) | (82,321) |
| Net cash provided by operating activities | <u>598,213</u> | <u>468,808</u> |

The accompanying notes are an integral part of the non-consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|---|---------------------------------|------------------|
| | 2015 | 2014 |
| Cash flows from investing activities | | |
| Proceeds from disposal of financial assets carried at cost | - | 150 |
| Acquisition of investments accounted for using equity method | (5,330) | (7,810) |
| Proceeds from disposal of investments accounted for using equity method | - | 1,039,415 |
| Acquisition of property, plant and equipment | (62,125) | (427,634) |
| Proceeds from disposal of property, plant and equipment | 143 | 3,616 |
| Decrease in refundable deposits | 5,422 | 5,297 |
| Acquisition of intangible assets | (8,224) | (3,273) |
| Decrease (increase) in other financial assets | (120,837) | 600 |
| Increase in prepayments for equipment | (156,891) | (166,431) |
| Decrease (increase) in other noncurrent assets | (6,361) | 5,699 |
| Net cash provided by (used in) investing activities | (354,203) | 449,629 |
| Cash flows from financing activities | | |
| Increase in short-term loans | 8,579,990 | (386,101) |
| Decrease in short-term loans | (9,195,950) | - |
| Proceeds from long-term loans | 1,000,000 | - |
| Repayments of long-term loans | (300,000) | - |
| Increase in guarantee deposit received | 635 | 866 |
| Increase in other current liabilities | 426,725 | - |
| Cash dividends paid | (621,625) | (466,072) |
| Net cash used in financing activities | (110,225) | (851,307) |
| Net increase in cash and cash equivalents | 133,785 | 67,130 |
| Cash and cash equivalents, beginning of year | 356,917 | 289,787 |
| Cash and cash equivalents, end of year | \$ 490,702 | 356,917 |

The accompanying notes are an integral part of the non-consolidated financial statements.



安侯建業聯合會計師事務所

KPMG

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(English Translation of Financial Report Originally Issued in Chinese)

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

**To the Board of Directors of
TTY Biopharm Company Limited**

We have audited the accompanying consolidated balance sheets of TTY Biopharm Company Limited and its subsidiaries (the “Group”) as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries with total assets representing 15.06% and net sales representing 18.97% of the related consolidated total as of and for the year ended December 31, 2014. Also, we did not audit the investments in other companies accounted for using the equity method representing 6.93% and 23.62% of consolidated total assets as of December 31, 2015 and 2014, respectively, and the related share of profit (loss) of associates and joint ventures accounted for using the equity method representing 4.99% and (1.16)% of consolidated net income before tax for the years ended December 31, 2015 and 2014, respectively. The financial statements of these subsidiaries and investees accounted for under the equity method were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these companies, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.



In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the “International Financial Reporting Standards, International Accounting Standards”, IFRIC Interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission.

We have also audited the non-consolidated financial statements of TTY Biopharm Company Limited as of and for the years ended December 31, 2015 and 2014, and have issued a modified unqualified audit opinion thereon.

A handwritten signature of the letters 'KPMG' in black ink, written in a cursive, stylized font.

KPMG

Taipei, Taiwan (the Republic of China)

March 30, 2016

Notes to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” in the Republic of China. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language accountants’ report and financial statements shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | December 31, 2015 | | December 31, 2014 | |
|--|---------------------|------------|-------------------|------------|
| | Amount | % | Amount | % |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents (Notes 6(1) and (22)) | \$ 1,710,524 | 19 | 854,228 | 11 |
| Notes receivable, net (Notes 6(4) and (22)) | 48,669 | 1 | 48,261 | 1 |
| Notes receivable—related parties (Notes 6(4) and (22) and 7) | 461 | - | 2,141 | - |
| Accounts receivable, net (Notes 6(4) and (22)) | 932,627 | 11 | 666,742 | 9 |
| Accounts receivable, net—related parties (Notes 6(4) and (22) and 7) | 22,839 | - | 18,200 | - |
| Other receivables (Notes 6(4) and (22) and 7) | 488,470 | 6 | 49,879 | 1 |
| Inventories (Notes 6(5)) | 532,137 | 6 | 476,730 | 6 |
| Prepayments | 44,828 | 1 | 43,475 | 1 |
| Non-current assets classified as held for sale, net (Note 6(6)) | 27,791 | - | - | - |
| Other financial assets—current (Notes 6(1) and (22) and 8) | 492,075 | 6 | 490,482 | 7 |
| Other current assets | 605 | - | 2,673 | - |
| | 4,301,026 | 50 | 2,652,811 | 36 |
| Non-current assets: | | | | |
| Available-for-sale financial assets—noncurrent (Notes 6(2) and (22)) | 562,733 | 6 | - | - |
| Financial assets carried at cost—noncurrent (Notes 6(3) and (22)) | - | - | 100,048 | 1 |
| Investments accounted for using equity method (Note 6(7)) | 873,484 | 10 | 1,741,539 | 24 |
| Property, plant and equipment, net (Note 6(9)) | 2,295,527 | 26 | 2,302,285 | 31 |
| Investment property, net (Notes 6(10) and 8) | 78,354 | 1 | 78,709 | 1 |
| Intangible assets (Note 6(11)) | 50,780 | 1 | 64,550 | 1 |
| Deferred tax assets (Note 6(15)) | 6,615 | - | 6,859 | - |
| Prepayments for equipment (Note 7) | 471,291 | 5 | 384,224 | 6 |
| Refundable deposits (Notes 6(22) and 7) | 23,985 | - | 28,808 | - |
| Cash surrender value of life insurance (Note 6(22)) | 8,505 | - | 8,484 | - |
| Other financial assets—other—noncurrent (Notes 6(22) and 8) | 125,737 | 1 | 5,717 | - |
| Other noncurrent assets—other | 6,677 | - | - | - |
| | 4,503,688 | 50 | 4,721,223 | 64 |
| TOTAL ASSETS | \$ 8,804,714 | 100 | 7,374,034 | 100 |

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT'D)
DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | December 31, 2015 | | December 31, 2014 | |
|---|---------------------|------------|-------------------|------------|
| | Amount | % | Amount | % |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Short-term loans (Note 6(12) and (22)) | \$ 1,200,000 | 14 | 1,740,000 | 24 |
| Notes payable (Note 6(22)) | 20,768 | - | 15,118 | - |
| Accounts payable (Note 6(22)) | 148,498 | 2 | 136,894 | 2 |
| Accounts payable—related parties (Note 6(22) and 7) | 4,814 | - | 4,987 | - |
| Current income tax liabilities (Note 6(15)) | 198,378 | 2 | 107,214 | 1 |
| Provisions—current | 5,327 | - | 5,327 | - |
| Other payables (Note 6(14) and (22) and 7) | 459,919 | 5 | 446,102 | 6 |
| Other current liabilities | 31,230 | - | 36,660 | - |
| | <u>2,068,934</u> | <u>23</u> | <u>2,492,302</u> | <u>33</u> |
| Non-current liabilities: | | | | |
| Long-term loans (Notes 6(13) and (22)) | 700,000 | 8 | - | - |
| Deferred tax liabilities (Note 6(15)) | 296,259 | 3 | 209,062 | 3 |
| Net defined benefit liability—noncurrent (Note 6(14)) | 42,475 | 1 | 38,769 | 1 |
| Guarantee deposit received (Note 6(22)) | 2,096 | - | 1,461 | - |
| | <u>1,040,830</u> | <u>12</u> | <u>249,292</u> | <u>4</u> |
| Total Liabilities | <u>3,109,764</u> | <u>35</u> | <u>2,741,594</u> | <u>37</u> |
| Equity Attributable to Owners of the Parent (Note 6(16)) | | | | |
| Share capital | 2,486,500 | 28 | 2,486,500 | 34 |
| Capital surplus | 373,985 | 4 | 378,007 | 5 |
| Legal reserve | 482,511 | 6 | 404,547 | 5 |
| Special reserve | 110,154 | 1 | 110,154 | 1 |
| Unappropriated retained earnings | 1,288,140 | 15 | 780,767 | 12 |
| Other equity interest | 360,011 | 4 | 34,903 | - |
| Total equity attributable to owners of parent | <u>5,101,301</u> | <u>58</u> | <u>4,194,878</u> | <u>57</u> |
| Non-controlling interests (Note 6(8) and (16)) | 593,649 | 7 | 437,562 | 6 |
| Total Equity | <u>5,694,950</u> | <u>65</u> | <u>4,632,440</u> | <u>63</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 8,804,714</u> | <u>100</u> | <u>7,374,034</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

| | For the Years ended December 31 | | | |
|---|---------------------------------|-----------|----------------|-----------|
| | 2015 | | 2014 | |
| | Amount | % | Amount | % |
| Operating revenues (Notes 6(18) and 7) | \$ 3,195,218 | 100 | 2,979,902 | 100 |
| Cost of sales (Notes 6(5) and 7) | 1,006,869 | 32 | 1,087,903 | 36 |
| Gross profit | 2,188,349 | 68 | 1,891,999 | 64 |
| Unrealized profit on intercompany transactions | 6,408 | - | 19,491 | 1 |
| Realized profit on intercompany transactions | 1,203 | - | 26,428 | 1 |
| Gross profit, net | 2,183,144 | 68 | 1,898,936 | 64 |
| Operating expenses (Note 7) | | | | |
| Selling expenses | 771,557 | 24 | 900,106 | 30 |
| General and administrative expenses | 281,511 | 9 | 291,327 | 10 |
| Research and development expenses | 340,289 | 11 | 369,408 | 13 |
| | 1,393,357 | 44 | 1,560,841 | 53 |
| Results from operating activities | 789,787 | 24 | 338,095 | 11 |
| Non-operating income and expenses (Notes 6(20) and 7) | | | | |
| Other income | 63,315 | 2 | 102,788 | 3 |
| Other gains and losses | 698,239 | 22 | 498,749 | 17 |
| Finance costs | (25,362) | (1) | (19,234) | (1) |
| Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(7)) | (384) | - | (10,558) | - |
| | 735,808 | 23 | 571,745 | 19 |
| Profit before tax | 1,525,595 | 47 | 909,840 | 30 |
| Income tax expense (Note 6(15)) | 279,003 | 9 | 98,145 | 3 |
| Profit for the year | 1,246,592 | 38 | 811,695 | 27 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Remeasurement effects on defined benefit plans | (4,056) | - | - | - |
| Less: Income tax relating to components of other comprehensive income | - | - | - | - |
| | (4,056) | - | - | - |
| Items which may be reclassified to profit and loss in subsequent periods | | | | |
| Foreign currency translation differences – foreign operations | (10,260) | - | 19,315 | 1 |
| Unrealized (loss) gain on available-for-sale financial assets (Note 6(21)) | 476,184 | 15 | - | - |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method (Note 6(21)) | 6,266 | - | 3,220 | - |
| Less: Income tax relating to components of other comprehensive income | (6,055) | - | 5,665 | - |
| | 478,245 | 15 | 16,870 | 1 |
| Other comprehensive income for the year, net of tax | 474,189 | 15 | 16,870 | 1 |
| Total comprehensive income for the year | <u>\$ 1,720,781</u> | <u>53</u> | <u>828,565</u> | <u>28</u> |
| Profit attributable to | | | | |
| Owners of the parent | \$ 1,211,018 | 37 | 779,645 | 26 |
| Non-controlling interests | 35,574 | 1 | 32,050 | 1 |
| | <u>\$ 1,246,592</u> | <u>38</u> | <u>811,695</u> | <u>27</u> |
| Comprehensive income attributable to | | | | |
| Owners of the parent | \$ 1,532,070 | 47 | 796,482 | 27 |
| Non-controlling interests | 188,711 | 6 | 32,083 | 1 |
| | <u>\$ 1,720,781</u> | <u>53</u> | <u>828,565</u> | <u>28</u> |
| Earnings per share, net of tax (Note 6(17)) | | | | |
| Basic earnings per share | <u>\$ 4.87</u> | | <u>\$ 3.14</u> | |
| Diluted earnings per share | <u>\$ 4.86</u> | | <u>\$ 3.13</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

(English Translations of Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
 (All Amounts Expressed in Thousands of New Taiwan Dollars)

| | Attributable to Owners of the Parent | | | | | | | | | | |
|--|--------------------------------------|-----------------|-----------------|----------------|--|--|----------|------------------------------|---------------------------|-----------|--------------|
| | Share capital | Capital surplus | | | Retained earnings | | | Other adjustments to equity | | | Total equity |
| | | Legal reserve | Special reserve | Unappropriated | Foreign currency translation differences | Unrealized gains (losses) on available-for-sale financial assets | Total | Owners of the parent company | Non-controlling interests | | |
| Balance, January 1, 2014 | \$ 2,330,365 | 345,803 | 110,154 | 682,073 | 18,066 | - | 18,066 | 3,876,614 | 451,103 | 4,327,717 | |
| Profit for the year | - | - | - | 779,645 | - | - | - | 779,645 | 32,050 | 811,695 | |
| Other comprehensive income for the year | - | - | - | - | 27,658 | (10,821) | (10,821) | 16,837 | 33 | 16,870 | |
| Total comprehensive income for the year | - | - | - | 779,645 | 27,658 | (10,821) | (10,821) | 796,482 | 32,083 | 828,565 | |
| Appropriation and distribution of retained earnings | | | | | | | | | | | |
| Legal reserve | - | 58,744 | - | (58,744) | - | - | - | - | - | - | |
| Cash dividends of ordinary shares | - | - | - | (466,072) | - | - | - | (466,072) | (46,791) | (512,863) | |
| Stock dividends of ordinary shares | 156,135 | - | - | (156,135) | - | - | - | - | - | - | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | - | - | - | - | - | - | - | - | - | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | - | - | - | - | - | - | - | - | - | |
| Disposal of investments accounted for using equity method | - | - | - | - | - | - | - | - | - | - | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | (24,238) | - | (24,238) | |
| Balance, December 31, 2014 | 2,486,500 | 378,007 | 404,547 | 110,154 | 780,767 | 45,724 | (10,821) | 4,194,878 | 437,562 | 4,632,440 | |
| Profit for the year | - | - | - | 1,211,018 | - | - | - | 1,211,018 | 35,574 | 1,246,592 | |
| Other comprehensive income for the year | - | - | - | (4,056) | (29,564) | 354,672 | 354,672 | 321,052 | 153,137 | 474,189 | |
| Total comprehensive income for the year | - | - | - | 1,206,962 | (29,564) | 354,672 | 354,672 | 1,532,070 | 188,711 | 1,720,781 | |
| Appropriation and distribution of retained earnings | | | | | | | | | | | |
| Legal reserve | - | - | 77,964 | (77,964) | - | - | - | - | - | - | |
| Cash dividends of ordinary shares | - | - | - | (621,625) | - | - | - | (621,625) | (33,422) | (655,047) | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | - | - | - | - | - | - | - | - | - | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | (4,022) | - | - | - | - | - | (4,022) | - | (4,022) | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | 798 | 798 | |
| Balance, December 31, 2015 | \$ 2,486,500 | 373,985 | 482,511 | 110,154 | 1,288,140 | 16,160 | 343,851 | 5,101,301 | 593,649 | 5,694,950 | |

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|---|--|-----------------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Profit before tax | \$ 1,525,595 | 909,840 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 96,776 | 96,907 |
| Amortization | 21,853 | 27,053 |
| Allowance for uncollectable accounts | 13,319 | - |
| Interest expense | 25,362 | 19,234 |
| Interest income | (9,660) | (10,237) |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | 384 | 10,558 |
| Loss (gain) on disposal of property, plant and equipment | 59 | (673) |
| Allocation of deferred income | (1,010) | (1,031) |
| Gain on disposal of investments | (655,796) | (483,809) |
| Unrealized profits on intercompany transactions | 6,408 | 19,491 |
| Realized loss on intercompany transactions | (1,203) | (26,428) |
| | <u>(503,508)</u> | <u>(348,935)</u> |
| Changes in operating assets and liabilities | | |
| Notes receivable | 1,272 | 4,071 |
| Accounts receivable | (284,464) | 47,011 |
| Other receivables | 15,638 | 14,451 |
| Inventories | (55,404) | 67,247 |
| Other current assets | 291 | (38) |
| Other financial assets | (1,593) | (6,891) |
| Notes payable | 5,650 | (23,972) |
| Accounts payable | 11,519 | 16,772 |
| Other payables | 14,181 | (6,611) |
| Other current liabilities | (5,257) | 8,984 |
| Decrease in net defined benefit liability | (350) | (292) |
| Net changes in operating assets and liabilities | <u>(298,517)</u> | <u>120,732</u> |
| Total changes in operating assets and liabilities | <u>(802,025)</u> | <u>(228,203)</u> |
| Cash provided by operating activities | <u>723,570</u> | <u>681,637</u> |
| Interest received | 9,721 | 10,783 |
| Dividend received | 25,540 | 7,430 |
| Interest paid | (25,268) | (18,876) |
| Income taxes paid | (94,361) | (103,028) |
| Net cash provided by operating activities | <u>639,202</u> | <u>577,946</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(All Amounts Expressed in Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|---|--|------------------|
| | 2015 | 2014 |
| Cash flows from investing activities | | |
| Proceeds from disposal of available-for-sale financial assets | 60,022 | - |
| Proceeds from disposal of financial assets carried at cost | - | 150 |
| Acquisition of investments accounted for using equity method | - | (144,348) |
| Proceeds from disposal of investments accounted for using equity method | 959,598 | 516,705 |
| Acquisition of property, plant and equipment | (63,571) | (431,063) |
| Proceeds from disposal of property, plant and equipment | 143 | 3,780 |
| Decrease in refundable deposits | 4,823 | 7,340 |
| Acquisition of intangible assets | (8,224) | (3,469) |
| Increase in other financial assets | (120,020) | - |
| Increase in prepayments for equipment | (113,370) | (252,593) |
| Decrease (increase) in other noncurrent assets | (6,698) | 8,060 |
| Net cash provided by (used in) investing activities | 712,703 | (295,438) |
| Cash flows from financing activities | | |
| Increase in short-term loans | 8,655,950 | 140,000 |
| Decrease in short-term loans | (9,195,950) | - |
| Proceeds from long-term loans | 1,000,000 | - |
| Repayments of long-term loans | (300,000) | - |
| Increase in guarantee deposit received | 635 | 331 |
| Cash dividends paid | (621,625) | (466,072) |
| Change in non-controlling interests | (32,624) | (45,624) |
| Net cash used in financing activities | (493,614) | (371,365) |
| Effect of exchange rate fluctuations on cash held | (1,995) | 5,639 |
| Net increase in cash and cash equivalents | 856,296 | (83,218) |
| Cash and cash equivalents, beginning of year | 854,228 | 937,446 |
| Cash and cash equivalents, end of year | \$ 1,710,524 | 854,228 |

The accompanying notes are an integral part of the consolidated financial statements.

Attachment 3

TTY BIOPHARM COMPANY LIMITED

Supervisor's Review Report

The Board reports the financial statements which have been audited by KPMG Taiwan, business report, and earnings distribution proposal of 2015 have been audited by us as Supervisors of the Company. We deem no inappropriateness on these documents. Pursuant to Article 219 of the Company Act, we hereby present the audited report. Please review.

Submitted to: 2016 Annual General Shareholders' Meeting of the Company.

Supervisor : CHANG, HSIU-CHI

Supervisor : LIAO, YING-YING

On the Date of May 30, 2016

Attachment 4

TTY BIOPHARM COMPANY LIMITED

Distribution of 2015 Profit Table

Unit: NTD

| Item | Amount | Note |
|--|---------------|-------------------------------------|
| Unappropriated retained earnings of previous years | 81,177,962 | Cash dividends of NT\$3.5 per share |
| Less: 2015 retained earnings adjustment | 4,056,273 | |
| Unappropriated retained earnings after adjustments | 77,121,689 | |
| Add: 2015 Net profits after taxes for the year | 1,211,018,341 | |
| Less: Appropriated as legal capital reserve (10%) | 121,101,834 | |
| Retained earnings available for distribution as of December 31, 2015 | 1,167,038,196 | |
| Allocation Items | | |
| Cash Dividends to Shareholders | 870,274,857 | |
| Unappropriated retained earnings as of December 31, 2015 | 296,763,339 | |

Note : Total shares issued 248,649,959 Common Shares.

Chairman of the Board: Hsiao, Ying-Chun

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

Attachment 5

TTY BIOPHARM COMPANY LIMITED

Regulations for Lending Funds to Other Parties Amendment Comparison Table

| Before amendment | After amendment | Reason for amendment |
|--|--|--|
| <p>Article 1 Purpose: If the Company deems it necessary to loan funds to others for business needs, these operational procedures shall be strictly observed. For matters not specifically covered in these procedures, <u>regulation</u> set forth in relevant laws shall apply.</p> | <p>Article 1 Purpose: If the Company deems it necessary to loan funds to others for business needs, these operational procedures shall be strictly observed. For matters not specifically covered in these procedures, regulations set forth in relevant laws shall apply.</p> | Word Modification |
| <p>Article 2 Legal basis: These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing the Loaning of Funds by Public Companies (<u>hereinafter referred to as “these Regulations”</u>) of the Financial Supervisory Commission (hereinafter referred to as “FSC”). If other laws stipulate otherwise, the provisions of those laws shall govern.</p> | <p>Article 2 Legal basis: These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing Loaning of Funds <u>and Making of Endorsements/Guarantees</u> by Public Companies of the Financial Supervisory Commission (hereinafter referred to as “FSC”). If other laws stipulate otherwise, the provisions of those laws shall govern.</p> | Correction of the title of the regulation |
| <p>Article 3 Loan beneficiaries: <u>Loans granted by the Company to others shall meet the following criteria (these restrictions shall not apply to foreign investment of loaned funds for business needs as stipulated in the provisions set forth in Article 3, Paragraph 2 of the MoEA Regulations Governing the Review of Foreign Investments and Technical Cooperation)</u> 1. Omitted. 2. Omitted.</p> | <p>Article 3 Loan beneficiaries: <u>The Company shall not loan funds to any of its shareholders or any other person except under the following criteria</u> 1. Omitted.. 2. Omitted.</p> | Amendment was made in correspondence with regulations and actual operating need. |
| <p>Article 4 Reason and necessity of loans to others: Where the Company engages in the</p> | <p>Article 4 Reason and necessity of loans to others: Where the Company engages in the</p> | 1. Amendment was made in correspondence |

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| <p>loaning of funds as a result of business dealings, such dealings shall have already occurred and <u>the loan amount shall be equivalent to the order or sales amount (whichever is higher) in the most recent fiscal year or in the current year</u> until the time the loan is granted. <u>And</u> The following restrictions shall apply for loans to meet short-term financing needs:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Businesses in which the Company indirectly holds over 50% of all shares have financing needs generated by return of bank loans, purchase of equipment, or working capital demands. 3.Omitted. | <p>loaning of funds as a result of business dealings, such dealings shall have already occurred and until the time the loan is granted. The following restrictions shall apply for loans to meet short-term financing needs:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Businesses in which the Company <u>directly or</u> indirectly holds over 50% of all shares have financing needs generated by return of bank loans, purchase of equipment, or working capital demands. 3.Omitted. | <p>with regulations and actual operating need. °</p> <ol style="list-style-type: none"> 2. Word Modification |
| <p>Article 5 Maximum loan amount:</p> <ol style="list-style-type: none"> 1. The total loan amount shall not exceed 20% of the net worth of the Company as stated in the most recent financial statement. 2. Individual loans to companies or businesses that have business dealings with the Company shall not exceed the total amount of mutual business dealings. <u>Financing amounts shall not exceed 10% of the net worth of the Company as stated in the most recent financial statement as well as 40% of the net worth of the loan recipient.</u> The term “total amount of mutual business dealings” shall refer to mutual order or sales amounts (whichever is higher). <u>The term “financing amounts” shall refer to cumulative balances of short-term financing capital.</u> <p>The restriction that total financing</p> | <p>Article 5 Maximum loan amount:</p> <ol style="list-style-type: none"> 1. The total loan amount shall not exceed 20% of the net worth of the Company as stated in the most recent financial statement including: <ol style="list-style-type: none"> (1) <u>For companies or firms which have a business relationship with the Company, the total loan amount shall not exceed 10% of the net worth of the Company as stated in the most recent financial statement.</u> (2) <u>For companies or firms in need of short-term financing, the total loan amount shall not exceed 20% of the net worth of the Company as stated in the most recent financial statement.</u> 2. In the case of lending funds to companies or firms who have a | <ol style="list-style-type: none"> 1. Amendment was made in correspondence with regulations and actual operating need. ° 2.The definition of "Subsidiary" and "parent company" is moved to Article 5 Item 3 from Article 6 Item2. |

| Before amendment | After amendment | Reason for amendment |
|---|--|----------------------|
| <p>amounts shall not exceed <u>40%</u> of the net worth of <u>loan recipients shall not</u> apply to foreign companies with short-term financing needs in which the Company directly or indirectly holds 100% of the voting shares.</p> | <p>business relationship with the Company, the total lending amount of an individual borrower shall not exceed the total amount of the business transactions between the Company and the borrower <u>and</u> 10% of the net worth of the Company as stated in the most recent financial statement.</p> <p><u>In the case of lending funds to the companies or firms in need of short-term financing</u>, the total lending amount to an individual borrower shall not exceed <u>20%</u> of the net worth of the Company as stated in the most recent financial statement.</p> <p>The “total amount of the business transactions” refers the amount of purchases or sales during <u>the recent year or the present year until the time of lending funds</u>, whichever is higher</p> <p><u>The foreign subsidiaries engaged in lending funds between each other which the Company has held wholly owned voting shares directly or indirectly, the total amount shall not exceed 100% of the net worth of the Company and set the amount limits and the durations of loans in internal procedures pursuant to relevant provisions set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies of the Financial Supervisory Commission (hereinafter referred to as “FSC”).</u></p> <p><u>The term "financing amount" means the cumulative balance of the public company's short-term financing.</u></p> | |

| Before amendment | After amendment | Reason for amendment |
|---|---|--|
| | <p><u>For the Company and Subsidiary preparing consolidated report according to the International Financial Reporting Standards, "Net worth" as referred to in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>The terms “subsidiary” and “parent company” as used shall be defined in accordance with the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Security Issuers.</p> | |
| <p>Article 6 Detailed handling and review procedures for loaning of funds:</p> <p>1. Application procedures:</p> <p>(1) Omitted..</p> <p>(2) Omitted..</p> <p>(3) Omitted...</p> <p>(4) Omitted..</p> <p>(5) Omitted..</p> <p>(6) Omitted..</p> <p>(7) If the company decides to appoint independent directors in the future, the opinions of these independent directors shall be taken into full consideration when loaning funds to others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> <p><u>The terms “subsidiary” and “parent company” as used in these operational procedures shall be defined in accordance with the provisions set forth in the Regulations Governing the</u></p> | <p>Article 6 Detailed handling and review procedures for loaning of funds:</p> <p><u>Before loaning fund to others, company should carefully evaluate and execute in accordance with below procedure.</u></p> <p>1.Application procedures:</p> <p>(1)Omitted..</p> <p>(2)Omitted..</p> <p>(3)Omitted..</p> <p>(4)Omitted..</p> <p>(5)Omitted..</p> <p>(6)Omitted..</p> <p>(7) when loaning funds to others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> <p>2. Loan beneficiary credit checks and risk assessment: omitted</p> <p>3. Assessment of collateral value and definition of rights: omitted</p> | <p>1.Amendment was made in correspondence with regulations and actual operating need. °</p> <p>2.The definition of "Subsidiary" and "parent company" is moved to Article 5 Item 3 from Article 6 Item2.</p> <p>3.Word Modification</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|--|
| <p><u>Preparation of Financial Reports by Security Issuers.</u></p> <p>2. Loan beneficiary credit checks and risk assessment: omitted</p> <p>3. Assessment of collateral value and definition of rights: omitted</p> | | |
| <p>Article 7 Time limit and interest calculation method for granted loans:</p> <p>1. The time limit for financing loans shall not exceed one year. One extension of six months may be granted upon approval by resolution of the board. The repayment date shall be clearly stated when the loan is granted.</p> <p>2. Omitted.</p> | <p>Article 7 Time limit and interest calculation method for granted loans:</p> <p><u>When granting loan to others, the Company should specify duration of loans and calculation of interest in accordance with below:</u></p> <p>1. The time limit for financing loans shall not exceed one year. One extension of six months may be granted for <u>companies or firms which have a business relationship with the Company</u> upon approval by resolution of the board <u>and</u> the repayment date shall be clearly stated when the loan is granted.</p> <p>2. Omitted.</p> | <p>Amendment was made in correspondence with regulations and actual operating need. °</p> |
| <p>Article 8 Follow-up control and management measures for granted loans and handling of delinquent creditor's rights:</p> <p>1. Omitted.</p> <p>2. Omitted.</p> <p>3. The borrower shall pay back the principal and interest when the loan is due or upon expiry of the six-month extension specified in Article 7, Clause 1. In case of violations, the Company shall be authorized to dispose of provided collateral as seen fit and take recourse against the debtor or guarantor in accordance with relevant laws.</p> <p>4. Omitted..</p> <p>5. Internal auditors of the Company shall review these</p> | <p>Article 8 Follow-up control and management measures for granted loans and handling of delinquent creditor's rights:</p> <p><u>After granting loan to others, measures for control and management of loans is as follows:</u></p> <p>1. Omitted.</p> <p>2. Omitted.</p> <p>3. The borrower shall pay back the principal and interest when the loan is due or upon expiry of the six-month extension <u>due to the loan which have business relationship with the Company specified in Article 7, Item 1.</u> In case of violations, the Company shall be authorized to dispose of provided collateral as seen fit and take recourse against the</p> | <p>1. Amendment was made in correspondence with setup of Audit Committee.</p> <p>2. Amendment was made in correspondence with regulations and actual operating need.</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| <p>operational procedures and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, <u>the supervisors</u> shall be notified in a prompt manner.</p> | <p>debtor or guarantor in accordance with relevant laws. 4. Omitted.. 5. Internal auditors of the Company shall review these operational procedures and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, <u>Audit Committee</u> shall be notified in a prompt manner.</p> | |
| <p>Article 9 Public announcement and declaration procedures: 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p> | <p>Article 9 Public announcement and declaration procedures: <u>Company should public announce and declare after granting loan to others in accordance with below procedure.</u> 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p> | <p>Amendment was made in correspondence with regulations and actual operating need.</p> |
| <p>Article 11 Procedures for control and management of loans extended by subsidiaries: 1. Subsidiaries <u>shall also formulate and abide by their own Operational Procedures for Loaning Funds to Others pursuant to the provisions set forth herein.</u> 2. Subsidiaries shall submit data on loans extended in the previous month to the financial unit of the Company by the <u>fifth</u></p> | <p>Article 11 Procedures for control and management of loans extended by subsidiaries: <u>Where a subsidiary of the Company intends to make loans to others, the subsidiary shall formulate and abide by their own Operational Procedures for Loaning Funds to Others pursuant to the provisions set forth herein.</u> 1. <u>When subsidiaries grant loans to others based on their own Operational Procedures, the</u></p> | <p>Amendment was made in correspondence with regulations and actual operating need.</p> |

| Before amendment | After amendment | Reason for amendment |
|---|--|--|
| <p>of every month.</p> <p>3. Internal auditors of subsidiaries shall <u>also</u> review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the audit unit of the Company shall be notified in writing in a <u>prompt</u> manner. <u>The audit unit of the Company shall submit relevant data</u> to the supervisors <u>in writing</u>.</p> <p>4. Omitted.</p> | <p><u>term worth mean the worth of the subsidiary which is the calculation base.</u></p> <p>2. Subsidiaries shall submit data on loans extended in the previous month to the financial unit of the Company by the <u>tenth</u> of every month.</p> <p>3. Internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the supervisor of <u>subsidiaries</u> shall be notified in writing in a prompt manner. <u>If Audit Committee set up, shall comply mutatis mutandis with these Regulations set forth for the supervisor.</u></p> <p>4. Omitted.</p> | |
| <p>Article 12 Transitional provisions: Where loan recipients do not conform to the regulations set forth in these procedures or balances exceed the authorized limit due to a change in circumstances, the auditors shall urge the financial unit to devise improvement plans and submit these plans to <u>the supervisors</u>. Improvements shall be implemented in accordance with these plans.</p> | <p>Article 12 Transitional provisions: Where loan recipients do not conform to the regulations set forth in these <u>operational</u> procedures or balances exceed the authorized limit due to a change in circumstances, the auditors shall urge the financial unit to devise improvement plans and submit these plans to <u>Audit Committee</u>. Improvements shall be implemented in accordance with these plans.</p> | <p>1. Amendment was made in correspondence with regulations and actual operating need.</p> <p>2. Word Modification</p> |
| <p>Article 13 These operational procedures and all amendments thereof shall be <u>submitted to the supervisors</u> and reported to the Shareholders Meeting for approval upon ratification by the board. <u>Any objection by a Director recorded</u></p> | <p>Article 13 These operational procedures and all amendments will <u>implement</u> after ratification by <u>Audit Committee</u> and the board and report to the Shareholders Meeting for approval. the opinions of these independent directors shall be</p> | <p>Amendment was made in correspondence with setup of Audit Committee.</p> |

| Before amendment | After amendment | Reason for amendment |
|--|--|--|
| <p><u>or made in writing shall be submitted to the supervisors and reported to the Shareholders Meeting for deliberation.</u></p> <p><u>If the company decides to appoint independent directors in the future,</u> the opinions of these independent directors shall be taken into full consideration when these procedures are submitted to the board for deliberation <u>in accordance with the regulations set forth in the preceding paragraph.</u> Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> | <p>taken into full consideration when these procedures are submitted to the board for deliberation Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> | |
| <p>Article 14 These operational procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 19, 2009. They were amended for the fifth time on June 25, 2010. They were amended for the sixth time on June 25, 2013.</p> | <p>Article 14 These operational procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 19, 2009. They were amended for the fifth time on June 25, 2010. They were amended for the sixth time on June 25, 2013. <u>They were amended for the seventh time on June 24, 2016.</u></p> | <p>Adding the amendment sequence number, and the date of the latest amendment.</p> |

Attachment 6

TTY BIOPHARM COMPANY LIMITED

Regulations for Endorsement and Guarantee Amendment Comparison Table

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| <p>Article 2 Legal basis: These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing the Making of Endorsements/Guarantees by Public Companies (<u>hereinafter referred to as “these Regulations”</u>) of the Financial Supervisory Commission (<u>hereinafter referred to as “FSC”</u>). If other laws stipulate otherwise, the provisions of those laws shall govern.</p> | <p>Article 2 Legal basis: These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing <u>Loaning of Funds and Making of</u> Endorsements/Guarantees by Public Companies of the Financial Supervisory Commission. If other laws stipulate otherwise, the provisions of those laws shall govern.</p> | Correction of the title of the regulation |
| <p>Article 3 Application scope: The term endorsement/guarantee as used in these regulations shall refer to the following: 1. Omitted. 2. Omitted. 3. Other endorsements/guarantees: Endorsements or guarantees beyond the scope of the preceding two clauses. Any creation of a pledge or mortgage on its chattel or real property as security for the loans of another company.</p> | <p>Article 3 Application scope: The term endorsement/guarantee as used in these regulations shall refer to the following: 1. Omitted. 2. Omitted. 3. Other endorsements/guarantees: Endorsements or guarantees beyond the scope of the preceding two clauses. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company <u>shall also comply with these Regulations.</u></p> | Word modification in correspondence with regulations |
| <p>Article 5 Ceilings on the amount of endorsements/guarantees: Aggregate endorsement/guarantee amounts permitted for the Company and its subsidiaries as a whole as well as the permitted amount for single entities are defined as follows:</p> | <p>Article 5 Ceilings on the amount of endorsements/guarantees: Aggregate endorsement/guarantee amounts permitted for the Company and its subsidiaries as a whole as well as the permitted amount for single entities are defined as follows:</p> | <p>1. Amendment was made in correspondence with regulations and actual operating need. 2. Word modification °</p> |

| Before amendment | After amendment | Reason for amendment |
|--|---|----------------------|
| <p>1. The ceiling on endorsement/guarantee amounts for single entities <u>shall be</u> set at 20% of the net worth of the Company as stated in the most recent financial statement</p> <p>2. The aggregate endorsement/guarantee amount shall not exceed 50% of the net worth as stated in the most recent financial statement</p> <p>3. Where the company engages in endorsements/guarantees due to business dealings, the aggregate transaction amount with the Company in the most recent fiscal year shall not be exceeded (order or sales amount whichever is higher)</p> <p>The term “Most Recent Financial Statement” as used in these regulations shall refer to financial statements for the most recent period composed in accordance with the International Financial Reporting Standards and certified by a CPA. The term “Net Worth” shall refer to balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> | <p>1. The ceiling on endorsement/guarantee amounts for single entities <u>shall not exceed</u> 20% of the net worth of the Company as stated in the most recent financial statement</p> <p>2. The aggregate endorsement/guarantee amount shall not exceed 50% of the net worth as stated in the company’s most recent financial statement</p> <p>3. <u>The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise shall not exceed 20 percent or more of the company's net worth as stated in its latest financial statement.</u></p> <p>4. <u>The aggregate of endorsements/guarantees by the company and its subsidiaries shall not exceed 50 percent or more of the company's net worth as stated in its latest financial statement.</u></p> <p>5. Where the company engages in endorsements/guarantees due to business dealings, the aggregate transaction amount with the Company in the most recent fiscal year shall not be exceeded .”<u>Transaction amount” means order or sales amount whichever is higher.</u></p> <p>The term “Most Recent Financial Statement” as used in these regulations shall refer to financial statements for the most recent period composed in accordance with the International Financial Reporting Standards and certified by a CPA. The term “Net Worth” shall refer to balance sheet equity attributable to the owners of the parent company under the</p> | |

| Before amendment | After amendment | Reason for amendment |
|---|--|--|
| | Regulations Governing the Preparation of Financial Reports by Securities Issuers. | |
| <p>Article 6 Hierarchy levels:</p> <p>1. Endorsements/guarantees shall be <u>approved</u> by resolution of the board of directors <u>prior to issuance</u>. The board may authorize the chairman to give preliminary approval to endorsements/guarantees not exceeding 20% of the current net worth subject to subsequent ratification by the board.</p> <p>2. Omitted.</p> <p>3. <u>If the company decides to appoint independent directors in the future</u>, the opinions of these independent directors shall be taken into full consideration when making endorsements/guarantees for others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> | <p>Article 6 Hierarchy levels:</p> <p><u>When make Endorsements/guarantees, Hierarchy levels is as below,</u></p> <p>1. The Company shall <u>carefully assess</u> based on this regulation <u>prior to Endorsements/guarantees</u> ,and <u>submit the analysis report of Article 7, Item 1, Clause 2</u> to resolution of the board of directors for approval, The board may authorize the chairman to give preliminary approval to endorsements/guarantees not exceeding 20% of the current net worth subject to subsequent ratification by the <u>next</u> board.</p> <p>2. Omitted.</p> <p>3. The opinions of these independent directors shall be taken into full consideration when making endorsements/guarantees for others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.</p> | <p>1. Amendment was made in correspondence with regulations and actual operating need.</p> <p>2. Word modification ◦</p> |
| <p>Article 7 Detailed handling and review procedures for endorsements/guarantees:</p> <p>1. resolution(s).</p> <p>2. Omitted.</p> <p>3. The financial unit shall also be in charge of <u>tracking</u> and evaluation of the financial status and use of funds by the company for which an endorsement is issued. In case</p> | <p>Article 7 Detailed handling and review procedures for endorsements/guarantees:</p> <p><u>When endorsements/guarantees issuing, the Company shall hand and detailed review in accordance with below:</u></p> <p>1. Omitted.</p> <p>2. Omitted.</p> <p>3. The chairman shall be authorized to approve</p> | <p>1. Amendment was made in correspondence with regulations and actual operating need.</p> <p>2. Word modification</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| <p>of major changes, the chairman shall be notified immediately and the matter shall be handled in an appropriate manner.</p> <p>4. Omitted</p> <p>5. Intern The financial unit shall also be in charge of tracking and evaluation of the financial status and use of funds by the company for which an endorsement is issued. In case of major changes, the chairman shall be notified immediately and the matter shall be handled in an appropriate manner.</p> <p>6. Omitted</p> <p>7. Omitted</p> <p>8. Internal auditors of the Company shall review the operational procedures governing endorsements/guarantees and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, <u>the supervisors</u> shall be notified in a prompt manner.</p> <p>9. Omitted</p> | <p>endorsements/guarantees for companies within a ceiling of 20% of the current net worth of the Company. The financial unit shall be in charge of execution subject to subsequent ratification by <u>the next</u> board meeting. If the accumulated balance of endorsements/guarantees exceeds 20% of the current net worth, approval by the board shall be required and the matter shall be handled in accordance with board</p> <p>4. Omitted.</p> <p>5. Intern The financial unit shall also be in charge of tracking and evaluation of the financial status and use of funds by the company for which an endorsement is issued. In case of major changes, the chairman shall be notified immediately and the matter shall be handled in an appropriate manner.</p> <p>6.Omitted.</p> <p>7.Omitted.</p> <p>8.Internal auditors of the Company shall review the operational procedures governing endorsements/guarantees and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, <u>Audit Committee</u> shall be notified in a prompt manner.</p> <p>9. Omitted.</p> | |
| <p>Article 8 Follow-up control and management measures for endorsements/guarantees issued by subsidiaries:</p> <p>1. Subsidiaries <u>shall also formulate and abide by their</u></p> | <p>Article 8 Follow-up control and management measures for endorsements/guarantees issued by subsidiaries:</p> <p><u>Subsidiaries intend to issue endorsements/guarantees to others</u></p> | <p>1.Amendment was made in correspondence with regulations and actual operating need.</p> |

| Before amendment | After amendment | Reason for amendment |
|--|---|-----------------------------|
| <p><u>own Regulations Governing Endorsements/Guarantees pursuant to the provisions set forth herein.</u> Net worth calculations shall be based on the net worth of the subsidiary. Subsidiaries shall submit data on endorsements/guarantees issued in the previous month to the financial unit of the Company by the <u>fifth</u> of every month for future reference.</p> <p>2. Omitted</p> <p>3. Internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the audit unit of the Company shall be notified in writing in a <u>prompt</u> manner. <u>The audit unit of the Company shall submit relevant data to the supervisors in writing.</u></p> <p>4. Omitted</p> <p>5. Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the board of directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 4, Clause <u>6</u>. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds,</p> | <p><u>shall also formulate and abide by their own Operational Procedures pursuant to the provisions set forth herein.</u></p> <p>1. Subsidiaries <u>shall also formulate and abide by their own Regulations Governing Endorsements/Guarantees pursuant to the provisions set forth herein.</u> Net worth calculations shall be based on the net worth of the subsidiary. Subsidiaries shall submit data on endorsements/guarantees issued in the previous month to the financial unit of the Company by the <u>tenth</u> of every month for future reference.</p> <p>2. Omitted.</p> <p>3. internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the supervisor of <u>subsidiaries</u> shall be notified in writing in a prompt manner.<u>if audit committee set up,. shall comply mutatis mutandis with these Regulations set forth for the supervisor.</u></p> <p>4. Omitted.</p> <p>5. Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the board of directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 4, Clause <u>5</u>. The amount of</p> | <p>2. Word modification</p> |

| Before amendment | After amendment | Reason for amendment |
|--|---|--------------------------|
| <p>directly or indirectly, 100% of the voting shares.</p> | <p>endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.</p> | |
| <p>Article 9 Public announcement and declaration procedures time limit and standards: The Company shall publicly announce and declare the balance of endorsements/guarantees of its HQ and subsidiaries for the previous month on the Market Post Observation System by the <u>10</u> of each month. In addition, endorsement/guarantee balances of the Company shall be publicly announced and declared on the Market Post Observation System within two days upon the date of occurrence if one of the following criteria is met:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds NT\$ 10 million and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the net worth of the Company as stated in its most recent financial statement. 4. Newly added endorsement/guarantee amounts of the Company and its subsidiaries exceed <u>NT\$30</u> | <p>Article 9 Public announcement and declaration procedures time limit and standards: The Company shall publicly announce and declare the balance of endorsements/guarantees of its HQ and subsidiaries for the previous month on the Market Post Observation System by the <u>10th</u> of each month. In addition, endorsement/guarantee balances of the Company shall be publicly announced and declared on the Market Post Observation System within two days upon the date of occurrence if one of the following criteria is met:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds NT\$ 10 million and the aggregate amount of all endorsements/guarantees for <u>that single entity</u>, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the net worth of the Company as stated in its most recent financial statement. 4. Newly added endorsement/guarantee amounts of the Company and its | <p>Word modification</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|--------------------------|
| <p><u>million</u> and 5% of the net worth of the Company as stated in the most recent financial statement. The Company shall make public announcements and declarations on behalf of subsidiaries that are not public companies of the Republic of China for matters requiring announcement and declaration pursuant to Clause 4 of the preceding paragraph. ° The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p> | <p>subsidiaries exceed <u>NT\$ 30 million</u> and 5% of the net worth of the Company as stated in the most recent financial statement. The Company shall make public announcements and declarations on behalf of subsidiaries that are not public companies of the Republic of China for matters requiring announcement and declaration pursuant to Clause 4 of the preceding paragraph. ° The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p> | |
| <p>Article 10 Seal safekeeping and usage procedures: The company seal registered with the Ministry of Economic Affairs is the official seal for endorsements/guarantees. This seal shall be kept in custody of designated personnel and shall <u>be used</u> or affixed to promissory notes in accordance with these regulations and the Operational Regulations Governing Seal Management. Designated personnel in charge of safekeeping of the official seal for endorsements/guarantees and changes thereof shall be reported to the board of directors for approval. Where the Company issues endorsements/guarantees for foreign companies, the letter of guarantee shall be signed by a</p> | <p>Article 10 Seal safekeeping and usage procedures: The company seal registered with the Ministry of Economic Affairs is the official seal for endorsements/guarantees. This seal shall be kept in custody of designated personnel and shall <u>be used</u> or affixed to promissory notes in accordance with these regulations and the Operational Regulations Governing Seal Management. Designated personnel in charge of safekeeping of the official seal for endorsements/guarantees and changes thereof shall be reported to the board of directors for approval. Where the Company issues endorsements/guarantees for foreign companies, the letter of guarantee shall be signed by a</p> | <p>Word modification</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|--|
| person authorized by the board of directors. | person authorized by the board of directors. | |
| <p>Article 11 Transitional provisions: Where endorsement/guarantee recipients originally conform to the regulations set forth in Article 4 but fail to conform to the provisions set forth in these regulations or endorsement/guarantee amounts exceed the authorized limit due to a change in ceiling calculation standards, improvement plans shall be devised and submitted to <u>the supervisors</u>. Improvements shall be implemented in accordance with these plans within the prescribed time limit.</p> | <p>Article 11 Transitional provisions: Where endorsement/guarantee recipients originally conform to the regulations set forth in Article 4 but fail to conform to the provisions set forth in these regulations or endorsement/guarantee amounts exceed the authorized limit due to a change in ceiling calculation standards, improvement plans shall be devised and submitted to <u>Audit Committee</u>. Improvements shall be implemented in accordance with these plans within the prescribed time limit.</p> | <p>Amendment was made in correspondence with setup of Audit Committee.</p> |
| <p>Article13 These regulations and all amendments thereof shall be submitted to <u>the supervisors</u> and reported to the Shareholders Meeting for approval upon ratification by the board. <u>Any objection by a Director recorded or made in writing shall be submitted to the supervisors and reported to the Shareholders Meeting for deliberation.</u> <u>If the company decides to appoint independent directors in the future,</u> the opinions of these independent directors shall be taken into full consideration when these regulations are submitted to the board for deliberation <u>in accordance with the regulations set forth in the preceding paragraph.</u> Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes. These regulations were formulated</p> | <p>Article13 These operational procedures will <u>implement</u> after ratification by <u>audit committee</u> and <u>the board</u>. And report to the Shareholders Meeting for approval. the opinions of these independent directors shall be taken into full consideration when these procedures are submitted to the board for deliberation Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes. These regulations were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 19, 2003. They were amended for the third time on June 19, 2009. They were amended for the fourth time on June 25, 2010. They were amended for the fifth time on June 25, 2013.</p> | <ol style="list-style-type: none"> 1. Amendment was made in correspondence with setup of Audit Committee. 2. Adding the amendment sequence number, and the date of the latest amendment. |

| Before amendment | After amendment | Reason for amendment |
|---|--|----------------------|
| <p>on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 19, 2003. They were amended for the third time on June 19, 2009. They were amended for the fourth time on June 25, 2010. They were amended for the fifth time on June 25, 2013.</p> | <p><u>They were amended for the sixth time on June 24, 2016.</u></p> | |

Attachment 7

TTY BIOPHARM COMPANY LIMITED

Procedures for Financial Derivatives Transactions Amendment Comparison Table

| Before amendment | After amendment | Reason for amendment |
|--|---|---|
| <p>Article 2 Legal basis: These procedures have been amended pursuant to the regulations set forth in Article 36.1 of the Securities Exchange Act and <u>Ordinance No. 0960001463</u> (titled “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”) <u>issued by the Financial Supervisory Commission on January 19, 2007.</u></p> | <p>Article 2 Legal basis: These procedures have been amended pursuant to the regulations set forth in Article 36.1 of the Securities Exchange Act and “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p> | <p>Word Modification</p> |
| <p>Article 3 Transaction Principles and Guidelines:</p> <ol style="list-style-type: none"> 1. Transaction types: omitted 2. Business and hedging strategies: Company profits shall be derived from regular operations. Transactions of financial derivatives engaged in by the company shall be based on the principle of reduction of interest and exchange rate risks faced by the company with the goal of decreasing financial costs. This company shall generally only engage in transactions for hedging purposes. Transactions for other specific purposes shall be carefully assessed and <u>shall be subject to approval by the president prior to execution.</u> 3. Division of Authority and Responsibility: <ol style="list-style-type: none"> (1) Financial unit: omitted (2) Accounting unit: This unit shall be in charge of confirmation of transactions and handling of accounting matters (3) Audit unit: This unit | <p>Article 3 Transaction Principles and Guidelines:</p> <ol style="list-style-type: none"> 1. Transaction types: omitted 2. Business and hedging strategies: Company profits shall be derived from regular operations. Transactions of financial derivatives engaged in by the company shall be based on the principle of reduction of interest and exchange rate risks faced by the company with the goal of decreasing financial costs. This company shall generally only engage in transactions for hedging purposes. Transactions for other specific purposes shall be carefully assessed and <u>shall be subject to approval by the board of directors prior to execution.</u> 3. Division of Authority and Responsibility: <ol style="list-style-type: none"> (1) Financial unit: omitted (2) Accounting unit: This unit shall be in charge of <u>confirmation and calculation of realized or unrealized gain and loss and</u> handling | <ol style="list-style-type: none"> 1. Amendment was made in correspondence with regulations and actual operating need. 2. Word Modification |

| Before amendment | After amendment | Reason for amendment |
|---|--|----------------------|
| <p><u>shall schedule</u> audit cycles and conduct spot checks to determine compliance with these procedures in the transactions °</p> <p>4. Performance assessment:</p> <p>(1) Hedging transactions:</p> <p>(i) Omitted.</p> <p>(ii) Omitted.</p> <p>(iii) The financial unit shall provide foreign exchange position evaluations, foreign exchange market trends, and market analysis for top executives and general manager as references and indicators for management.</p> <p>(2) Non-hedging transactions: Actual gains and losses shall constitute the basis for performance assessment. <u>Accounting personnel</u> shall compile regular reports on positions as a reference <u>for the management level.</u></p> <p>5. Limits on transaction contract values and loss ceilings:</p> <p>(1) Limits on transaction contract values:</p> <p>(i) Hedging transaction volume: <u>The financial unit shall gain a firm grasp of foreign exchange transaction conditions of the company and exchange rate fluctuations and conduct hedging transactions in a timely manner to avoid exchange rate risks based on actual demand for foreign currency payables and receivables.</u></p> | <p>of accounting matters <u>based on delivery evidence and other related transaction documents</u></p> <p>(3) Audit unit: This unit <u>shall schedule</u> audit cycles to determine compliance with these procedures in the <u>execution of</u> transactions °</p> <p>4. Performance assessment:</p> <p>(1) Hedging transactions:</p> <p>(i) Omitted.</p> <p>(ii) Omitted.</p> <p>(iii) The financial unit shall provide foreign exchange position evaluations, foreign exchange market trends, and market analysis for <u>top executives which authorized by board of directors , general manager and the president</u> as references and indicators for management.</p> <p>(2) Non-hedging transactions: Actual gains and losses shall constitute the basis for performance assessment. <u>financial personnel</u> shall compile regular reports on positions as a reference for the <u>top executives which authorized by board of directors , general manager and the president</u> as references and indicators for management.</p> <p>5. Limits on transaction contract values and loss ceilings:</p> <p>(1) Limits on transaction contract values:</p> <p>(i) Hedging transaction volume:</p> | |

| Before amendment | After amendment | Reason for amendment |
|---|--|----------------------|
| <p>(ii) Non-hedging transaction volume: The financial unit shall conduct transactions upon submission of plans based on future demands for foreign exchange to the <u>general manager or chairman</u> for approval.</p> <p>(2) Loss ceiling:</p> <p>(i) Hedging transactions: 5% of the total transaction contract value</p> <p>(ii) Non-hedging transactions: 5% of the total transaction contract value</p> <p>If losses exceed the aforementioned ceilings, a report shall be <u>submitted</u> to the chairman, <u>appropriate response measures</u> shall be determined upon deliberation, and the matter shall be reported to the board of directors. If <u>independent directors have been appointed</u>, these directors shall attend related board meetings and express their opinions.</p> | <p><u>The total amount shall not exceed the accounts receivables/payables or the net asset/liabilities balance which is higher in the next 6 months. For individual contract, the ceiling is two hundred US dollars or other foreign currency of equal value.</u></p> <p>(ii) Non-hedging transaction volume: The financial unit shall conduct transactions upon <u>submission of reports , based on future demands for foreign exchange, effective by approval of the Audit Committee and further submitted to the board of directors for resolution.</u></p> <p>(2) Loss ceiling:</p> <p>(i) Hedging transactions: 5% of the total transaction contract value <u>For individual hedging transaction: 5% of the transaction contract value or one hundred thousand US dollars (or other foreign currency of equal value) which is lower.</u></p> <p>(ii) Non-hedging transactions: 5% of the total transaction contract value <u>For individual hedging transaction: 5% of the transaction contract value or one hundred thousand US dollars (or other foreign currency of equal value) which is lower.</u></p> <p>If losses exceed the aforementioned ceilings, <u>an appropriate response</u></p> | |

| Before amendment | After amendment | Reason for amendment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--------------------------|-------|--|--|----------|---------------|---------------|-----------|---------------|---------------|--------------------|---------------|---|-------------|---------------|---|-----------------|-------|---|--|--|----------------------|--------------------------|-------|--|--|----------|---------------|---------------|-----------|---------------|---------------|--------------------------------|---------------|---|--|---------------|---|---|
| | <p><u>measures shall be determined upon deliberation and report to the top executives which authorized by board of directors, general manager, chairman and board of directors.</u> If independent directors have been appointed, these directors shall attend related board meetings and express their opinions.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Article 4 Operating procedures: 1. Authorized amount and management level:</p> <table border="1" data-bbox="164 869 622 1590"> <thead> <tr> <th data-bbox="164 869 292 947"></th> <th data-bbox="292 869 448 947">Hedging transactions</th> <th data-bbox="448 869 622 947">Non-hedging transactions</th> </tr> <tr> <th data-bbox="164 947 292 1149">Level</th> <th data-bbox="292 947 448 1149">Net cumulative position transaction amount</th> <th data-bbox="448 947 622 1149">Net cumulative position transaction amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="164 1149 292 1227">Chairman</td> <td data-bbox="292 1149 448 1227">USD 6 million</td> <td data-bbox="448 1149 622 1227">USD 3 million</td> </tr> <tr> <td data-bbox="164 1227 292 1305">President</td> <td data-bbox="292 1227 448 1305">USD 4 million</td> <td data-bbox="448 1227 622 1305">USD 1 million</td> </tr> <tr> <td data-bbox="164 1305 292 1429">Senior Finance AVP</td> <td data-bbox="292 1305 448 1429">USD 2 million</td> <td data-bbox="448 1305 622 1429">—</td> </tr> <tr> <td data-bbox="164 1429 292 1507">Finance AVP</td> <td data-bbox="292 1429 448 1507">USD 1 million</td> <td data-bbox="448 1429 622 1507">—</td> </tr> <tr> <td data-bbox="164 1507 292 1590">Finance Manager</td> <td data-bbox="292 1507 448 1590">USD 0</td> <td data-bbox="448 1507 622 1590">—</td> </tr> </tbody> </table> <p>2. Omitted. 3. description of relevant procedures:</p> | | Hedging transactions | Non-hedging transactions | Level | Net cumulative position transaction amount | Net cumulative position transaction amount | Chairman | USD 6 million | USD 3 million | President | USD 4 million | USD 1 million | Senior Finance AVP | USD 2 million | — | Finance AVP | USD 1 million | — | Finance Manager | USD 0 | — | <p>Article 4 Operating procedures: 1. Authorized amount and management level:</p> <table border="1" data-bbox="647 869 1106 1668"> <thead> <tr> <th data-bbox="647 869 775 947"></th> <th data-bbox="775 869 932 947">Hedging transactions</th> <th data-bbox="932 869 1106 947">Non-hedging transactions</th> </tr> <tr> <th data-bbox="647 947 775 1149">Level</th> <th data-bbox="775 947 932 1149">Net cumulative position transaction amount</th> <th data-bbox="932 947 1106 1149">Net cumulative position transaction amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="647 1149 775 1227">Chairman</td> <td data-bbox="775 1149 932 1227">USD 6 million</td> <td data-bbox="932 1149 1106 1227">USD 3 million</td> </tr> <tr> <td data-bbox="647 1227 775 1305">President</td> <td data-bbox="775 1227 932 1305">USD 4 million</td> <td data-bbox="932 1227 1106 1305">USD 1 million</td> </tr> <tr> <td data-bbox="647 1305 775 1429">The head of finance department</td> <td data-bbox="775 1305 932 1429">USD 2 million</td> <td data-bbox="932 1305 1106 1429">—</td> </tr> <tr> <td data-bbox="647 1429 775 1668">Authorized traders of finance department</td> <td data-bbox="775 1429 932 1668">USD 1 million</td> <td data-bbox="932 1429 1106 1668">—</td> </tr> </tbody> </table> <p>2. Omitted. 3. description of relevant procedures:</p> | | Hedging transactions | Non-hedging transactions | Level | Net cumulative position transaction amount | Net cumulative position transaction amount | Chairman | USD 6 million | USD 3 million | President | USD 4 million | USD 1 million | The head of finance department | USD 2 million | — | Authorized traders of finance department | USD 1 million | — | <p>1. Authorized and management level Modification. 2. Word Modification.</p> |
| | Hedging transactions | Non-hedging transactions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Level | Net cumulative position transaction amount | Net cumulative position transaction amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chairman | USD 6 million | USD 3 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| President | USD 4 million | USD 1 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Finance AVP | USD 2 million | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance AVP | USD 1 million | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance Manager | USD 0 | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hedging transactions | Non-hedging transactions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Level | Net cumulative position transaction amount | Net cumulative position transaction amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chairman | USD 6 million | USD 3 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| President | USD 4 million | USD 1 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The head of finance department | USD 2 million | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Authorized traders of finance department | USD 1 million | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Before amendment | After amendment | Reason for amendment |
|---|---|----------------------|
| <p style="text-align: center;">Description / Responsible department</p> | <p style="text-align: center;">Description / Responsible department</p> | |
| <p>*Description: (1) Order placement with financial institutions <u>in accordance with authorized scope</u></p> <p>* Responsible department: Omitted</p> | <p>*Description: (1) Prior to Order placement with financial institutions, <u>company shall make confirmation of trading position and concrete measures, fill in Forex evaluation form for get approval</u></p> <p>* Responsible department: Omitted.</p> | |
| <p>*Description: (2) <u>Filling out of foreign exchange assessment form prior to carrying out of transactions</u>; submission to personnel in charge of settlement and banks; notification of accounting unit upon verification of foreign exchange forward contracts</p> <p>* Responsible department: Omitted.</p> | <p>*Description: (2) After transaction completion, submission to personnel in charge of settlement and banks; notification of accounting unit upon verification of foreign exchange forward contracts</p> <p>* Responsible department: Omitted.</p> | |
| <p>*Description: (3) Confirmation of review of aforementioned transaction documents by relevant personnel; checking of accounts on a monthly basis according to lists of unsettled forward exchange transactions provided by the financial unit.</p> <p>* Responsible department: Omitted.</p> | <p>*Description: (3) Confirmation of review of aforementioned transaction documents by relevant personnel; checking of accounts on a monthly basis according to lists of unsettled forward exchange transactions provided by the financial unit</p> <p>* Responsible department: Omitted.</p> | |
| <p>*Description: (4) Responsible personnel shall carry out settlement upon confirmation of documents when contract expires and submit an Assessment Form on Unrealized Gains or Losses to the accounting unit</p> | <p>*Description: (4) Responsible personnel shall carry out settlement <u>upon document which is confirmed by relevant personnel</u> when contract expires and submit an Assessment Form on Unrealized Gains or Losses to the accounting unit at the end of every month for <u>acknowledge</u>.</p> <p>* Responsible department:</p> | |

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| <p>at the end of every month. * Responsible department: Omitted.</p> <p>*Description: (5) Account entry in accordance with relevant accounting procedures and public announcement pursuant to <u>the regulations of FSC on a monthly basis.</u></p> <p>* Responsible department: Omitted.</p> <p>*Description: (6) Monthly compilation of a Memorandum Book on Financial Derivative Transactions to be forwarded to the accounting unit for scrutiny.</p> <p>* Responsible department: Omitted.</p> | <p>Omitted.</p> <p>*Description: (5) Account entry in accordance with relevant accounting procedures and public announcement</p> <p>* Responsible department: Omitted.</p> <p>*Description: (6) Monthly compilation of a Memorandum Book on Financial Derivative Transactions to be forwarded to the accounting unit for scrutiny</p> <p>* Responsible department: Omitted.</p> <p>*Description: (7) <u>Declaration in accordance with the provisions of Finance Supervisory Commission R.O.C.</u></p> <p>* Responsible department: <u>Accounting Unit</u></p> | |
| <p>Article 5 Public announcement and declaration procedures: The accounting unit shall enter relevant data pertaining to derivative transactions engaged in by this company and subsidiaries that are not public companies of the Republic of China until the end of the previous month together with monthly business conditions on the information reporting website designated by FSC in the prescribed format by the 10th of every month.</p> | <p>Article 5 Public announcement and declaration procedures: <u>1.</u>The accounting unit shall enter relevant data pertaining to derivative transactions engaged in by this company and subsidiaries that are not public companies of the Republic of China until the end of the previous month together with monthly business conditions on the information reporting website designated by FSC in the prescribed format by the 10th of every month.</p> <p><u>2. Once upon the loss of derivative transactions reach to the ceiling in accordance with 3rd article 5th clause, company shall upload information to website designated by FSC in the</u></p> | <p>Amendment was made in correspondence with regulations.</p> |

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| | <u>prescribed format within two days from the date of occurrence of the event.</u> | |
| <p>Article 7 Internal control system:</p> <p>1. Internal control of operating procedures:</p> <p>(1) Omitted</p> <p>(2) Omitted</p> <p>(3) The accounting unit shall upload lists of unsettled foreign exchange forward transactions provided by the financial unit on a monthly basis to the Market Post Observation System by the tenth of the following month</p> <p>(4) Omitted.</p> <p>(5) The financial unit shall conduct evaluations of unsettled foreign exchange balances <u>twice a month</u></p> <p>(6) When the financial unit engages in derivative transactions, it shall create a detailed record of the transaction type, amount, date of board approval, and items requiring careful assessment in a memorandum book.</p> <p>2. Omitted</p> <p>3.Regular assessment and handling of irregularities:</p> <p>(1) Omitted.</p> <p>(2)Top executives authorized by the board of directors shall manage derivative transactions in accordance with the following principles:</p> <p>(i) Omitted.</p> <p>(ii) Gains and losses incurred by transactions shall be constantly monitored. If irregularities are detected, appropriate response measures shall be adopted</p> | <p>Article 7 Internal control system:</p> <p>1. Internal control of operating procedures:</p> <p>(1)Omitted</p> <p>(2)Omitted</p> <p>(3)The accounting unit shall upload lists of unsettled foreign exchange forward transactions provided by the financial unit on a monthly basis to the Market Post Observation System by the tenth of the following month, <u>Once upon the ceiling loss refer to in the 3rd article 5th clause of this article ,company shall declare within two days.</u></p> <p>(4)Omitted</p> <p>(5) The financial unit shall conduct evaluations of unsettled foreign exchange balances <u>by category conformity with the cycle regulated in the law, and the report shall be submitted to the top management authorized by board of directors.</u></p> <p>(6) When the financial unit engages in derivative transactions, it shall create a detailed record of the transaction type, amount, date of board approval, items,<u>etc.</u> careful assessment in a memorandum book.</p> <p>2.Omitted</p> <p>3.Regular assessment and handling of irregularities:</p> <p>(1) Omitted.</p> <p>(2) <u>the top management authorized by board of directors shall manage derivative transactions based on below principle</u></p> | <p>1.Word Modification</p> <p>2.Amendment was made in correspondence with regulations and actual operating need..</p> |

| Before amendment | After amendment | Reason for amendment |
|--|--|---|
| <p>and reports shall be submitted to the board of directors in a prompt manner. <u>If independent directors have been appointed</u>, these directors shall attend related board meetings and express their opinions.</p> <p>(3) Personnel in charge of risk measurement, monitoring, and control and the personnel referred to in Paragraph 1, Clause 1 of this article shall belong to different departments.</p> | <p>(i) Omitted.</p> <p>(ii) Gains and losses incurred by transactions shall be constantly monitored. If irregularities are detected, appropriate response measures shall be adopted and reports shall be submitted to the board of directors in a prompt manner. these directors shall attend related board meetings and express their opinions.</p> <p>(3) Personnel in charge of risk measurement, monitoring, and control and the personnel referred to in Paragraph 1, Clause 1 of this article shall belong to different departments.</p> | |
| <p>Article 8 Internal audit: Internal auditors shall conduct regular reviews of the suitability of internal controls of derivative transactions and inspect monthly the compliance of the trading departments with the "Procedures Governing the Handling of Derivative Transactions" and compile their findings into an auditing report. Serious violations shall be reported to <u>the supervisors</u> in writing.</p> | <p>Article 8 Internal audit: Internal auditors shall conduct regular reviews of the suitability of internal controls of derivative transactions and inspect monthly the compliance of the trading departments with the "Procedures Governing the Handling of Derivative Transactions" and compile their findings into an auditing report. Serious violations shall be reported to <u>Audit Committee</u> in writing.</p> | <p>Amendment was made in correspondence with setup of Audit Committee.</p> |
| <p>Article 9 Other matters: These handling procedures and all amendments thereof <u>shall</u> be submitted to a shareholders meeting for ratification upon approval by the board. These handling procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second</p> | <p>Article 9 Other matters: These handling procedures and all amendments thereof shall <u>be effective by a majority of all members of the Audit Committee, further submitted to the board of directors for resolution and further submitted to the shareholders meeting for approval.</u> <u>If Procedures and any revision is not approved by a majority of all</u></p> | <p>1. Amendment was made in correspondence with regulation and setup of Audit Committee. 2. Adding the amendment sequence number, and the date of the latest amendment.</p> |

| Before amendment | After amendment | Reason for amendment |
|--|--|----------------------|
| <p>time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 21, 2007. They were amended for the fifth time on June 22, 2012.</p> | <p><u>members of the Audit Committee, alternatively, such may be approved by two-thirds of all directors, provided that in such case, the resolutions adopted by the Audit Committee shall be recorded in the minutes of the meeting of the board of directors. When submit to the board of directors for deliberation, company shall fully put all independent directors' opinions into consideration, if any opposition or qualified opinion occurs, which shall be recorded in the meeting minutes.</u> <u>The term "entire membership of Audit Committee and Directors" as used in the Procedure shall be calculated as the number of members actually in office.</u> These handling procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 21, 2007. They were amended for the fifth time on June 22, 2012. <u>They were amended for the sixth time on June 24, 2016.</u></p> | |

Attachment 8

TTY BIOPHARM COMPANY LIMITED

Regulations for Election of Directors and Supervisors Amendment Comparison Table

| Before amendment | After amendment | Reason for amendment |
|---|---|---|
| Regulations for Election of Directors <u>and Supervisors</u> | Regulations for Election of Directors | Correction of the title of the regulation in compliance with the setup of Audit Committee. |
| Article 1 Election of directors <u>and supervisors</u> shall be acted upon in accordance with these regulations. | Article 1 Election of directors shall be acted upon in accordance with these regulations. | Deletion the Supervisor in compliance with the setup of Audit Committee. |
| Article 2 <u>Election of directors and supervisors shall be held at the shareholders' meeting.</u> The Company's directors shall be elected from those who have capacity to make juridical acts by shareholders' meeting. | Article 2 The Company's directors shall be elected from those who have capacity to make juridical acts by shareholders' meeting. | 1. Deletion the Supervisor in compliance with the setup of Audit Committee. 2. Word Modification |
| Article 3 Election of directors <u>and supervisors</u> shall proceed according to <u>cumulative voting principless</u> . For voters' registration, shareholder attendee card numbers may be substituted for voters' names. | Article 3 Election of directors <u>and supervisors</u> shall proceed according to <u>cumulative voting principles</u> . For voters' registration, shareholder attendee card numbers may be substituted for voters' names. | 1. Deletion the Supervisor in compliance with the setup of Audit Committee. 2. Word Modification |
| Article 4 In the election for the directors and supervisors, unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, each common share is entitled to the number of voting rights equivalent to the numbers of directors (or supervisors) to be elected; election ballots of the number equal to the number of the director(s) or supervisor(s) that shall be elected is prepared by the board of directors and dispatched | Article 4 In the election for the directors, unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, each common share is entitled to the number of voting rights equivalent to the numbers of directors to be elected; election ballots of the number equal to the number of the director(s). Votes may be cast for only one candidate or a few candidates. | 1. Deletion the Supervisor in compliance with the setup of Audit Committee. 2. Word Modification |

| Before amendment | After amendment | Reason for amendment |
|--|---|--|
| to the shareholder. Votes may be cast for only one candidate or a few candidates. | | |
| <p>Article 5 In the election of directors <u>and supervisors</u> of the Company, candidates who acquire more votes should win the seats of directors or supervisors <u>separately</u>. A candidate <u>simultaneously elected as a director and supervisor shall, at the candidate's own discretion, decide to serve as either director or supervisor</u>. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.</p> | <p>Article 5 In the election of directors of the Company, <u>votes of independent directors and non-independent directors elected shall be calculated separately</u>. Candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.</p> | Deletion the Supervisor in compliance with the setup of Audit Committee and correct the votes calculation of the election of directors |
| <p>Article 6 The board of directors <u>prepares</u> election ballots of the number equal to the number of the director(s) or supervisor(s) that shall be elected, bearing the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.</p> | <p>Article 6 The board of directors shall prepare election ballots of the number equal to the number of the director(s) that shall be elected, bearing the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.</p> | 1.Deletion the Supervisor in compliance with the setup of Audit Committee. 2. Word Modification |
| <p>Article 7 <u>When</u> voting commences, the chairperson shall appoint scrutinizer and <u>ballot counter</u> to check and record the ballots.</p> | <p>Article 7 <u>Before</u> voting commences, the chairperson shall appoint <u>ballot counter</u> and scrutinizer <u>who is shareholder</u> to record and check the ballots.</p> | Amendment was made in correspondence with actual need. |
| <p>Article 8 The Board of Directors shall set up the ballot <u>box</u> and have such box checked by scrutinizer in</p> | <p>Article 8 The Board of Directors shall set up the ballot <u>box</u> and have such box checked by scrutinizer in</p> | Word Modification |

| Before amendment | After amendment | Reason for amendment |
|---|---|----------------------|
| public before the voting. | public before the voting. | |
| <p>Article 9</p> <p>If the candidate is a shareholder, the voter must fill in the candidate’s shareholder account name and account number in the “<u>Candidate</u>” box on the ballot and throw in the ballot <u>box</u>. If the candidate is not a shareholder, the voter shall fill in the candidate’s name and identification number in the “<u>Candidate</u>” box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate’s full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated</p> | <p>Article 9</p> <p>If the candidate is a shareholder, the voter must fill in the candidate’s shareholder account name and account number in the “<u>Candidate</u>” box on the ballot and throw in the ballot <u>box</u>. If the candidate is not a shareholder, the voter shall fill in the candidate’s name and identification number in the “<u>Candidate</u>” box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate’s full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated</p> | Word Modification |
| <p>Article 10</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> 1. A ballot is not prepared according this regulation. 2. The blank ballot was cast in the ballot <u>box</u>. 3. Illegible handwriting or corrections without regulation compliance after erased or changed. 4. If the write-in candidate is a <u>shareholder</u>, the account or account number written on the ballot is inconsistent with the shareholder list. If the write-in candidate is not a <u>shareholder</u>, the candidate’s name, <u>ID number</u> or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent. | <p>Article 10</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> 1. A ballot is not prepared according this regulation. 2. The blank ballot was cast in the ballot <u>box</u>. 3. Illegible handwriting or corrections without regulation compliance after erased or changed. 4. If the write-in candidate is a <u>shareholder</u>, the account <u>name</u> or account number written on the ballot is inconsistent with the shareholder list. If the write-in candidate is not a <u>shareholder</u>, the candidate’s name, <u>ID</u> or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent. 5. The number of write-in | Word Modification |

| Before amendment | After amendment | Reason for amendment |
|---|---|--|
| <p>5. The number of write-in candidates is two or more than two candidate.</p> <p>6. Other words or marks are written in addition to the candidate, shareholder account number, or ID card or government uniform invoice (GUI) number.</p> <p>7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.</p> | <p>candidates is two or more than two candidate.</p> <p>6. Other words or marks are written in addition to the candidate <u>name</u>, shareholder account number, or ID card or government uniform invoice (GUI) number.</p> <p>7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.</p> | |
| <p>Article 11 <u>The ballot box should be set up for the election of directors and supervisors separately. After separate voting, the ballotbox should be opened with scrutinizer.</u></p> | <p>Article 11 The ballot <u>box</u> should be opened by scrutinizer at the spot and <u>calculated by ballot counter right after the vote casting</u></p> | <p>1. Deletion the Supervisor in compliance with the setup of Audit Committee. ° 2. Word Modification</p> |
| <p>Article 12 The ballots shall be <u>counted</u> immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.</p> | <p>Article 12 The ballots shall be <u>counted</u> immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.</p> | <p>Word Modification</p> |

Attachment 9

TTY BIOPHARM COMPANY LIMITED

List of Independent Director Candidate (Nominated by Broad of Director)

| Name | Education | Career and Experience | Shares Held (shares) |
|------------------|--|---|----------------------|
| TSAI, DUEI | Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University | <ol style="list-style-type: none"> 1. Independent Director, Compal Electronics, INC(present) 2. Independent Director, Taiwan Taxi Co., Ltd(present) 3. Adjunct Professor, Department of Electronic and Computer Engineering, National Taiwan University of Science and Technology (present) 4. Minister, Ministry of Transportation and Communications R.O.C. 5. Director General, Civil Aeronautics Administration, Ministry of Transportation and Communications R.O.C. 6. Deputy Director General, Directorate General of Telecommunications, Ministry of Transportation and Communications R.O.C. | 0 |
| HSUEH, MING-LING | MS., Graduate Institute of Accounting, Soochow University MBA, Bloomsburg University, Pennsylvania, USA | <ol style="list-style-type: none"> 1. CPA, Pu Hwa Accounting Firm (present) 2. Adjunct Professor, School of Management, National Taiwan University of Science and Technology (present) 3. Independent Director, Walsin Lihwa Corporation (present) 4. Chairman, PricewaterhouseCoopers Taiwan 5. Adjunct Associate Professor, College of Technology Management, National Tsing Hua University 6. Member of the Committee in charge of the examination affairs and qualification screening for | 0 |

| Name | Education | Career and Experience | Shares Held (shares) |
|--------------|---|--|----------------------|
| | | professional and technologies, Examination Yuan 7. Director, Corporate Governance Association in Taiwan | |
| LIN, TIEN-FU | General Program, Yu Da Institute of Business Intermediate Accounting Group, Center for Public Administration and Business Management Education, National Chengchi University, Accounting Training Session 52 Common Accounting Group and Session 57 | 1. Chairman, Yuanta Futures Co., Ltd. (present) 2. Director, Yuanta Foundation (present) 3. Executive Vice President ,President, Yuanta Securities 4. Executive Vice President, Yuanta Financial Holdings 5. Vice Chairman, Yuanta Securities Finance 6. President, Fuhwa Securities 7. Executive Vice President, Yuanta Core Pacific Securities | 0 |

The qualification of above independent director candidate was reviewed at the Board meeting on May 10, 2016

VIII 、 Appendices

Appendices 1

(Before amendment of 2016 General Shareholder's Meeting)

TTY BIOPHARM COMPANY LIMITED

Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act.
- Article 2 Business areas of the company are as follows:
1. C801010 Basic Industrial Chemical Manufacturing
 2. C802041 Western Medicine Manufacturing
 3. F108021 Wholesale of Western Medicine
 4. F208021 Retail Sale of Western Medicine
 5. F108031 Wholesale of Medical Equipments
 6. F208031 Retail Sale of Medical Equipments
 7. C802060 Animal Use Medicine Manufacturing
 8. C802070 Pesticide Manufacturing
 9. C802080 Environmental Agents Manufacturing
 10. C802100 Cosmetics Manufacturing
 11. C804020 Industrial Rubber Products Manufacturing
 12. C804990 Other Rubber Products Manufacturing
 13. C901020 Glass and Glass Made Products Manufacturing
 14. CF01011 Medical Materials and Equipment Manufacturing
 15. F102170 Wholesale of Food and Grocery
 16. F203010 Retail Sale of Food, Grocery, and Beverages
 17. IG01010 Biotechnology Services
 18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3 The Company may formulate regulations governing external endorsements/guarantees pursuant to relevant government regulations subject to ratification by the shareholder meeting. All guarantees shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.
- Article 4 The total reinvestment amount may exceed 40% of the paid-in capital. Reinvestment related matters shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.
- Article 5 The Company has its domicile in Taipei City and may establish branches in other suitable locations if deemed necessary.

Article 6 Public announcements of the Company shall be handled in accordance with the regulations set forth in Article 28 of the Company Act.

Chapter 2 Shares

Article 7 The total capital of the Company is NT\$ 3.5 billion divided into 350 million shares. The par value of each share is NT\$ 10. The board of directors shall be authorized to issue these shares in subsequent offerings.

Article 8 All stocks of the Company shall be inscribed and a minimum of three board directors shall affix their signatures and seals. Stocks shall be issued upon certification in accordance with relevant laws.

Article 8.1 It shall not be required to print stocks for shares issued by the Company, but shares shall be registered upon negotiation with centralized securities depository enterprises

Article 9 Transfer, inheritance, grants, pledge, loss, or other stock related services shall be handled pursuant to the Regulations Governing the Administration of Stock Affairs by Public Companies and other relevant laws and regulations.

Article 10 Stock name change and transfer shall be suspended within 60 days prior to the convening of Regular Shareholders Meetings, thirty days prior to Extraordinary Shareholders Meetings, and five days prior to the distribution of stock dividends by the company or the record date of other benefits.

Chapter 3 Shareholders Meeting

Article 11 Annual Shareholders Meetings shall be convened by the board of directors within 6 months upon the end of the accounting year. Extraordinary Shareholders Meetings may be convened when deemed necessary in accordance with relevant laws.

Article 12 Shareholders shall be entitled to one vote per share unless relevant laws stipulate otherwise.

Article 12.1 Where shareholders are for any reason unable to personally attend shareholders meetings, they may assign a proxy by presenting a power of attorney printed and issued by the company. Relevant matters shall be handled in accordance with the regulations set forth in Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 13 Board resolutions require the attendance of shareholders representing a majority of the issued voting shares unless relevant laws stipulate otherwise as well as the approval of the majority of the voting rights represented at the meeting.

Article 13.1 Resolution items of the shareholders meeting shall be compiled into meeting minutes with the affixed signature and seal of the chairperson. These minutes shall be distributed or made known to the shareholders per public notice within 20 days after the meeting. The meeting minutes shall specify the date, location, name of chair, resolution methods, main agenda items, and results. The minutes shall be preserved permanently. The shareholder attendance book and the powers of attorney for proxies

shall be preserved for a minimum of one year. Where litigation is initiated by shareholders pursuant to Article 189 of the Company Act, said documents shall be preserved until the conclusion of litigation.

Chapter 4 Directors and supervisors

Article 14 The Company shall appoint 5 to 11 board directors and 3 supervisors. The number of directors shall be determined in a board meeting. Board directors shall serve for a term of three years. They shall be elected by a shareholders meeting from candidates with full legal capacity. They may serve consecutive terms if reelected.

At least of the aforementioned 5 to 11 directors and 20% of the aforementioned quota shall be independent directors. A candidate nomination system shall be employed and the shareholders meeting shall elect independent directors from the list of candidates. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in charge of securities.

Article 14.1 When terms of directors or supervisors expire prior to elections, terms may be extended until the newly elected directors and supervisors assume office. The total number of inscribed stocks held by the directors and supervisors of the Company shall conform to the standards prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies made public by the competent authority.

Article 14.2 When director vacancies account for 1/3 or all supervisors resign, the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors/supervisors shall serve for the remainder of the original terms.

Article 14.3 Board meetings shall be convened annually.

Directors and supervisors shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies.

Directors/supervisors shall be notified of scheduled meetings in writing, by fax, or by e-mail.

Article 14.4 The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors. The Audit Committee shall replace the supervisors and the regulations pertaining to supervisors in these articles of incorporation shall be repealed on the date of establishment of the committee.

The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company.

Article 15 The board is composed of directors who shall elect a chairperson and vice chairperson from among their ranks. The chairperson and vice chairperson shall be elected by a majority of the board directors in attendance with an attendance rate of at least 2/3.

Article 16 Where the chairperson is on leave or for any reason unable to exercise his/her powers, an acting chairperson shall be appointed pursuant to the regulations set forth in Article 208 of the Company Act.

Article 16.1 Board directors shall personally attend board meetings. The assignment of proxies shall conform to the regulations set forth in Article 205 of the Company Act. Where board meetings are conducted by video conference, participation in the conference shall be viewed as personal attendance.

Article 17 All business policies and key items of the Company shall be handled in accordance with board resolutions. All board resolutions require the attendance of a majority of board directors and approval by a majority of the directors in attendance unless relevant regulations set forth in the Company Act stipulate otherwise.

Article 17.1 The Company may purchase liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws. This regulation shall also be applicable to supervisors.

Article 18 Supervisors shall exercise their supervisory duties in accordance with relevant laws and may attend board meetings to state their opinions. They shall have no voting rights.

Chapter 5 Managers

Article 19 The Company shall appoint a president and one registered manager each for branches. Appointment, dismissal, and remuneration related matters shall be handled pursuant to the regulations set forth in Article 29 of the Company Act.

Chapter 6 Accounting

Article 20 The accounting year runs from January 1 to December 31. Accounts shall be settled at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which shall be submitted to the supervisors for review 30 days prior to the Regular Shareholders Meeting. These documents and the review report shall be submitted to the shareholders meeting for ratification and forwarded to the competent authority for approval for future reference in accordance with relevant laws.

1. Business report
2. Financial statement
3. Surplus allocation or loss make-up proposal

Article 21 Where surpluses are recorded upon annual settlement of accounts, 10% shall be

appropriated as legal reserve upon payment of taxes and making up for previous losses in accordance with relevant laws. A special reserve may be set aside if deemed necessary. Distribution ratios for the remainder shall be defined as follows:

1. Rewards for directors and supervisors shall not exceed 2%.
2. Employee bonuses shall range from 2% to 8%.
3. Proposals for allocation of all or part of the remainder as shareholder bonuses or retained earnings shall be formulated by the board of directors and implemented upon resolution of the shareholders meeting.

Article 21.1 In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting

Article 21.2 The Company shall adopt a dividend equalization policy to ensure a sound financial structure and safeguard investor rights and interests. A minimum of 50% of distributable surpluses in the respective year shall be distributed as stock dividends. A minimum of 10% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends.

Article 21.3 The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the company with reference to prevailing industry standards. In case of surpluses, rewards shall be granted pursuant to the regulations set forth in Article 21.

Chapter 7 Supplementary provisions

Article 22 The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors.

Article 23 Matters not specifically covered in these articles of incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws.

Article 24 These articles of incorporation were formulated on June 23, 1960.
They were amended for the first time on June 17, 1966.
They were amended for the second time on June 17, 1967.
They were amended for the third time on January 22, 1968.
They were amended for the fourth time on September 20, 1969.
They were amended for the fifth time on September 11, 1978.
They were amended for the sixth time on September 30, 1980.
They were amended for the seventh time on November 25, 1982.
They were amended for the eighth time on March 28, 1986.

They were amended for the ninth time on February 2, 1989.
They were amended for the tenth time on May 10, 1990.
They were amended for the eleventh time on October 12, 1991.
They were amended for the twelfth time on December 2, 1993.
They were amended for the thirteenth time on July 24, 1995.
They were amended for the fourteenth time on July 25, 1997.
They were amended for the fifteenth time on October 7, 1997.
They were amended for the sixteenth time on November 27, 1997.
They were amended for the seventeenth time on May 22, 1998.
They were amended for the eighteenth time on June 25, 1999.
They were amended for the nineteenth time on March 24, 2000.
They were amended for the twentieth time on December 22, 2000.
They were amended for the twenty-first time on June 8, 2001.
They were amended for the twenty-second time on June 8, 2001.
They were amended for the twenty-third time on May 13, 2002.
They were amended for the twenty-fourth time on May 13, 2002.
They were amended for the twenty-fifth time on May 19, 2003.
They were amended for the twenty-sixth time on May 19, 2003.
They were amended for the twenty-seventh time on June 1, 2004.
They were amended for the twenty-eighth time on June 1, 2004.
They were amended for the twenty-ninth time on June 10, 2005.
They were amended for the thirtieth time on June 14, 2006.
They were amended for the thirty-first time on June 19, 2009.
They were amended for the thirty-second time on June 25, 2010.
They were amended for the thirty-third time on June 22, 2012.
They were amended for the thirty-fourth time on June 25, 2013.
They were amended for the thirty-fifth time on June 16, 2015.

Appendices 2

(Before amendment of 2016 General Shareholder's Meeting)

TTY BIOPHARM COMPANY LIMITED **Regulations for Lending Funds to Other Parties**

Article 1 Purpose:

If the Company deems it necessary to loan funds to others for business needs, these operational procedures shall be strictly observed. For matters not specifically covered in these procedures, regulations set forth in relevant laws shall apply.

Article 2 Legal basis:

These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing the Loaning of Funds by Public Companies (hereinafter referred to as "these Regulations") of the Financial Supervisory Commission (hereinafter referred to as "FSC"). If other laws stipulate otherwise, the provisions of those laws shall govern.

Article 3 Loan beneficiaries:

Loans granted by the Company to others shall meet the following criteria (these restrictions shall not apply to foreign investment of loaned funds for business needs as stipulated in the provisions set forth in Article 3, Paragraph 2 of the MoEA Regulations Governing the Review of Foreign Investments and Technical Cooperation):

1. Loans to companies or businesses that have business dealings with the Company. The term "business dealings shall refer to orders from or sales to the Company.
2. Loans to companies or businesses with short-term financing needs. The term "short-term" shall refer to a period of a one-year or one operating cycle (whichever is longer)

Article 4 Reason and necessity of loans to others:

Where the Company engages in the loaning of funds as a result of business dealings, such dealings shall have already occurred and the loan amount shall be equivalent to the order or sales amount (whichever is higher) in the most recent fiscal year or in the current year until the time the loan is granted. The following restrictions shall apply for loans to meet short-term financing needs:

1. The Company adopts an equity method to determine the needs of invested companies generated by return of bank loans, purchase of equipment, or working capital demands.
2. Businesses in which the Company indirectly holds over 50% of all shares have financing needs generated by return of bank loans, purchase of equipment, or working capital demands.
3. Businesses in which the Company directly or indirectly holds over 50% of all shares have reinvestment needs and such reinvestments are related to the business operations and benefit the business development of the Company

Article 5 Maximum loan amount:

1. The total loan amount shall not exceed 20% of the net worth of the Company as stated in the most recent financial statement.
2. Individual loans to companies or businesses that have business dealings with the Company shall not exceed the total amount of mutual business dealings. Financing

amounts shall not exceed 10% of the net worth of the Company as stated in the most recent financial statement as well as 40% of the net worth of the loan recipient. The term “total amount of mutual business dealings” shall refer to mutual order or sales amounts (whichever is higher). The term “financing amounts” shall refer to cumulative balances of short-term financing capital.

The restriction that total financing amounts shall not exceed 40% of the net worth of loan recipients shall not apply to foreign companies with short-term financing needs in which the Company directly or indirectly holds 100% of the voting shares.

Article 6 Detailed handling and review procedures for loaning of funds:

1. Application procedures:

- (1) Issuance of a letter of request.
- (2) Where the company engages in the loaning of funds due to business dealings, the financial unit shall first assess whether the loan amount is equivalent to the amount of the business dealings.
- (3) Where the company engages in the loaning of funds due to short-term financing needs, the necessity of financing capital shall be determined and credit checks shall be carried out.
- (4) Assessment results shall be approved by the chairman of the board and loans shall be subject to approval by resolution of the board.
- (5) Loaning of funds to subsidiaries or between subsidiaries shall be reported to the board for resolution pursuant to the regulations set forth in the preceding clause. The chairman may be authorized to give loans in installments or make a revolving credit line available to the same loan recipient within a certain monetary limit resolved by the board of directors and within a period of no more than one year.
- (6) The “monetary limit” as stated in the preceding clause shall conform to the regulations set forth in Article 5. In addition, the authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth of the lending company as stated in the most recent financial statement.
- (7) If the company decides to appoint independent directors in the future, the opinions of these independent directors shall be taken into full consideration when loaning funds to others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.

The terms “subsidiary” and “parent company” as used in these operational procedures shall be defined in accordance with the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Security Issuers.

2. Loan beneficiary credit checks and risk assessment:

- (1) First-time borrowers shall provide basic personal and financial information to facilitate credit check operations
- (2) Follow-up credit checks shall be carried out when first-time borrowers apply for successive loans. In case of serious incidents or emergencies, the matter may be handled as required in accordance with actual needs.
- (3) Where the company conducts credit checks and risk assessments for borrowers, it

shall also assess operational risks and impacts on the financial status and shareholders' equity of the company itself generated by the loan.

3. Assessment of collateral value and definition of rights:

Borrowers shall pledge real estate or negotiable securities of equal value or submit promissory notes (with the repayment date as the due date of the note) for safekeeping by the Company for loans granted. Borrowers may also create a pledge or mortgage. The Company shall assess the value of the provided collateral to safeguard its creditor's rights.

Article 7 Time limit and interest calculation method for granted loans:

1. The time limit for financing loans shall not exceed one year. One extension of six months may be granted upon approval by resolution of the board. The repayment date shall be clearly stated when the loan is granted.
2. The interest rate for granted loans shall not be lower than the prime rate charged by Bank of Taiwan plus two percent. Interest shall be calculated for every loan according to the daily rate and settled and charged at the end of each month.

Article 8 Follow-up control and management measures for granted loans and handling of delinquent creditor's rights:

1. Financial units shall closely monitor the financial, business, and credit conditions after loans have been granted. Where collateral has been provided, changes in the value of such collateral shall also be closely monitored. In case of significant changes, the chairman shall be notified immediately and the matter shall be handled according to directions in an appropriate manner.
2. Where buyers repay loans on or prior to the due date, the principal shall be paid back together with the payable interest before the promissory note is returned to the borrower or the lien is cancelled after the loan is settled.
3. The borrower shall pay back the principal and interest when the loan is due or upon expiry of the six-month extension specified in Article 7, Clause 1. In case of violations, the Company shall be authorized to dispose of provided collateral as seen fit and take recourse against the debtor or guarantor in accordance with relevant laws.
4. The Company shall immediately prepare a memorandum book to truthfully record the following information in a detailed manner: beneficiaries, amounts, board approval dates, lending/borrowing dates, and assessments carried out pursuant to the regulations set forth in Article 6
5. Internal auditors of the Company shall review these operational procedures and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the supervisors shall be notified in a prompt manner.

Article 9 Public announcement and declaration procedures:

1. The Company shall publicly announce and declare the loan balances of its HQ and subsidiaries for the previous month on the Market Post Observation System by the 10th of each month.
2. Loan balances of the Company shall be publicly announced and declared within two days upon the date of occurrence if one of the following criteria is met:
 - (1) The balance of funds loaned to others by the Company and its subsidiaries exceeds 20% of the net worth of the Company as stated in the most recent

financial statement.

- (2) The balance of funds loaned to a single entity by the Company and its subsidiaries exceeds 10% of the net worth of the Company as stated in the most recent financial statement.
 - (3) Newly added loan amounts of the Company and its subsidiaries exceeds NT\$ 10 million and 2% of the net worth of the Company as stated in the most recent financial statement.
3. The Company shall make public announcements and declarations on behalf of subsidiaries that are not public companies of the Republic of China for matters requiring announcement and declaration pursuant to Clause 3 of the preceding paragraph.
 4. The Company shall assess the status of its loans and reserve sufficient allowance for bad debts. It shall also adequately disclose relevant information in its financial reports and provide CPAs with relevant information for implementation of necessary auditing procedures.

The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Article 10 Penalties for violations of these operational procedures by managers and personnel in charge:

Where managers and personnel in charge violate these operational procedures, penalties shall be imposed in accordance with the severity of the violation and the matter shall be reported for consideration during performance evaluations in accordance with the employee manual.

Article 11 Procedures for control and management of loans extended by subsidiaries:

1. Subsidiaries shall also formulate and abide by their own Operational Procedures for Loaning Funds to Others pursuant to the provisions set forth herein.
2. Subsidiaries shall submit data on loans extended in the previous month to the financial unit of the Company by the fifth of every month.
3. Internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the audit unit of the Company shall be notified in writing in a prompt manner. The audit unit of the Company shall submit relevant data to the supervisors in writing.
4. When auditors of the Company conduct reviews in subsidiaries in accordance with annual audit plans, they shall also examine the implementation conditions of the Operational Procedures for Loaning Funds to Others. Where deficiencies are detected, improvements shall be tracked constantly and tracking reports shall be compiled and submitted to the chairman.

Article 12 Transitional provisions:

Where loan recipients do not conform to the regulations set forth in these operational procedures or balances exceed the authorized limit due to a change in circumstances, the auditors shall urge the financial unit to devise improvement plans and submit these plans to the supervisors. Improvements shall be implemented in accordance with these plans.

Article 13 These operational procedures and all amendments thereof shall be submitted to the supervisors and reported to the Shareholders Meeting for approval upon ratification by the board. Any objection by a Director recorded or made in writing shall be submitted to the supervisors and reported to the Shareholders Meeting for deliberation.

If the company decides to appoint independent directors in the future, the opinions of these independent directors shall be taken into full consideration when these procedures are submitted to the board for deliberation in accordance with the regulations set forth in the preceding paragraph. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.

Article 14 These operational procedures were formulated on May 22, 1998.

They were amended for the first time on March 24, 2000.

They were amended for the second time on May 13, 2002.

They were amended for the third time on May 19, 2003.

They were amended for the fourth time on June 19, 2009.

They were amended for the fifth time on June 25, 2010.

They were amended for the sixth time on June 25, 2013.

Appendices 3

(Before amendment of 2016 General Shareholder's Meeting)

TTY BIOPHARM COMPANY LIMITED.

Regulations for Endorsement and Guarantee

Article 1 Purpose:

These regulations have been formulated to safeguard the company's shareholder equity and ensure sound financial management of endorsements/guarantees with low operational risks. For matters not specifically covered in these regulations, regulations set forth in relevant laws shall apply.

Article 2 Legal basis:

These operational procedures have been formulated pursuant to relevant provisions set forth in the Regulations Governing the Making of Endorsements/Guarantees by Public Companies (hereinafter referred to as "these Regulations") of the Financial Supervisory Commission (hereinafter referred to as "FSC"). If other laws stipulate otherwise, the provisions of those laws shall govern.

Article 3 Application scope:

The term endorsement/guarantee as used in these regulations shall refer to the following:

1. Financial endorsement/guarantee:

- (1) Discounted bill financing
- (2) Endorsement or guarantee made for the financing needs of another company.
- (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

2. Customs duty endorsement/guarantee: Endorsement or guarantee for the company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees: Endorsements or guarantees beyond the scope of the preceding two clauses. Any creation of a pledge or mortgage on its chattel or real property as security for the loans of another company.

Article 4 Endorsement/guarantee beneficiaries:

The Company may make endorsements/guarantees for the following companies:

1. A company with which it has business dealings
2. A company in which it directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company
4. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry for hospital or government procurement needs, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the company holds 100% of the voting shares.

5. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

The terms “subsidiary” and “parent company” as used in these regulations shall be defined in accordance with the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Security Issuers.

Article 5 Ceilings on the amount of endorsements/guarantees:

Aggregate endorsement/guarantee amounts permitted for the Company and its subsidiaries as a whole as well as the permitted amount for single entities are defined as follows:

1. The ceiling on endorsement/guarantee amounts for single entities shall be set at 20% of the net worth of the Company as stated in the most recent financial statement
2. The aggregate endorsement/guarantee amount shall not exceed 50% of the net worth as stated in the most recent financial statement
3. Where the company engages in endorsements/guarantees due to business dealings, the aggregate transaction amount with the Company in the most recent fiscal year shall not be exceeded (order or sales amount whichever is higher)

The term “Most Recent Financial Statement” as used in these regulations shall refer to financial statements for the most recent period composed in accordance with the International Financial Reporting Standards and certified by a CPA. The term “Net Worth” shall refer to balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 6 Hierarchy levels:

1. Endorsements/guarantees shall be approved by resolution of the board of directors prior to issuance. The board may authorize the chairman to give preliminary approval to endorsements/guarantees not exceeding 20% of the current net worth subject to subsequent ratification by the board.
2. If it is deemed necessary by the company to exceed the ceiling stipulated in Article 5 for business needs, approval by the board shall be required and a majority of the board members shall serve as joint guarantors for potential losses caused by exceeding the permitted limit. In addition, these regulations shall be amended subject to ratification by the shareholders meeting. If the shareholders meeting disapproves excess endorsements/guarantees, plans shall be formulated to remove the excess amount within a specified time limit.
3. If the company decides to appoint independent directors in the future, the opinions of these independent directors shall be taken into full consideration when making endorsements/guarantees for others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.

Article 7 Detailed handling and review procedures for endorsements/guarantees:

1. The company requesting an endorsement/guarantee shall submit detailed financial information to the financial unit of the Company. Prior to the handling of endorsements/guarantees, the financial unit shall conduct credit checks and

assessments of the operational risks and impacts on the financial status and shareholders' equity of the company itself generated by the guarantee/endorsement. This unit shall also review the qualifications of the company requesting an endorsement/guarantee and the reasons thereof and determine whether or not the endorsement/guarantee amount is equivalent to the amount of mutual business dealings if endorsements/guarantees are issued due to such dealings. The financial unit shall compile this information into an analysis report.

2. The Company shall immediately prepare a memorandum book to truthfully record the following information in a detailed manner: endorsement/guarantee beneficiaries, amounts, pledges and warranties, dates of board approval or authorized decisions by the chairman, endorsement/guarantee dates, description of collateral and assessment of its value as well as terms and dates of discharge of liability.
3. The chairman shall be authorized to approve endorsements/guarantees for companies within a ceiling of 20% of the current net worth of the Company. The financial unit shall be in charge of execution subject to subsequent ratification by the next board meeting. If the accumulated balance of endorsements/guarantees exceeds 20% of the current net worth, approval by the board shall be required and the matter shall be handled in accordance with board resolution(s).
4. The financial unit shall obtain a promissory note of an equivalent value and the same time limit from the company for which an endorsement or guarantee is issued and request collateral if deemed necessary.
5. The financial unit shall also be in charge of tracking and evaluation of the financial status and use of funds by the company for which an endorsement is issued. In case of major changes, the chairman shall be notified immediately and the matter shall be handled in an appropriate manner.
6. When the company for which an endorsement/guarantee has been issued pays back its loan, it shall submit relevant data to the Company so that the liability incurred through the guarantee can be discharged and a record can be made in the memorandum book.
7. The company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial statements and provide certified public accountants with relevant information for implementation of necessary audit procedures.
8. Internal auditors of the Company shall review the operational procedures governing endorsements/guarantees and the implementation conditions thereof at least on a quarterly basis and creates written records. Where serious infractions are detected, the supervisors shall be notified in a prompt manner.
9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the financial unit shall regularly assess the financial status and capital flow of said company, submit reports to the chairman, and handle relevant matters in and appropriate manner.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 8 Follow-up control and management measures for endorsements/guarantees issued by subsidiaries:

1. Subsidiaries shall also formulate and abide by their own Regulations Governing Endorsements/Guarantees pursuant to the provisions set forth herein. Net worth calculations shall be based on the net worth of the subsidiary. Subsidiaries shall submit data on endorsements/guarantees issued in the previous month to the financial unit of the Company by the fifth of every month for future reference.
2. The financial unit shall submit detailed lists of the balance of endorsements/guarantees issued by subsidiaries of the Company or with an equity investment of over 50% in the previous month to the chairman for review and approval.
3. Internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the audit unit of the Company shall be notified in writing in a prompt manner. The audit unit of the Company shall submit relevant data to the supervisors in writing.
4. When auditors of the Company conduct reviews in subsidiaries in accordance with annual audit plans, they shall also examine the implementation conditions of the Operational Procedures Governing Endorsements/Guarantees. Where deficiencies are detected, improvements shall be tracked constantly and tracking reports shall be compiled and submitted to the chairman.
5. Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the board of directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 4, Clause 6. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Article 9 Public announcement and declaration procedures time limit and standards:

The Company shall publicly announce and declare the balance of endorsements /guarantees of its HQ and subsidiaries for the previous month on the Market Post Observation System by the 10th of each month. In addition, endorsement/guarantee balances of the Company shall be publicly announced and declared on the Market Post Observation System within two days upon the date of occurrence if one of the following criteria is met:

1. The balance of endorsements/guarantees issued by the Company and its subsidiaries exceeds 50% of the net worth of the Company as stated in the most recent financial statement.
2. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds 20% of the net worth of the Company as stated in the most recent financial statement.
3. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds NT\$ 10 million or and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the net worth of the Company as stated in its most recent financial statement.
4. Newly added endorsement/guarantee amounts of the Company and its subsidiaries

exceed NT\$ 30 million and 5% of the net worth of the Company as stated in the most recent financial statement.

The Company shall make public announcements and declarations on behalf of subsidiaries that are not public companies of the Republic of China for matters requiring announcement and declaration pursuant to Clause 4 of the preceding paragraph. °

The term “occurrence date” as used in these operational procedures shall refer to the contract signature date for transactions, the payment date, the board resolution date, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Article 10 Seal safekeeping and usage procedures:

The company seal registered with the Ministry of Economic Affairs is the official seal for endorsements/guarantees. This seal shall be kept in custody of designated personnel and shall be used or affixed to promissory notes in accordance with these regulations and the Operational Regulations Governing Seal Management. Designated personnel in charge of safekeeping of the official seal for endorsements/guarantees and changes thereof shall be reported to the board of directors for approval.

Where the Company issues endorsements/guarantees for foreign companies, the letter of guarantee shall be signed by a person authorized by the board of directors.

Article 11 Transitional provisions:

Where endorsement/guarantee recipients originally conform to the regulations set forth in Article 4 but fails to conform to the provisions set forth in these regulations or endorsement/guarantee amounts exceed the authorized limit due to a change in ceiling calculation standards, improvement plans shall be devised and submitted to the supervisors. Improvements shall be implemented in accordance with these plans within the prescribed time limit.

Article 12 Penalties for violations by managers and personnel in charge:

Where managers and personnel in charge violate these regulations, penalties shall be imposed in accordance with the severity of the violation and the matter shall be reported for consideration during performance evaluations in accordance with the employee manual.

Article 13 These regulations and all amendments thereof shall be submitted to the supervisors and reported to the Shareholders Meeting for approval upon ratification by the board. Any objection by a Director recorded or made in writing shall be submitted to the supervisors and reported to the Shareholders Meeting for deliberation.

If the company decides to appoint independent directors in the future, the opinions of these independent directors shall be taken into full consideration when these regulations are submitted to the board for deliberation in accordance with the regulations set forth in the preceding paragraph. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.

These regulations were formulated on May 22, 1998.

They were amended for the first time on March 24, 2000.

They were amended for the second time on May 19, 2003.

They were amended for the third time on June 19, 2009.

They were amended for the fourth time on June 25, 2010.

They were amended for the fifth time on June 25, 2013.

Appendices 4

(Before amendment of 2016 General Shareholder's Meeting)

TTY BIOPHARM COMPANY LIMITED **Procedures for Financial Derivative Transactions**

Article 1 Purpose:

Establishment of a risk management and internal control system for derivative transactions to implement information transparency and safeguard investments.

Article 2 Legal basis:

These procedures have been amended pursuant to the regulations set forth in Article 36.1 of the Securities Exchange Act and Ordinance No. 0960001463 (titled "Regulations Governing the Acquisition and Disposal of Assets by Public Companies") issued by the Financial Supervisory Commission on January 19, 2007.

Article 3 Transaction Principles and Guidelines:

1. Transaction types:

(1) The term financial derivatives shall refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" as used in these procedures shall not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

(2) Matters pertaining to bond margin transactions shall be handled in accordance with relevant regulations set forth in these procedures.

2. Business and hedging strategies:

Company profits shall be derived from regular operations. Transactions of financial derivatives engaged in by the company shall be based on the principle of reduction of interest and exchange rate risks faced by the company with the goal of decreasing financial costs. The Company shall generally only engage in transactions for hedging purposes. Transactions for other specific purposes shall be carefully assessed and shall be subject to approval by the president prior to execution.

3. Division of Authority and Responsibility:

(1) Financial unit:

This unit shall only be authorized to conduct transactions to hedge against interest or exchange rate risks associated with deposits, accounts receivable, loans, or accounts payable generated by business or investment activities. In addition, it shall also be in charge of transaction settlement and regular assessment of outstanding gains and losses based on the balance of held financial derivative positions.

(2) Accounting unit: This unit shall be in charge of confirmation of transactions and handling of accounting matters

(3) Audit unit: This unit shall schedule audit cycles and conduct spot checks to determine compliance with these procedures in the execution of transactions ◦

4. Performance assessment:

(1) Hedging transactions:

(i) Gains and losses generated by transactions of financial derivatives engaged in due to exchange and interest rate costs associated with accounts shall constitute the basis of performance assessments.

(ii) Every transaction shall be recorded in detail on relevant lists for future

reference and gains and losses shall be assessed on a monthly basis.

(iii) The financial unit shall provide foreign exchange position evaluations, foreign exchange market trends, and market analysis for top executives and general manager as references and indicators for management.

(2) Non-hedging transactions:

Actual gains and losses shall constitute the basis for performance assessment. Accounting personnel shall compile regular reports on positions as a reference for the management level.

5. Limits on transaction contract values and loss ceilings:

(1) Limits on transaction contract values:

(i) Hedging transaction volume:

The financial unit shall gain a firm grasp of foreign exchange transaction conditions of the company and exchange rate fluctuations and conduct hedging transactions in a timely manner to avoid exchange rate risks based on actual demand for foreign currency payables and receivables.

(ii) Non-hedging transaction volume:

The financial unit shall conduct transactions upon submission of plans based on future demands for foreign exchange to the general manager or chairman for approval.

(2) Loss ceiling:

(i) Hedging transactions: 5% of the total transaction contract value

(ii) Non-hedging transactions: 5% of the total transaction contract value

If losses exceed the aforementioned ceilings, a report shall be submitted to the chairman, appropriate response measures shall be determined upon deliberation, and the matter shall be reported to the board of directors. If independent directors have been appointed, these directors shall attend related board meetings and express their opinions.

Article 4 Operating procedures:

1. Authorized amount and management level:

| Level | Hedging transactions | Non-hedging transactions |
|--------------------|--|--|
| | Net cumulative position transaction amount | Net cumulative position transaction amount |
| Chairman | USD 6 million | USD 3 million |
| President | USD 4 million | USD 1 million |
| Senior Finance AVP | USD 2 million | — |
| Finance AVP | USD 1 million | — |
| Finance Manager | USD 0 | — |

2. Implementing unit:

Derivative transactions shall be carried out by the financial unit in accordance with the aforementioned regulations on authorized amounts.

3. Description of relevant procedures:

| Description | Responsible department |
|---|------------------------|
| (1) Order placement with financial institutions in accordance with authorized scope | Financial unit |
| (2) Filling out of foreign exchange assessment form prior to carrying out of transactions; submission to personnel in | Accounting unit |

| Description | Responsible department |
|--|------------------------|
| charge of settlement and banks; notification of accounting unit upon verification of foreign exchange forward contracts | |
| (3) Confirmation of review of aforementioned transaction documents by relevant personnel; checking of accounts on a monthly basis according to lists of unsettled forward exchange transactions provided by the financial unit | Accounting unit |
| (4) Responsible personnel shall carry out settlement upon confirmation of documents when contract expires and submit an Assessment Form on Unrealized Gains or Losses to the accounting unit at the end of every month. | Financial unit |
| (5) Account entry in accordance with relevant accounting procedures and public announcement pursuant to the regulations of FSC on a monthly basis | Accounting unit |
| (6) Monthly compilation of a Memorandum Book on Financial Derivative Transactions to be forwarded to the accounting unit for scrutiny | Financial unit |

Article 5 Public announcement and declaration procedures:

The accounting unit shall enter relevant data pertaining to derivative transactions engaged in by the Company and subsidiaries that are not public companies of the Republic of China until the end of the previous month together with monthly business conditions on the information reporting website designated by FSC in the prescribed format by the 15th of every month.

Article 6 Accounting procedures:

Accounting procedures for financial derivative transactions shall be handled pursuant to relevant regulations pertaining to accounting systems prescribed in Statement 14, 34, and 36 of the financial accounting standards as well as relevant regulations of FSC.

Article 7 Internal control system:

1. Internal control of operating procedures:

- (1) Derivative transactions, confirmation, and settlement shall not be handled concurrently by the same personnel
- (2) Financial institutions shall submit foreign exchange forward contracts to the financial unit for verification and the accounting unit for confirmation
- (3) The accounting unit shall upload lists of unsettled foreign exchange forward transactions provided by the financial unit on a monthly basis to the Market Post Observation System by the tenth of the following month
- (4) Personnel in charge of transactions shall closely monitor whether or not transaction amounts exceed the contract value ceilings prescribed in these procedures
- (5) The financial unit shall conduct evaluations of unsettled foreign exchange balances twice a month
- (6) When the financial unit engages in derivative transactions, it shall create a detailed record of the transaction type, amount, date of board approval, and items requiring careful assessment in a memorandum book.

2. Risk management measures:

(1) Credit risk management:

Market fluctuations tend to cause operational risks for financial derivatives. Market

risk management shall therefore be based on the following principles:

- (i) The Company shall place orders with renowned domestic and international financial institutions.
 - (ii) Traded products shall be confined to those provided by renowned domestic and international financial institutions.
- (2) Market risk management:
When the company engages in derivative transactions, financial risks caused by unfavorable market price levels or price fluctuations shall be closely monitored.
- (3) Liquidity risk management:
Preference shall be given to highly liquid products which can be squared up on the market at any time to ensure market liquidity. Entrusted financial institutions shall have sufficient resources and the capability to conduct transactions on any market at any time.
- (4) Operational risk management:
Relevant units shall strictly comply with authorized levels and ceilings and operating procedures prescribed by the company to avoid the generation of risks due to human error, inadequate procedures, or insufficient control.
- (5) Legal risk management:
All contracts and documents pertaining to transaction counterparties shall only be officially signed upon confirmation that company rights and interests are not harmed in order to prevent legal risks.
- (6) Cash flow risk management
Capital used for derivative transactions by the Company shall be confined to self-owned funds and capital demands within the next three months shall be taken into consideration to ensure stable working capital turnover.
- (7) Product risk management
Internal personnel in charge of transactions shall have comprehensive and accurate knowledge of financial products and banks shall be required to fully disclose risks to prevent risks associated with financial products.
3. Regular assessment and handling of irregularities:
- (1) The board of directors shall carry out supervision and management in accordance with the following principles:
 - (i) Designate top executives shall constantly monitor and control derivative transaction risks
 - (ii) It shall be regularly assessed whether performance in the field of derivative transactions conforms to existing business strategies of the company and whether risks are within the tolerated and acceptable scope.
 - (2) Top executives authorized by the board of directors shall manage derivative transactions in accordance with the following principles:
 - (i) It shall be regularly assessed whether currently adopted risk management measures are appropriate and conform to these handling procedures.
 - (ii) Gains and losses incurred by transactions shall be constantly monitored. If irregularities are detected, appropriate response measures shall be adopted and reports shall be submitted to the board of directors in a prompt manner. If independent directors have been appointed, these directors shall attend related board meetings and express their opinions.
 - (3) Personnel in charge of risk measurement, monitoring, and control and the personnel referred to in Paragraph 1, Clause 1 of this article shall belong to different departments.

Article 8 Internal audit:

Internal auditors shall conduct regular reviews of the suitability of internal controls of derivative transactions and inspect monthly the compliance of the trading departments with the "Procedures Governing the Handling of Derivative Transactions" and compile their findings into an auditing report. Serious violations shall be reported to the supervisors in writing.

Article 9 Other matters:

These handling procedures and all amendments thereof shall be submitted to a shareholders meeting for ratification upon approval by the board.

These handling procedures were formulated on May 22, 1998.

They were amended for the first time on March 24, 2000.

They were amended for the second time on May 13, 2002.

They were amended for the third time on May 19, 2003.

They were amended for the fourth time on June 21, 2007.

They were amended for the fifth time on June 22, 2012.

Appendices 5

(Before amendment of 2016 General Shareholder's Meeting)

TTY BIOPHARM COMPANY LIMITED

Regulations for Election of Directors and Supervisors

- Article 1 : Election of directors and supervisors shall be acted upon in accordance with these regulations
- Article 2 : Election of directors and supervisors shall be held at the shareholders' meeting.
The Company's directors shall be elected from those who have capacity to make juridical acts by shareholders' meeting.
- Article 3 : Election of directors and supervisors shall proceed according to cumulative voting principles. For voters' registration, shareholder attendee card numbers may be substituted for voters' names.
- Article 4 : In the election for the directors and supervisors, unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, each common share is entitled to the number of voting rights equivalent to the numbers of directors (or supervisors) to be elected; election ballots of the number equal to the number of the director(s) or supervisor(s) that shall be elected is prepared by the board of directors and dispatched to the shareholder. Votes may be cast for only one candidate or a few candidates.
- Article 5 : In the election of directors and supervisors of the Company, candidates who acquire more votes should win the seats of directors or supervisors separately. A candidate simultaneously elected as a director and supervisor shall, at the candidate's own discretion, decide to serve as either director or supervisor. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.
- Article 6 : The board of directors prepares election ballots of the number equal to the number of the director(s) or supervisor(s) that shall be elected, bearing the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.
- Article 7 : When voting commences, the chairperson shall appoint scrutinizer and ballot counter to check and record the ballots.
- Article 8 : The Board of Directors shall set up the ballot box and have such box checked by scrutinizer in public before the voting.
- Article 9 : If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot and throw in the ballot box. If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated
- Article 10 : A ballot is invalid under any of the circumstances listed below.
1. A ballot is not prepared according this regulation.
 2. The blank ballot was cast in the ballot box.
 3. Illegible handwriting or corrections without regulation compliance after erased or

changed.

4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list.

If the write-in candidate is not a shareholder, the candidate's name or ID number written on the ballot cannot be validated or is inconsistent.

5. The number of write-in candidates is two or more than two candidate.

6. Other words or marks are written in addition to the candidate, shareholder account number, or ID card or government uniform invoice (GUI) number.

7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.

Article 11 : The ballot box should be set up for the election of directors and supervisors separately. After separate voting, the ballot box should be opened with scrutinizer.

Article 12 : The ballots shall be counted immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.

Article 13 : The matters not provided in this rule shall be subject to the Company Act and related regulations.

Article 14 : These Rules and any revision thereof shall be effective once approved by a shareholders' meeting.

Appendices 6

TTY BIOPHARM COMPANY LIMITED Shareholders' Meeting Rules

1. Shareholders Meetings of the Company shall be handled in accordance with these rules unless regulations set forth in relevant laws stipulate otherwise.
2. Shareholders Meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated based on the attendance book or handed in sign-in cards.
3. Attendance and voting rights at shareholders meetings shall be calculated based on numbers of shares.
4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. Where a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise his/her powers, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise his/her powers, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. Where a shareholders' meeting is convened by a person with the power to convene other than the directors, the convener shall serve as chair.
6. The Company may dispatch its attorneys, certified public accountants, or related persons to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The shareholders meeting proceedings shall be audio or video recorded. These records shall be preserved for a minimum of one year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the regulations set forth in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is commissioned to attend a shareholders meeting as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
16. When a meeting is in progress, the chair may order a recess based on time considerations.
17. Proposals shall be approved by a majority of the voting rights of attending shareholders unless stipulated otherwise in the Company Act or the articles of incorporation. If attending shareholders express no disagreement upon inquiry by the chair, the proposal shall be considered approved. The legal validity of this process shall be equivalent to voting.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. These rules and all amendments thereof shall come into effect upon ratification by a Shareholders' Meeting

Appendices 7

Shareholdings of Directors and Supervisors

1. All directors and supervisors minimum shareholding number and actually registered holding shares.

| Title | Minimum number of shares to be held | Shares actually held in share register |
|--------------|--|---|
| Directors | 15,000,000 | 25,622,964 |
| Supervisors | 1,500,000 | 2,143,686 |

Note: Book closure date: April 26th, 2016.

2. Table of shares held by all directors and supervisors

| Title | Name | Shares held in share register | Note |
|---------------|---|--------------------------------------|------------------------|
| Chairman | HSIAO YING-CHUN, Legal Representative of DaWan Technology Co., LTD. | 20,624,732 | |
| Vice Chairman | CHANG, WEN-HWA | 3,660,941 | |
| Director | TSENG, TIEN-SZU | 3,346 | |
| Director | LIN, JUNG-CHIN , Legal Representative of Oushi Foods Co., Ltd. | 1,333,945 | |
| Director | LIN, CHUAN | — | Resigned on 05/13/2016 |
| Supervisor | CHANG, HSIU-CHI | 2,143,686 | |
| Supervisor | LIAO, YING-YING | — | |

Note: Book closure date: April 26th, 2016.