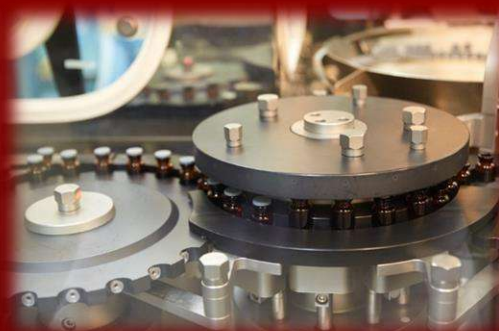


Handbook for the 2020 Annual Meeting of Shareholders



Meeting Date: June 12, 2020

Meeting Venue: Building A, 2F., No. 19-10, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
(International Convention Center of Nangang Software Park)

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2020 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: June 12, 2020 (Friday) 9:00 AM

Location: Building A, 2F., No. 19-10, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
(International Convention Center of Nangang Software Park)

Meeting procedures: I. Calling to the Meeting Order (announcement of attending shares)

II. Chairman Address

III. Reporting Items

1. 2019 Business Report
2. Audit Committee's Review Report on the 2019 Financial Statements
3. Report on Employee and Directors Remuneration in 2019
4. The amendment of "Ethical Corporate Management Best Practice Principles"
5. The amendment of "Procedures and Guidance for Ethical Operation Conduct"
6. The establishment of "Regulation of Transfer of Repurchased Shares to Employee"

IV. Ratification Items

1. 2019 Business Report and Financial Statements
2. 2019 Profit Distribution

V. Discussion Items

1. The amendment of "Articles of Incorporation"
2. The amendment of "Rules of Procedure for Shareholders Meetings"
3. The amendment of "Regulations for Lending Funds to Other Parties"

VI. Extemporaneous Motions

VII. Adjournment

II. Report Items

Item One:

2019 Business Report

Description:

Please refer to Attachment 1 (page 6-10) for detailed Business Reports.

Item Two:

Audit Committee's Review Report on the 2019 Financial Statements

Description:

The Financial Statement, Business Report, and Distribution of 2019 Profits Table have been reviewed by Audit Committee. Please refer to Attachment 2 (page 27) for Audit Committee's Review Report.

Item Three:

Report on Employee and Directors Remuneration in 2019

Description:

The company earned profits (profit before tax before remuneration of employee and of directors) as NT\$ 1,220,814,576 in 2019. Pursuant to the regulations set forth in Article 21 of the Articles of Incorporation, NT\$ 23,195,477, 1.9% and NT\$ 14,950,000, 1.22% of these earnings shall be allocated as Employee and Directors remuneration, respectively and the total amount will be distributed in cash.

Item Four:

The amendment of "Ethical Corporate Management Best Practice Principles"

Description:

1. The "Ethical Corporate Management Best Practice Principles" is proposed to amend in accordance with the establishment of Sustainable Development Committee and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" pursuant to Ordinances No. 1080307434 issued by the Financial Supervisory Commission on May 16, 2019.
2. Please refer to the Attachment 3 (page 28-34) for Amendment Comparison Table of "Ethical Corporate Management Best Practice Principles".

Item Five:

The amendment of "Procedures and Guidance for Ethical Operation Conduct"

Description:

1. The "Procedures and Guidance for Ethical Operation Conduct" is proposed to amend in accordance with the amendment of "Ethical Corporate Management Best Practice Principles", the establishment of Sustainable Development Committee, and actual operational needs.

2. Please refer to the Attachment 4 (page 35-46) for Amendment Comparison Table of “Procedures and Guidance for Ethical Operation Conduct”

Item Six:

The establishment of “Regulation of Transfer of Repurchased Shares to Employee”

Description:

1. In order to attract and retain talented employee, the “Regulation of Transfer of Repurchased Shares to Employee” is proposed to establish in accordance with the subparagraph 1, paragraph 1, Article 28-2 of the Securities and Exchange Act and “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by the Financial Supervisory Commission.
2. Please refer to the Attachment 5 (page 47-48) for the policy of “Regulation of Transfer of Repurchased Shares to Employee”.

III. Ratification Items

Item One:

(Proposed by the Board of Directors.)

2019 Business Report and Financial Statements

Description:

1. The Company's 2019 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by Audit Committee.
2. The Company's 2019 Financial Statements have been audited by KPMG Taiwan with "Unqualified Opinion"
3. Please refer to the Attachment 1 (page 6-26) for 2019 Business Report and Financial Statements.

Resolution:

Item Two:

(Proposed by the Board of Directors.)

2019 Profit Distribution

Description:

1. Allocation of cash dividend proposed by the Board is total of NT\$ 994,599,836 or NT\$ 4.0 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 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.
2. Please refer to the Attachment 6 (page 49) for 2019 Profits Distribution Table.

Resolution:

IV. Discussion Items

Item One:

(Proposed by the Board of Directors.)

The amendment of “Articles of Incorporation”

Description:

1. The “Articles of Incorporation” is proposed to amend in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 7 (page 50-52) for Amendment Comparison Table of “Articles of Incorporation”.

Resolution:

Item Two:

(Proposed by the Board of Directors.)

The amendment of “Rules of Procedure for Shareholders Meetings”

Description:

1. The “Rules of Procedure for Shareholders Meetings” is proposed to amend in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 8 (page 53-55) for Amendment Comparison Table of “Rules of Procedure for Shareholders Meetings”.

Resolution:

Item Three:

(Proposed by the Board of Directors.)

The amendment of “Regulations for Lending Funds to Other Parties”

Description:

1. The “Regulations for Lending Funds to Other Parties” is proposed to amend in accordance with the actual operational needs.
2. Please refer to the Attachment 9 (page 56) for Amendment Comparison Table of “Regulations for Lending Funds to Other Parties”.

Resolution:

V. Extraordinary Motions

Adjournment

VI. Attachments

Attachment 1

TTY BIOPHARM COMPANY LIMITED

Business Report

I. The Company's Business Result for year 2019

(1) Business Plan Implementation Result

The Company's consolidated net business revenue for year 2019 reached NT\$4,466,308 thousands, which represents an increase by NT\$430,112 thousands (10.66%) compared to that of NT \$4,036,196 thousands for year 2018. The increase was mainly caused by the growth of sales on oncology, anti-infective and healthcare products for year 2019. Net profit attributed to the parent company for year 2019 totaled NT\$900,081 thousands which represented reduction by NT\$561,300 thousands (-38.41%) compared to that of NT\$1,461,381 thousands in year 2018. The decrease was mainly caused by the recognition of re-measurement loss which resulted from recall of obesity drugs of original manufacturing firm by subsidiary and the disposal of investment in year 2018.

(2) Budget Implementation Status

The Company's net business revenue for year 2019 is NT\$ 4,044,660 thousands, Pre-tax net profit is NT\$ 1,182,669 thousands, achieving 113.22% of the annual budget target.

(3) Income & Expenditure and Profitability Analysis

Item		Year	
		2019	2018
Income & Expenditure	Interest Income (in thousands)	2,495	2,406
	Interest Expenditure (in thousands)	14,717	17,202
Profitability Analysis	Return on Assets %	10.76	17.22
	Return on Equity %	15.83	25.86
	Net Profit Margin %	22.25	41.10
	Earnings Per Share (NTD)	3.62	5.88

(4) Research & Development Status

TTY Biopharm has accumulated professional capabilities in the development and manufacture of drugs and provides comprehensive solutions in the field of drug delivery systems.

Dosage development includes development of formulations, analysis methodology and processes, animal testing, functional formulation, GMP manufacturing, and CMC preparation. We are firmly committed to our core philosophy to benefit more patients and maximizing shareholder value.

The Company is actively engaged in the research and development of long-acting microsphere products for the treatment of Acromegaly and functional gastric, intestinal, and pancreatic endocrine tumors. Besides, overseas markets for two liposome products are developed in cooperation with leading international companies. In year 2019, the submission for ANDA application for “Amphotericin B” has been already completed. The Company also actively implements relevant procedures for the other products to accelerate access to overseas markets.

Looking forward, the Company shall continue to utilize innovation as its core value, develop strategies based on broad and enhanced technology platform and think strategically to maintain the Company’s competitiveness leading position for the purpose of maximizing respective stakeholders’ values.

II. Overview of the 2020 Business Plan

(1) Operation Policy

Ever since its incorporation, 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 and major countries in Asia in order to obtain stable growth for domestic and offshore businesses, we also proceed to expand emerging markets across the world. TTY explores its self-developed product revenue and brand efficiency through direct sales 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 become an international biopharma company specialized in developing special formulation and biotechnological drugs, marketing and manufacturing. Additionally, TTY Biopharm also emphasizes its performance of corporate social responsibility and shall endeavor its efforts on environment, society and corporate governance to fulfill its sustainability responsibility.

(2) Quantity and Basis for Projected Sales

In year 2020, the Company expects to sell 440,000 thousands tablets of oral products and 6,300 thousands vials of injection. The Company’s projected sales volume has been established in accordance with IQVIA 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 the past, and shall utilize its previous achievements as a basis during its relentless dedication to self-challenge while approaching toward 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 direct sales 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 and competitive advantages.

III. The Company’s Future Development Strategy

Corporate Vision: “Enhance Human Life Quality with Technology”

Corporate Mission: “Commitment to development and manufacturing of specialty pharma (patentable or high entry barrier), biological products and new drugs; Enhancement of TTY product assortments; Continuous enhancement of high market-entrance obstacle drug development platform as well as undisrupted 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, TTY shall, in addition to exploiting maximum efficiency on current R&D achievements, continue to explore 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 unmet medical needs, high entry barrier (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 and manufacturing to marketing;
- (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 from Taiwan;
- (10) Amortization of facility operation costs through international characteristic drug OEM/joint development revenue;
- (11) Introduction of R&D result into in global market and completion of offshore license -out; 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.

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

Under the impact of regional industrial competition, China, India, and Southeast Asian countries have successively stepped into generic drug industry, which has led to a status of cut-throat price war. In addition, Taiwanese drug manufacturers lack economies of scale, which coupled with insufficient domestic demand has resulted in excessive competition and staggers development of the drug market in Taiwan.

In addition, production costs have been constantly rising upon implementation of PIC/S in the wake of the enactment of increasingly strict laws and regulations. Besides that, prices for drugs covered by National Health Insurance have been adjusted numerous times, which has led to an imbalance between input and output and a further squeeze on revenues and profits of drug manufacturers.

2019 operation environment was full of challenges. Geopolitical instability and US-China trade war caused impact to global economy. Looking into the year of 2020, trend for global economy is still weak. Economic growth for major countries will continue to slide down, testing again corporate’s capability to respond to contingency and effectiveness in cost control. TTY Biopharm shall continue to explore channels and obtain new drug applications to expand corporate territory. At the meantime, the Company shall exert aggressive control over expenses for the purpose of maximizing shareholder’s equities.

Chairman of the Board: Lin, Chuan

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

We have audited the accompanying financial statements of TTY Biopharm Company Limited (“the Company”), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the financial statements are stated as follows:

1. Recognition of investments accounted for using equity method

Please refer to Notes 4(i) of the financial statements for the accounting principles on acquisitions.

Key audit matters:

During the year, the Company obtained the control over Chuang Yi Biotech Co., Ltd. and recognized the relevant loss of \$58,349 thousand. Whether the Company obtains the control over its acquired company depends on the Company’s judgments. Therefore, the acquisition of Chuang Yi Biotech Co., Ltd. is one of the important issues in performing our audit procedures.

Auditing procedures performed:

- Obtaining the information the Company used in evaluating whether it has control over Chuang Yi Biotech Co., Ltd. and discussing the matter with the management over the basis of judgment;
- Reviewing the accounting procedures, including the fair value of Chuang Yi Biotech Co., Ltd. at the date of acquisition;
- Reviewing the calculation in recognizing the relevant gain or loss.

2. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(q) of the financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Company's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence in sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation;
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue;
- Inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

3. Inventory valuation

Please refer to Notes 4(g), and 5 of the financial statements for the accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimation uncertainty.

Key audit matters:

The Company's primary operating items are manufacturing and processing various kinds of pharmaceuticals. The pharmaceutical industry in Taiwan is susceptible to the constant amendments of its law, resulting in an increase in the cost of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Company's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

- Overviewing the stock ageing list, analyzing the movement of stock ageing by period;
- Obtaining the certificate documents to verify the correctness of the stock's expiry date; and
- Sampling the replacement cost and market price of material, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Company.

Other Matter

We did not audit the financial statements of PharmaEngine, Inc. Those statements were audited by another auditor, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, are based solely on the report of another auditor. The amount of long-term investment in the investee company represented 9.12% and 6.85% of the related total assets as of December 31, 2019 and 2018, respectively, and the related investment gains represented 0.44% and 1.23% of the profit before tax for the years ended December 31, 2019 and 2018, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Shin-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2020

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

Assets		December 31, 2019		December 31, 2018		Liabilities and Equity		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a) and (s))	\$ 481,515	6	505,615	6	2100	Short-term borrowings (note 6(i) and (s))	\$ 1,450,000	17	1,150,000	14
1150	Notes receivable, net (note 6(c) and (s))	15,070	-	20,174	-	2130	Contract liabilities-current(note 6(p) and 7)	12,177	-	5,337	-
1161	Notes receivable due from related parties (note 6(c), (s) and 7)	929	-	-	-	2150	Notes payable (note 6(s))	720	-	2,397	-
1170	Accounts receivable, net (note 6(c) and (s))	821,329	10	736,126	9	2170	Accounts payable (note 6(s))	173,265	2	139,940	2
1180	Accounts receivable due from related parties, net (note 6(c), (s) and 7)	50,558	1	32,103	-	2230	Current tax liabilities	179,287	2	129,544	2
1200	Other receivables, net (note 6(s) and 7)	51,926	1	81,401	1	2200	Other payables (note 6(s))	472,716	6	412,992	5
130X	Inventories (note 6(d))	796,905	9	703,133	8	2300	Other current liabilities	24,323	-	30,082	-
1410	Prepayments	19,860	-	22,758	-	2320	Long-term liabilities, current portion (note 6(j) and (s))	350,000	4	-	-
1476	Other current financial assets (note 6(a) and (s))	-	-	17,888	-			2,662,488	31	1,870,292	23
1470	Other current assets	730	-	3,591	-	Non-Current liabilities:					
		2,238,822	27	2,122,789	24	2540	Long-term borrowings (note 6(j) and (s))	-	-	350,000	4
Non-current assets:						2570	Deferred tax liabilities (note 6(m))	282,077	3	278,700	3
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b) and (s))	55,040	1	48,720	1	2640	Net defined benefit liability, non-current (note 6(l))	56,109	1	58,459	1
1550	Investments accounted for using equity method, net (note 6(e))	3,387,234	39	3,220,470	39	2645	Guarantee deposits received (note 6(s) and 7)	3,559	-	3,119	-
1600	Property, plant and equipment (note 6(f))	2,365,773	28	2,438,554	30	2650	Credit balance of investments accounted for using equity method (note 6(e))	4,206	-	4,148	-
1760	Investment property, net (note (g))	77,070	1	77,289	1	2670	Other non-current liabilities	1,148	-	-	-
1780	Intangible assets (note 6(h))	26,607	-	32,472	-			347,099	4	694,426	8
1840	Deferred tax assets (note 6(m))	26,316	-	22,083	-	Total liabilities		3,009,587	35	2,564,718	31
1915	Prepayments for business facilities	201,259	2	184,243	2	Equity (note 6(n)):					
1920	Refundable deposits paid (note 6(s))	28,089	-	22,322	-	3100	Capital stock	2,486,500	29	2,486,500	30
1981	Cash surrender value of life insurance (note 6(s))	13,657	-	13,357	-	3200	Capital surplus	338,514	4	348,819	4
1984	Other non-current financial assets (note 6(a), (s) and 8)	152,421	2	143,086	2	3310	Legal reserve	1,003,556	12	857,418	10
1990	Other non-current assets	7,935	-	43,366	1	3320	Special reserve	110,154	1	110,154	1
		6,341,401	73	6,245,962	76	3350	Unappropriated retained earnings	1,591,777	19	1,954,321	23
						3400	Other equity interest	40,135	-	46,821	1
						Total equity		5,570,636	65	5,804,033	69
Total assets		\$ 8,580,223	100	8,368,751	100	Total liabilities and equity		\$ 8,580,223	100	8,368,751	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

	2019		2018	
	Amount	%	Amount	%
4000 Operating revenue (note 6(p) and 7)	\$ 4,044,660	100	3,555,620	100
5000 Operating costs (note 6(d) and 7)	<u>1,453,178</u>	<u>36</u>	<u>1,246,982</u>	<u>35</u>
Gross profit	2,591,482	64	2,308,638	65
5910 Less: Unrealized profit (loss) from sales	24,488	1	10,400	-
5920 Add: Realized profit (loss) from sales	<u>10,400</u>	<u>-</u>	<u>10,004</u>	<u>-</u>
Gross profit, net	<u>2,577,394</u>	<u>63</u>	<u>2,308,242</u>	<u>65</u>
6000 Operating expenses (note 6(l) and 12):				
6100 Selling expenses	850,894	21	760,967	21
6200 Administrative expenses	285,133	7	260,029	7
6300 Research and development expenses	231,026	6	230,595	6
6450 Reversal of expected credit losses	<u>(5,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,361,553</u>	<u>34</u>	<u>1,251,591</u>	<u>34</u>
Net operating income	<u>1,215,841</u>	<u>29</u>	<u>1,056,651</u>	<u>31</u>
Non-operating income and losses (note 6(r) and 7):				
7010 Other income	17,303	-	16,645	-
7020 Other gains and losses, net	(32,125)	(1)	527,982	15
7050 Finance costs, net	(14,717)	-	(17,202)	-
7070 Share of (loss) profit of subsidiaries and associates accounted for using equity method, net (note 6(e))	<u>(3,633)</u>	<u>-</u>	<u>83,736</u>	<u>2</u>
	<u>(33,172)</u>	<u>(1)</u>	<u>611,161</u>	<u>17</u>
Profit before tax	1,182,669	28	1,667,812	48
7950 Less: Income tax expenses (Note 6(m))	<u>282,588</u>	<u>7</u>	<u>206,431</u>	<u>6</u>
Profit for the period	<u>900,081</u>	<u>21</u>	<u>1,461,381</u>	<u>42</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	2,438	-	(4,102)	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	6,320	-	1,520	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>8,758</u>	<u>-</u>	<u>(2,582)</u>	<u>-</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation	(29,894)	(1)	49,343	1
8380 Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	10,880	-	(20,203)	(1)
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss	6,008	-	(6,252)	-
Components of other comprehensive income that may be reclassified to profit or loss	<u>(13,006)</u>	<u>(1)</u>	<u>22,888</u>	<u>-</u>
8300 Other comprehensive income for the period, net of tax	<u>(4,248)</u>	<u>(1)</u>	<u>20,306</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 895,833</u>	<u>20</u>	<u>1,481,687</u>	<u>42</u>
Earnings per share, net of tax (note 6(o))				
Basic earnings per share	<u>\$ 3.62</u>		<u>5.88</u>	
Diluted earnings per share	<u>\$ 3.61</u>		<u>5.87</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED**Statements of Changes in Equity****For the years ended December 31, 2019 and 2018****(Expressed in Thousands of New Taiwan Dollar)**

	<u>Share capital</u>		<u>Retained earnings</u>			<u>Total other equity interest</u>				<u>Total equity</u>
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</u>	<u>Unrealized gains (losses) on available-for-sale financial assets</u>	<u>Total other equity interest</u>	
Balance on January 1, 2018	\$ 2,486,500	396,113	722,945	110,154	1,758,633	(99,734)	-	122,165	22,431	5,496,776
Effects of retrospective application	-	-	-	-	(43)	-	122,167	(122,165)	2	(41)
Equity at beginning of period after adjustments	2,486,500	396,113	722,945	110,154	1,758,590	(99,734)	122,167	-	22,433	5,496,735
Profit for the period	-	-	-	-	1,461,381	-	-	-	-	1,461,381
Other comprehensive income	-	-	-	-	(4,102)	43,040	(18,632)	-	24,408	20,306
Total comprehensive income	-	-	-	-	1,457,279	43,040	(18,632)	-	24,408	1,481,687
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	134,473	-	(134,473)	-	-	-	-	-
Cash dividends of ordinary share distributed	-	-	-	-	(1,118,925)	-	-	-	-	(1,118,925)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	(10,703)	-	-	-	-	-	-	-	(10,703)
Disposal of investments accounted for using equity method	-	(36,591)	-	-	-	-	-	-	-	(36,591)
Changes in ownership interests in subsidiaries	-	-	-	-	(8,170)	-	-	-	-	(8,170)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	20	-	(20)	-	(20)	-	-
Balance on December 31, 2018	2,486,500	348,819	857,418	110,154	1,954,321	(56,694)	103,515	-	46,821	5,804,033
Profit for the period	-	-	-	-	900,081	-	-	-	-	900,081
Other comprehensive income	-	-	-	-	2,438	(24,030)	17,344	-	(6,686)	(4,248)
Total comprehensive income	-	-	-	-	902,519	(24,030)	17,344	-	(6,686)	895,833
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	146,138	-	(146,138)	-	-	-	-	-
Cash dividends of ordinary share distributed	-	-	-	-	(1,118,925)	-	-	-	-	(1,118,925)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	(10,305)	-	-	-	-	-	-	-	(10,305)
Balance on December 31, 2019	\$ 2,486,500	338,514	1,003,556	110,154	1,591,777	(80,724)	120,859	-	40,135	5,570,636

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,182,669	1,667,812
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	129,693	123,488
Amortization expense	6,505	5,790
Reversal of allowance for expected credit losses	(5,500)	-
Interest expense	14,717	17,202
Interest income	(2,495)	(2,406)
Share of loss (profit) of subsidiaries and associates accounted for using equity method	3,633	(83,736)
Loss on disposal of property, plant and equipment	535	1,100
Allocation of deferred income	-	(988)
Gain on disposal of investments accounted for using equity method	-	(495,569)
Impairment loss and remeasurement profit on non-financial assets	58,349	-
Unrealized profit (loss) from sales	24,488	10,400
Realized loss (profit) from sales	(10,400)	(10,004)
Total adjustments to reconcile profit (loss)	<u>219,525</u>	<u>(434,723)</u>
Changes in operating assets and liabilities:		
Notes receivable	4,175	27,466
Accounts receivable	(87,158)	87,397
Other receivable	29,475	(28,464)
Inventories	(93,772)	(77,630)
Other current assets	5,759	(10,476)
Total changes in operating assets	<u>(141,521)</u>	<u>(1,707)</u>
Current contract liabilities	6,840	(16,215)
Notes payable	(1,677)	(34,485)
Accounts payable	33,325	81,385
Other payable	66,698	(19,577)
Other current liabilities	(8,752)	3,585
Net defined benefit liability	88	47
Total changes in operating liabilities	<u>96,522</u>	<u>14,740</u>
Total changes in operating assets and liabilities	<u>(44,999)</u>	<u>13,033</u>
Total adjustments	<u>174,526</u>	<u>(421,690)</u>
Cash inflow generated from operations	1,357,195	1,246,122
Interest received	2,495	2,406
Dividends received	65,002	98,442
Interest paid	(14,902)	(17,342)
Income taxes paid	(239,252)	(225,965)
Net cash flows from operating activities	<u>1,170,538</u>	<u>1,103,663</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(336,353)	-
Proceeds from disposal of investments accounted for using equity method	-	591,629
Acquisition of property, plant and equipment	(44,934)	(41,512)
Proceeds from disposal of property, plant and equipment	18	118
(Increase) decrease in refundable deposits	(5,767)	617
Acquisition of intangible assets	(640)	(12,117)
Acquisition of investment properties	(140)	-
Decrease (increase) in other financial assets	8,553	(36,967)
Increase in prepayments for business facilities	(28,425)	(26,211)
Decrease (increase) in other non-current assets	35,131	(6,083)
Net cash flows (used in) from investing activities	<u>(372,557)</u>	<u>469,474</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,700,000	6,257,500
Decrease in short-term loans	(7,400,000)	(6,757,500)
Proceeds from long-term debt	-	300,000
Repayments of long-term debt	-	(500,000)
(Decrease) increase in guarantee deposits received	440	(7,640)
Payment of lease liabilities	(3,596)	-
Cash dividends paid	(1,118,925)	(1,118,925)
Net cash flows used in financing activities	<u>(822,081)</u>	<u>(1,826,565)</u>
Net decrease in cash and cash equivalents	(24,100)	(253,428)
Cash and cash equivalents at beginning of period	505,615	759,043
Cash and cash equivalents at end of period	<u>\$ 481,515</u>	<u>505,615</u>

See accompanying notes to financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

We have audited the consolidated financial statements of TTY Biopharm Company Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the consolidated financial statements are stated as follows:

1. Business combinations

Please refer to Notes 4(c), and (t) of the consolidated financial statements for the accounting principles on business combinations.

Key audit matters:

During the year, the Group obtained the control over Chuang Yi Biotech Co., Ltd. and recognized the relevant loss of \$82,686 thousand. Whether the Group obtains the control over its acquired company depends on the Group's judgments. Therefore, the acquisition of Chuang Yi Biotech Co., Ltd. is one of the important issues in performing our audit procedures.

Auditing procedures performed:

- Obtaining the information the Group used in evaluating whether it has control over Chuang Yi Biotech Co., Ltd. and discussing the matter with the management over the basis of judgment;
- Reviewing the accounting procedures, including the fair value of Chuang Yi Biotech Co., Ltd. at the date of acquisition;
- Reviewing the calculation in recognizing the relevant gain or loss.

2. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(q) of the consolidated financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Group's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence in sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation;
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue;
- Inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

3. Inventory valuation

Please refer to Notes 4(h) and 5 of the consolidated financial statements for the accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimation uncertainty.

Key audit matters:

The Group's primary operating items are manufacturing and processing various kinds of pharmaceuticals. The pharmaceutical industry in Taiwan is susceptible to the constant amendments of its law, resulting in an increase in the cost of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Group's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

- Overviewing the stock ageing list, analyzing the movement of stock ageing by period;
- Obtaining the certificate documents to verify the correctness of the stock's expiry date; and
- Sampling the replacement cost and market price of material, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Group.

Other Matter

We did not audit the financial statements of PharmaEngine Inc. Those statements were audited by another auditor, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, are based solely on the report of another auditor. The amount of long-term investment in the investee company represented 8.20% and 6.33% of the related consolidated total assets as of December 31, 2019 and 2018, respectively, and the related investment gains represented 0.43% and 1.23% of the consolidated profit before tax for the years ended December 31, 2019 and 2018, respectively.

We also audited the financial statements of the Company as of and for the years ended December 31, 2019 and 2018 and have issued unqualified audit reports, thereon.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Shin-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2020

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
4000 Operating revenue (note 6(u) and 7)	\$ 4,466,308	100	4,036,196	100
5000 Operating costs (note 6(f) and 7)	1,559,067	35	1,372,317	35
Gross profit	2,907,241	65	2,663,879	65
5910 Less: Unrealized profit (loss) from sales	11,903	-	7,046	-
5920 Add Realized profit (loss) from sales	7,046	-	6,346	-
Gross profit, net	2,902,384	65	2,663,179	65
6000 Operating expenses (note 6(q) and 12):				
6100 Selling expenses	1,002,748	22	903,799	22
6200 Administrative expenses	377,970	8	344,496	9
6300 Research and development expenses	298,552	7	361,063	9
6450 Reversal of expected credit losses	(5,495)	-	(5,856)	-
Total operating expenses	1,673,775	37	1,603,502	40
Net operating income	1,228,609	28	1,059,677	25
Non-operating income and expenses (note 6(w) and 7):				
7010 Other income	52,549	1	42,634	1
7020 Other gains and losses, net	(16,850)	-	530,118	13
7050 Finance costs, net	(14,810)	-	(17,287)	-
7060 Share of (loss) profit of associates accounted for using equity method, net (note 6(g))	(46,844)	(1)	52,926	1
Total non-operating income and losses	(25,955)	-	608,391	15
Profit before tax	1,202,654	28	1,668,068	40
7950 Less: Income tax expenses (note 6(r))	294,949	7	205,769	5
Profit for the period	907,705	21	1,462,299	35
8300 Other comprehensive income:				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	2,438	-	(4,102)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	24,931	1	(1,368)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	27,369	1	(5,470)	-
8360 Components of other comprehensive income (loss) that may be reclassified to profit or loss				
8361 Exchange differences on translation	(29,980)	(1)	49,336	1
8370 Share of other comprehensive loss of associates accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	(140)	-	(18,572)	-
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss	6,008	-	(6,252)	-
Components of other comprehensive (loss) income that may be reclassified to profit or loss	(24,112)	(1)	24,512	1
8300 Other comprehensive income	3,257	-	19,042	1
Total comprehensive income for the period	\$ 910,962	21	1,481,341	36
Profit attributable to:				
Owners of parent	\$ 900,081	21	1,461,381	35
Non-controlling interests	7,624	-	918	-
	\$ 907,705	21	1,462,299	35
Comprehensive income attributable to:				
Owners of parent	\$ 895,833	21	1,481,687	36
Non-controlling interests	15,129	-	(346)	-
	\$ 910,962	21	1,481,341	36
Earnings per share, net of tax (note 6(t))				
Basic earnings per share	\$ 3.62		5.88	
Diluted earnings per share	\$ 3.61		5.87	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Share capital		Retained earnings				Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2018	\$ 2,486,500	396,113	722,945	110,154	1,758,633	(99,734)	-	122,165	22,431	5,496,776	614,861	6,111,637
Effects of retrospective application	-	-	-	-	(43)	-	122,167	(122,165)	2	(41)	-	(41)
Equity at beginning of period after adjustments	2,486,500	396,113	722,945	110,154	1,758,590	(99,734)	122,167	-	22,433	5,496,735	614,861	6,111,596
Profit for the period	-	-	-	-	1,461,381	-	-	-	-	1,461,381	918	1,462,299
Other comprehensive income	-	-	-	-	(4,102)	43,040	(18,632)	-	24,408	20,306	(1,264)	19,042
Total comprehensive income	-	-	-	-	1,457,279	43,040	(18,632)	-	24,408	1,481,687	(346)	1,481,341
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	134,473	-	(134,473)	-	-	-	-	-	-	-
Cash dividends of ordinary share distributed	-	-	-	-	(1,118,925)	-	-	-	-	(1,118,925)	(35,093)	(1,154,018)
Other changes in capital surplus:												
Changes in equity of associates accounted for using equity method	-	(10,703)	-	-	-	-	-	-	-	(10,703)	-	(10,703)
Disposal of investments accounted for using equity method	-	(36,591)	-	-	-	-	-	-	-	(36,591)	-	(36,591)
Changes in ownership interests in subsidiaries	-	-	-	-	(8,170)	-	-	-	-	(8,170)	8,170	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	20	-	(20)	-	(20)	-	-	-
Balance on December 31, 2018	2,486,500	348,819	857,418	110,154	1,954,321	(56,694)	103,515	-	46,821	5,804,033	587,592	6,391,625
Profit for the period	-	-	-	-	900,081	-	-	-	-	900,081	7,624	907,705
Other comprehensive income	-	-	-	-	2,438	(24,030)	17,344	-	(6,686)	(4,248)	7,505	3,257
Total comprehensive income	-	-	-	-	902,519	(24,030)	17,344	-	(6,686)	895,833	15,129	910,962
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	146,138	-	(146,138)	-	-	-	-	-	-	-
Cash dividends of ordinary shares distributed	-	-	-	-	(1,118,925)	-	-	-	-	(1,118,925)	(26,737)	(1,145,662)
Other changes in capital surplus:												
Acquisition	-	-	-	-	-	-	-	-	-	-	22,444	22,444
Changes in equity of associates accounted for using equity method	-	(10,305)	-	-	-	-	-	-	-	(10,305)	-	(10,305)
Balance on December 31, 2019	\$ 2,486,500	338,514	1,003,556	110,154	1,591,777	(80,724)	120,859	-	40,135	5,570,636	598,428	6,169,064

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TTY BIOPHARM COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,202,654	1,668,068
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	133,497	127,376
Amortization expense	18,841	18,180
Reversal of allowance for expected credit losses	(5,495)	(5,856)
Net (profit) loss on financial assets or liabilities at fair value through profit or loss	(378)	406
Interest expense	14,810	17,287
Interest income	(40,445)	(32,111)
Dividend income	(6,315)	(373)
Share of (loss) profit of associates accounted for using equity method	46,844	(52,926)
Loss on disposal of property, plant and equipment	581	1,113
Gain on disposal of investments accounted for using equity method	-	(495,569)
Impairment loss and remeasurement profit on non-financial assets	82,686	-
Unrealized profit (loss) from sales	11,903	7,046
Realized loss (profit) from sales	(7,046)	(6,346)
Allocation of deferred income	-	(988)
Total adjustments to reconcile profit (loss)	249,483	(422,761)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	5,357	33,276
Accounts receivable	(83,200)	77,556
Other receivable	42,420	(32,506)
Inventories	(96,331)	(57,214)
Prepayments and other current assets	(19,690)	(11,369)
Total changes in operating assets	(151,444)	9,743
Changes in operating liabilities:		
Contract liabilities	8,255	(15,147)
Notes payable	(3,475)	(56,106)
Accounts payable	9,271	73,964
Other payable	81,362	(26,978)
Other current liabilities	(11,839)	13,284
Net defined benefit liability	88	47
Total changes in operating liabilities	83,662	(10,936)
Total changes in operating assets and liabilities	(67,782)	(1,193)
Total adjustments	181,701	(423,954)
Cash inflow generated from operations	1,384,355	1,244,114
Interest received	40,445	32,076
Dividends received	36,617	53,272
Interest paid	(14,996)	(17,427)
Income taxes paid	(236,566)	(238,237)
Net cash flows from operating activities	1,209,855	1,073,798
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(50,316)	(170,063)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	50
Acquisition of financial assets at fair value through profit or loss	-	(5,507)
Acquisition of investments accounted for using equity method	(237,461)	-
Proceeds from disposal of investments accounted for using equity method	-	591,629
Acquisition of property, plant and equipment	(48,223)	(46,871)
Proceeds from disposal of property, plant and equipment	19	158
(Increase) decrease in refundable deposits	(4,121)	2,116
Acquisition of intangible assets	(780)	(12,210)
Acquisition of subsidiaries (net of cash received) (note 6(h))	(24,894)	-
Acquisition of investment properties	(140)	-
Decrease in other financial assets	79,822	1,370,220
Increase in prepayments for business facilities	(21,640)	(27,224)
Decrease (increase) in other non-current assets	34,584	(5,899)
Net cash flows (used in) from investing activities	(273,150)	1,696,399
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,700,000	6,272,730
Decrease in short-term loans	(7,400,000)	(6,772,730)
Proceeds from long-term debt	-	300,000
Repayments of long-term debt	-	(500,000)
Decrease in guarantee deposits received	(13)	(7,640)
Payment of lease liabilities	(3,596)	-
Cash dividends paid	(1,118,925)	(1,118,925)
Change in non-controlling interests	(26,737)	(35,093)
Net cash flows used in financing activities	(849,271)	(1,861,658)
Effect of exchange rate changes on cash and cash equivalents	(37,570)	22,381
Net increase in cash and cash equivalents	49,864	930,920
Cash and cash equivalents at beginning of period	2,372,294	1,441,374
Cash and cash equivalents at end of period	\$ 2,422,158	2,372,294

See accompanying notes to financial statements.

Attachment 2

TTY BIOPHARM COMPANY LIMITED Audit Committee's Review Report on the 2019 Financial Statements

The Board of Directors presented the year 2019 Business Report, Financial Statement (including the consolidated financial statement), and the profit distribution proposal. The Financial Statement (including the consolidated financial statement) was audited by KPMG Taiwan and the results were compiled into a report. The aforementioned reports and statements were audited and found satisfactory by the Company's audit committee. They are hereby submitted respectfully for examination pursuant to the regulations set forth in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Hsueh, Ming-Ling

Chairman of the Audit Committee

March 16, 2020

Attachment 3

TTY BIOPHARM COMPANY LIMITED

Amendment Comparison Table of “Ethical Corporate Management Best Practice Principles”

Before amendment	After amendment	Reason for amendment
<p>Article 5 (Policies) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 5 (Policies) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Referred to the ISO 37001 Enterprise Anti-Bribery Management Systems, the ethical corporate management policies was approved by the board of directors.</p>
<p>Article 7 (Scope of Prevention Programs) When establishing the prevention programs, the Company shall analyze which business activities within its business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures. The prevention programs adopted by the Company shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive 	<p>Article 7 (Scope of Prevention Programs) The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are possibly at a higher risk of being involved in an unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis. The prevention programs established by the Company shall refer to prevailing domestic and foreign standards or guidelines and at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 	<ol style="list-style-type: none"> 1. Amendment was made in paragraph 1 referred to the ISO 37001. 2. Amendment was made in paragraph 2 in correspondence to establish a corporate culture of ethical corporate management (anti-bribery), the prevention programs established by the Company shall refer to prevailing domestic and foreign standards or guidelines, such as the ISO 37001, the third edition of “Business Principles For Countering Bribery”, issued by Transparency International in 2013, and etc..

Before amendment	After amendment	Reason for amendment
<p>practices.</p> <p>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	<p>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</p> <p>6. Engaging in unfair competitive practices.</p> <p>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	
<p>Article 8 (Commitment and Exercise)</p> <p>The Company and its respective business group shall clearly specify in its rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>Article 8 (Commitment and Exercise)</p> <p>The Company shall request directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>The Company and its respective business group shall clearly specify in its rules, external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and the senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</p>	<ol style="list-style-type: none"> 1. Referred to the ISO 37001 to add paragraph 1 and paragraph 3. 2. The original paragraph 1 move to paragraph 2 and the ethical corporate management policies shall be clearly specified on the company website. 3. Amendment was made from management to senior management was referred to the ISO 37001.
<p>Article 17 (Organization and Responsibilities)</p> <p>The directors, managers, employees, mandataries, and substantial</p>	<p>Article 17 (Organization and Responsibilities)</p> <p>The directors, managers, employees, mandataries, and substantial</p>	<ol style="list-style-type: none"> 1. Amendment was made in correspondence to establish a dedicated unit given adequate resources

Before amendment	After amendment	Reason for amendment
<p>controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational 	<p>controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, establishing accordingly programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up 	<p>and staff, shall report to the board of directors at least once a year.</p> <ol style="list-style-type: none"> 2. Add subparagraph 2, paragraph 2 of this Article was referred to paragraph 1 of Article 7. The main duty of the dedicated unit is analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope.

Before amendment	After amendment	Reason for amendment
<p>activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p>Article 20 (Accounting and Internal Audit)</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>Article 20 (Accounting and Internal Audit)</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the Company shall devise relevant audit plans based on the results of assessment of the risk of involvement in unethical conduct, including audit objects, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>Amendment was made in correspondence to refer to the ISO 37001.</p>

Before amendment	After amendment	Reason for amendment
	<p>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	
<p>Article 23 (Whistle-blowing System) The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. 2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported cases. 5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to its whistle-blowing. 6. Whistle-blowing incentive measures. <p>When material misconduct or likelihood of material impairment to the Company comes to its awareness</p>	<p>Article 23 (Whistle-blowing System) The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. 2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior management shall be reported to the Sustainable Development Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of prosecution cases are completed. When necessary, a case shall be reported to the competent authority or referred to the judicial authority. 4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 5. Confidentiality of the identity of whistle-blowers and the content of reported cases. Anonymous 	<ol style="list-style-type: none"> 1. Referred to the ISO 37001 to add subparagraph 3, paragraph 1 of this Article. The original subparagraph 3 to 6 move to subparagraph 4 to 7. 2. Word Modification in subparagraph 2, paragraph 1. 3. Amendment was made in subparagraph 5, paragraph 1 of this Article in correspondence to refer to the ISO 37001, anonymous reporting is allowed. 4. In response to the establishment of Sustainable Development Committee as a dedicated unit of ethical corporate management, amendment was made in correspondence with any reported event involving a director or senior management shall be reported to the Sustainable Development Committee. When discovering seriously violations or damage to the company, the dedicated unit shall immediately prepare a report and notify the

Before amendment	After amendment	Reason for amendment
<p>upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the Audit Committee in written form.</p>	<p>reporting is allowed.</p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to its whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the Sustainable Development Committee in written form.</p>	<p>Sustainable Development Committee in written form.</p>
<p>Article 27 (Implement) The ethical corporate management best practice principles of the Company shall be implemented after reviewed by the Audit Committee then approved by the board of directors, and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason</p>	<p>Article 27 (Implement) The ethical corporate management best practice principles of the Company shall be implemented after reviewed by the Sustainable Development Committee then approved by the board of directors, and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting,</p>	<ol style="list-style-type: none"> 1. In response to the establishment of Sustainable Development Committee as a dedicated unit of ethical corporate management, the ethical corporate management best practice principles of the Company shall be reviewed by the Sustainable Development Committee. 2. Adding the date of establishment and the latest amendment.

Before amendment	After amendment	Reason for amendment
to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	<p>unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>These Principles were formulated on December 29, 2016.</p> <p>They were amended for the first time on October 7, 2019.</p>	

Attachment 4

TTY BIOPHARM COMPANY LIMITED

Amendment Comparison Table of “Procedures and Guidance for Ethical Operation Conduct”

Before amendment	After amendment	Reason for amendment
<p>Article 5 (Responsible unit) This Corporation shall designate the Ethical Management Team as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating 	<p>Article 5 (Responsible unit & duty) This Corporation shall designate the Sustainable Development Committee as the solely responsible unit under the board of directors. The Ethical Management Center is set by the Sustainable Development Committee and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular (at least once a year) reports to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis business activities within its business scope which are involved in an unethical conduct, and establishing programs accordingly to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up 	<ol style="list-style-type: none"> 1. To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. With this, paragraph 1 has been amended accordingly. 2. The main duties of the responsible unit mentioned in paragraph 1 of original Article move to paragraph 2. 3. In response to the amendment in Article 17 of “Ethical Corporate Management Best Practice Principles”, the responsible unit shall report to the board of directors at least once a

Before amendment	After amendment	Reason for amendment
<p>awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>7. Prepare and maintain documented information carefully with regard to Ethical Management Policy, statement of compliance, fulfillment of commitment as well as status of execution.</p>	<p>year, and shall analyze and assess on a regular basis business activities within its business scope which are involved in an unethical conduct.</p> <p>4. Word Modification.</p> <p>5. In response to Article 8 of “Ethical Corporate Management Best Practice Principles”, the Company shall compile documented information on the ethical management policy, statement, commitment and implementation, and retain information properly. Therefore, adding subparagraph 7 of paragraph 2.</p>
<p>Article 7 (Procedures for handling the acceptance of improper benefits)</p> <p>Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit</p>	<p>Article 7 (Procedures for handling the acceptance of improper benefits)</p> <p>Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the Ethical</p>	<p>To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. In terms of</p>

Before amendment	After amendment	Reason for amendment
<p>shall be notified if necessary.</p> <p>2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.</p> <p>"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> 1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. 2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. 3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact. <p>The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by general manager.</p>	<p>Management Center shall be notified if necessary.</p> <p>2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the Ethical Management Center. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the Ethical Management Center for handling.</p> <p>"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> 1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. 2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. 3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact. <p>The Ethical Management Center of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by general manager.</p>	<p>benefits provided or committed by others, responsible unit shall therefore be amended to the Ethical Management Center accordingly.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 8 (Prohibition of and handling procedure for facilitating payments) This Corporation shall neither provide nor promise any facilitating payment. If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit. Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.</p>	<p>Article 8 (Prohibition of and handling procedure for facilitating payments) This Corporation shall neither provide nor promise any facilitating payment. If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the Ethical Management Center. Upon receiving notification prescribed in the preceding paragraph, the Ethical Management Center shall handle the situation immediately if it is considered mild after assessment, and shall report to the Sustainable Development Committee afterwards. Cases with severe situations shall first be reported to the Sustainable Development Committee which will exert careful handling accordingly. The Sustainable Development Committee shall undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Sustainable Development Committee shall also immediately report to the relevant judicial agency.</p>	<p>To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. With this, handling procedure of this Article has been amended accordingly.</p>
<p>Article 11 (Recusal) When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may</p>	<p>Article 11 (Recusal) When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may</p>	<ol style="list-style-type: none"> 1. Word Modification. 2. For the purpose of complying with the Company Act, paragraph 2 is hereby added accordingly that directors shall be considered as an interested party with regard to such matters. 3. Paragraph 2 and 3 of original Article move to paragraph 3 and 4. 4. To echo the Company’s establishment of the

Before amendment	After amendment	Reason for amendment
<p>not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	<p>not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the Ethical Management Center, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	<p>Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. With this, reporting unit of interest avoidance has been amended accordingly.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 12 (Special unit in charge of confidentiality regime and its responsibilities) This Corporation’s Intellectual Property Department shall be in charge of formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.</p>	<p>Article 12 (Special unit in charge of confidentiality regime and its responsibilities) This Corporation’s Intellectual Property Department shall be in charge of formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. All personnel of this Corporation shall faithfully follow the operational directions of the “Manual of Intellectual Property” and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.</p>	<p>Amendment was made in correspondence with the “Manual of Intellectual Property” of this Corporation, which provides guidelines for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties.</p>
<p>Article 14 (Prevention of products or services from damaging the rights and interests of stakeholders) This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research</p>	<p>Article 14 (Prevention of products or services from damaging the rights and interests of stakeholders) This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research</p>	<p>To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the</p>

Before amendment	After amendment	Reason for amendment
<p>and development, procurement, manufacture, provision, or sale of products and services.</p> <p>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall recall those products or suspend the services, verify the facts and present a review and improvement plan within the time limit indicated.</p> <p>The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</p>	<p>and development, procurement, manufacture, provision, or sale of products and services.</p> <p>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall recall those products or suspend the services, verify the facts and present a review and improvement plan within the time limit indicated.</p> <p>The Ethical Management Center of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequently corrective measures taken to the Sustainable Development Committee. After reviewed by the Sustainable Development Committee, report to the board of directors.</p>	<p>promotion and execution of Ethical Management related operations. With this, handling procedure of this Article has been amended accordingly.</p>
<p>Article 15 (Non-disclosure agreement)</p> <p>All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider</p>	<p>Article 15 (Prohibition of insider trading and non-disclosure agreement)</p> <p>All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such</p>	<p>Amendment was made in correspondence with the paragraph 1 of this Article stating about prohibition of insider trading.</p>

Before amendment	After amendment	Reason for amendment
<p>trading. Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.</p>	<p>information to engage in insider trading. Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.</p>	
<p><i>Article 16 (Announcement of policy of ethical management to outside parties)</i> This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p><i>Article 16 (Follow and Announce the policy of ethical management)</i> The Company shall request directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy. This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<ol style="list-style-type: none"> 1. In response to Article 8 of “Ethical Corporate Management Best Practice Principles”, adding paragraph 1 of this Article and revising the title. 2. The original paragraph move to paragraph 2.
<p><i>Article 21 (Handling of unethical conduct by personnel of this Corporation)</i></p>	<p><i>Article 21 (Handling of unethical conduct by personnel of this Corporation)</i></p>	<ol style="list-style-type: none"> 1. For the purpose of compliance with Article 23 of the Company’s

Before amendment	After amendment	Reason for amendment
<p>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant a reward. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower’s name and I.D. number, and an address, telephone number and e-mail address where it can be reached. 2. The informed party's name or other information sufficient to distinguish its identifying features. 3. Specific facts available for investigation. <p>Company personnel handling whistleblowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The responsible unit of this Corporation shall observe the following procedure:</p> <ol style="list-style-type: none"> 1. An information shall be reported to the department head if involving the rank and file; and to a general manager if involving a business group or factory head, and to an independent director or supervisor if involving a director or a general 	<p>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant a reward. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower’s name and I.D. number, and an address, telephone number, fax number and e-mail address where it can be reached. Anonymous reporting is allowed. 2. The informed party's name or other information sufficient to distinguish its identifying features. 3. Specific facts available for investigation. <p>Company personnel handling whistleblowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The Ethical Management Center which established by the Sustainable Development Committee shall observe the following procedure:</p> <ol style="list-style-type: none"> 1. Circumstances informed involving directors or senior management shall be reported to members of the Sustainable Development Committee, while circumstances 	<p>“Ethical Corporate Management Best Practice Principles” which stipulates that anonymous reporting is allowed and that appropriate subsequent action should be taken after investigation of the reported event is completed, subparagraph 1 of paragraph 2, context of paragraph 4 and wording of subparagraph 3 of this Articles are hereby amended accordingly.</p> <ol style="list-style-type: none"> 2. To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. With this, handling procedure of this Article has been amended accordingly.

Before amendment	After amendment	Reason for amendment
<p>manager.</p> <p>2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.</p>	<p>involving employees of other levels shall be reported the superior of the accused individual. The so-called senior management includes General Manager and Vice General Manager.</p> <p>2. The Ethical Management Center and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, a case shall be reported to the competent authority, referred to the judicial authority, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>6. The Ethical Management Center shall submit to the Sustainable</p>	

Before amendment	After amendment	Reason for amendment
	Development Committee a report on the whistleblowing case, actions taken, and subsequently corrective measures. After reviewed by the Sustainable Development Committee, report to the board of directors.	
<p>Article 23 (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)</p> <p>The responsible unit of this Corporation shall organize awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries. This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.</p>	<p>Article 23 (Internal advocacy and Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)</p> <p>The Ethical Management Center of this Corporation shall organize awareness sessions each year to communicate the importance of ethics to its directors, employees, and mandataries. This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.</p>	<ol style="list-style-type: none"> 1. Amendment was made in title in correspondence with the paragraph 1 of this Article stating about internal advocacy. 2. To echo the Company’s establishment of the Sustainable Development Committee as the responsible unit for Ethical Management, the original Ethical Management Team, which is under the Sustainable Development Committee, will change its name to the Ethical Management Center and take responsibility in the promotion and execution of Ethical Management related operations. With this, implementer of this Article has been amended accordingly.
<p>Article 24 (Enforcement)</p> <p>These Procedures and Guidelines, and any amendments hereto, shall be implemented after approval by Audit committee and adoption by resolution of the board of directors, and shall be reported to the shareholders meeting. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into</p>	<p>Article 24 (Enforcement)</p> <p>These Procedures and Guidelines, and any amendments hereto, shall be implemented after approval by the Sustainable Development Committee and adoption by resolution of the board of directors, and shall be reported to the shareholders meeting. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent</p>	<p>In response to the establishment of Sustainable Development Committee as a dedicated unit of ethical corporate management, the procedures for ethical management and guidelines for conduct of this Corporation shall be reviewed by the Sustainable Development Committee.</p>

Before amendment	After amendment	Reason for amendment
<p>full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p>	<p>director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p>	
<p>Article 25 (Publication Date) These Procedures and Guidelines were published on March 29, 2018.</p>	<p>Article 25 (Publication Date) These Procedures and Guidelines were published on March 29, 2018. They were amended for the first time on October 7, 2019. They were amended for the second time on March 16, 2020.</p>	<p>Adding the date of the latest amendment.</p>

Attachment 5

TTY BIOPHARM COMPANY LIMITED

Regulation of Transfer of Repurchased Shares to Employee

Article 1 For the purpose of attracting and retaining talents, the Company hereby stipulates Regulation of Transfer of Repurchased Shares to Employee in accordance with related regulations of Clause 1, Paragraph 1, Article 28-2 of Securities and Exchange Act and “Regulations of Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission.

With the exception of related laws and regulations, the Company’s transfer of repurchased shares to employee shall be conducted in accordance with the Regulation hereto.

Article 2 *Types, Contents of Rights and Limitation of Rights for Transferred Shares*

Shares repurchased and transferred by the Company to its employees are common shares of TTY Biopharm Company Limited. With the exception of limitation which forbids employee to transfer within two years, rights and obligations of the shares hereto shall be the same as the ones for other outstanding common shares.

Article 3 *Transfer Period*

The Company’s repurchased shares may be transferred to employees in accordance with the Regulation hereto in one batch or multiple batches within five years starting from the day of share repurchase. Shares shall be cancelled as required by laws in the event of failure to transfer in excess of five years.

Article 4 *Eligibility for Transferees*

Transferees are limited to full-time employees and consultants (hereinafter referred to as “employee”) within the Company. Employees who have started working prior to the subscription date, or the Company’s employees who have made special contribution to the Company and have been submitted to and approved by the Board of Directors, shall be entitled to subscription qualification to subscribe amount of shares stipulated in Article 5 of the Regulation hereto.

Article 5 *Transfer Procedures*

Employees actually entitled to subscription and amount of subscription share will be submitted to the Chairman for approval under references of years of service, level of duty, work performance, previous or expected overall contribution, special performance, development potential and so on. Nevertheless, managers of the company shall first be submitted to the Salary & Remuneration Committee for review and to the Board of Directors for approval.

Employee's failure to pay for subscription upon expiration of subscription period shall be deemed as a waiver of rights. As for balance amount from insufficient subscription, Chairman will contact other employees for subscription accordingly.

Article 6 *Operation Procedures for Transferring Repurchased Shares to Employees*

1. Announcement and report of repurchase of the Company's shares within execution deadline will be made in accordance with the Board of Directors' resolution.
2. Board of Directors shall comply with the Regulation hereto in drafting and announcing operation matters of employee subscription day, standards for subscription share amount, subscription payment period, contents of rights and restriction terms.
3. Share amount for subscription actually paid will be calculated and share transfer registration will be conducted accordingly.

Article 7 *Agreed Transfer Price Per Share*

For the Company's repurchase and transfer of shares to employee, average price for actual repurchase will serve as transfer price (with calculation detailed to NTD cents and numbers below one-tenth of a cent will be rounded up). Nevertheless, in the event of increase or decrease in the Company's already issued common shares, adjustments may therefore be made accordingly based on increase or decrease percentage of issued shares.

Transfer Price Adjustment Format = Actual Repurchase Average Price x (total common shares when execution of the Company's repurchase is completed ÷ total common shares prior to the Company's transfer of repurchased shares to employees)

Article 8 *Rights and Obligations after Transfer*

Unless otherwise stipulated, the remaining rights and obligations shall be the same as the ones for original shares after the Company's repurchase and transfer of shares to employees and completion of transfer registration.

Article 9 *Other Rights and Obligations Related Matters between The Company and Employees*

For the Company's repurchase and transfer of shares to employee, operations for title transfer shall only be conducted after related taxes are paid as required by laws.

Article 10 Regulation hereto shall take effect after resolution from the Board of Directors is passed, and can be amended after being submitted to the Board of Directors for resolution accordingly.

Regulation hereto shall be submitted to shareholders' meeting for report. The same shall apply in the event of amendment.

Attachment 6

TTY BIOPHARM COMPANY LIMITED 2019 Profits Distribution Table

Unit: NTD

Item	Amount	Note
Unappropriated retained earnings of previous years	689,258,468	Re-measurements effects of defined benefit plans
Add: 2019 retained earnings adjustment	2,437,365	
Unappropriated retained earnings after adjustments	691,695,833	
Add: 2019 Net profit after tax for the year	900,081,297	
Less: Appropriated as legal capital reserve (10%)	90,251,866	
Retained earnings available for distribution as of December 31, 2019	1,501,525,264	
Allocation Items		
Cash Dividends to Shareholders	994,599,836	Cash dividends of NT\$ 4.0 per share
Unappropriated retained earnings as of December 31, 2019	506,925,428	

Note :

1. Total 248,649,959 outstanding common shares
2. Earning distribution this time would be paid from earning for year 2019 as priority.

Chairman of the Board: Lin, Chuan

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

Attachment 7

TTY BIOPHARM COMPANY LIMITED

Amendment Comparison Table of “Articles of Incorporation”

Before amendment	After amendment	Reason for amendment
<p>Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act.</p>	<p>Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act. The English name is TTY BIOPHARM COMPANY LIMITED.</p>	<ol style="list-style-type: none"> 1. Amendment was made in correspondence with Article 392-1 of the Company Act and the actual needs of the Company. 2. Word Modification.
<p>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.</p>	<p>Article 7 The total capital of the Company is NT\$ 5 billion divided into 500 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.</p>	Amendment was made in correspondence with actual needs.
<p>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.</p>	(This Article was deleted.)	Amendment was made in correspondence with the stocks issued by the Company in dematerialized form.
<p>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.</p>	<p>Article 8 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.</p>	The original Article 8 was deleted and move this Article to Article 8.
<p>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.</p>	<p>Article 10 Change to entitlement of shares would be ceased since 60 days prior to annual general meeting, 30 days prior to extraordinary general meeting or 5 days prior record date which decided by the company to distribute dividend, bonus or other benefit.</p>	Word Modification.

Before amendment	After amendment	Reason for amendment
<p>Article 18 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.</p>	<p>Article 18 The Company shall arrange 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.</p>	<p>Word Modification.</p>
<p>Article 21 Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.</p>	<p>Article 21 Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses. Employee remuneration prescribed in the preceding paragraph may be distributed in the form of shares or cash. Terms and distribution measures are hereby authorized to the Board of Directors for decision. Director's remuneration shall only be distributed in the form of cash.</p>	<p>To add paragraph 2 to correspond to Article 235-1 of the Company Act and the actual needs of the Company.</p>
<p>Article 25 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.</p>	<p>Article 25 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.</p>	<p>To delete regulations of surplus distribution granted pursuant to Article 21 in this Article which were defined in Article 21.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 28 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 thirty-eight time on November 22, 2018</p>	<p>Article 28 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 thirty-eight time on November 22, 2018 They were amended for the thirty-nine time on June 12, 2020</p>	<p>Adding the date of the latest amendment.</p>

Attachment 8

TTY BIOPHARM COMPANY LIMITED

Amendment Comparison Table of “Rules of Procedure for Shareholders Meetings”

Before amendment	After amendment	Reason for amendment
<p>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.</p>	<p>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 and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders’ meeting.</p>
<p>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.</p>	<p>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. It shall fully take independent directors’ opinions on board for the venue and time of the meeting.</p>	<p>Amendment was made in correspondence to fully take independent directors’ opinions on board.</p>
<p>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</p>	<p>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 and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements, but the attending shareholders represent</p>	<p>1. Amendment was made in correspondence to clearly define that the attending shareholders do not represent a majority of the total number of issued shares at the appointed meeting time and the attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. 2. Word Modification.</p>

Before amendment	After amendment	Reason for amendment
<p>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.</p>	<p>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.</p>	
<p>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.</p>	<p>9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Each proposal (including extraordinary motion and amendment to original proposal) shall be voted by shareholders individually. 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.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders' meeting and also implement the policy - each proposal shall be voted by shareholders individually.</p>

Before amendment	After amendment	Reason for amendment
<p>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.</p>	<p>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 given sufficient time for shareholders to cast its ballot.</p>	<p>Amendment was made in correspondence to protect shareholders' rights of a vote.</p>
<p>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.</p>	<p>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. Counting operation for voting or election resolutions shall be conducted in an open area inside the venue of shareholders' meeting. Voting results, which include weights for calculation, should be announced on the spot upon completion of vote counting and records shall be prepared accordingly.</p>	<ol style="list-style-type: none"> 1. Word Modification. 2. Amendment was made in correspondence to allow shareholders to be fully acknowledged the statistic of voting result in timely manner.
<p>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.</p>	<p>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. When voting is conducted, chairman or his/her designated personnel shall first announce attending shareholders' total voting weights for each proposal before shareholders start to vote for each individual proposal.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders' meeting and also implement the policy - each proposal shall be voted by shareholders individually.</p>

Attachment 9

TTY BIOPHARM COMPANY LIMITED

Amendment Comparison Table of “Regulations for Lending Funds to Other Parties”

Before amendment	After amendment	Reason for amendment
<p>Article 7 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.</p>	<p>Article 7 The interest rate for granted loans shall not be lower than the base rate (by month) charged by Bank of Taiwan. Interest shall be calculated for every loan according to the daily rate and settled and charged at the end of each month.</p>	<p>Amendment was made in correspondence with actual needs.</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. They were amended for the seventh time on June 24, 2016. They were amended for the eighth time on June 25, 2019.</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. They were amended for the seventh time on June 24, 2016. They were amended for the eighth time on June 25, 2019. They were amended for the ninth time on June 12, 2020.</p>	<p>Adding the date of the latest amendment.</p>

VII. Appendices

Appendices 1

TTY BIOPHARM COMPANY LIMITED

Articles of Incorporation

(Prior to the amendment of 2020 General Shareholder's Meeting)

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*

Article 14 The Company shall appoint 7 to 11 board directors. The number of directors elected shall be determined in a board meeting. And a candidate nomination system shall be adapted and the shareholders meeting shall elect directors from the list of candidates. 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.

- 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 Ratios at Public Companies made public by the competent authority.
- 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 shall serve for the remainder of the original terms.
- 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.
- 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.
- 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 18** 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.
- Chapter 5** **Managers**
- Article 19** The Company shall appoint managers. The appointment, dismissal, and remuneration thereof shall be handled pursuant to 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 These documents and the review report shall be submitted to the shareholders meeting for ratification in accordance with relevant laws.

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

Article 21 Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.

Article 22 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 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.

Article 23 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 24 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 70% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends.

Article 25 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 26 The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors.

Article 27 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 28 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.
They were amended for the thirty-sixteenth time on June 24, 2016.
They were amended for the thirty- seventh time on June 16, 2017.
They were amended for the thirty-eight time on November 22, 2018

Appendices 2

TTY BIOPHARM COMPANY LIMITED **Rules of Procedure for Shareholders Meetings**

(Prior to the amendment of 2020 General Shareholder's Meeting)

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 3

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

(Prior to the amendment of 2020 General Shareholder's Meeting)

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 Loaning of Funds and Making of Endorsements/Guarantees by Public Companies of the Financial Supervisory Commission (hereinafter referred to as "FSC").

Article 3 Loan beneficiaries:

The Company shall not loan funds to any of its shareholders or any other person except under the following criteria

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 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 directly or 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:

The aggregate amount of loans and the maximum amount permitted to a single borrower:

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:
 - (1) 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.
 - (2) 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.
2. In the case of lending funds to companies or firms who have a 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 and 10% of the net worth of the Company as stated in the most recent financial statement.

In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 20% of the net worth of the Company as stated in the most recent financial statement.

The “total amount of the business transactions” refers the amount of purchases or sales during the recent year or the present year until the time of lending funds, whichever is higher.

Each inter-company loan of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed 100% of the net worth of the lending enterprise, and the lending enterprise shall set the maximum amount permitted to a single borrower 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 FSC. The term "financing amount" means the cumulative balance of the Company's short-term financing.

The responsible person of the Company who has violated the provisions of the preceding Paragraph shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if any, to company resulted therefrom.

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.

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.

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

Before loaning fund to others, company should carefully evaluate and execute in accordance with below procedure,

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) 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.

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:*

When granting loan to others, the Company should specify duration of loans and calculation of interest in accordance with below:

1. The time limit for financing loans shall not exceed one year. One extension of six months may be granted for companies or firms which have a business relationship with the Company upon approval by resolution of the board and 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:*

After granting loan to others, measures for control and management of loans is as follows:

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 due to the loan which have business relationship with the Company specified in Article 7, Item 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, Audit Committee shall be notified in a prompt manner.

Article 9 *Public announcement and declaration procedures:*

The Company should public announce and declare after granting loan to others in

accordance with below procedure.

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 balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds NT\$ 10 million, and the book value of equity-method investment in such single entity, and the aggregate amount of all endorsements/guarantees for that single entity, 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. 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 borrower 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:

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.

1. When subsidiaries grant loans to others based on their own Operational Procedures, the term worth mean the worth of the subsidiary which is the calculation base.
2. Subsidiaries shall submit data on loans extended in the previous month to the financial unit of the Company by the tenth 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 supervisor of subsidiaries shall be notified in writing in a prompt manner. If Audit Committee set up, shall comply mutatis mutandis with these Regulations set forth for the supervisor.
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 Audit Committee. Improvements shall be implemented in accordance with these plans.

Article 13 These operational procedures and all amendments shall be approved by a majority of the members of the Audit Committee and by board resolution and enforced upon reporting to a Shareholders Meeting for approval. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

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.
They were amended for the seventh time on June 24, 2016.
They were amended for the eighth time on June 25, 2019.

Appendices 4

TTY BIOPHARM COMPANY LIMITED Shareholdings of Directors

Date: April 14, 2020

Title	Name	Shares held in share register
Chairman	LIN, CHUAN	102,000
Vice Chairman	CHANG, WEN-HWA	4,409,800
Director	Dawan Technology Company Limited. Representative: CARL HSIAO	22,590,732
Director	YANG, TZE-KAING	—
Director	CHANG, HSIU-CHI	1,943,686
Director	LIAO, YING-YING	—
Independent Director	TSAI, DUEI	—
Independent Director	HSUEH, MING-LING	—
Independent Director	LIN, TIEN-FU	—

Note:

1. 248,649,959 Common Shares issued on April 14, 2020.
2. Statutory minimum shareholding requirement for all directors is 12,000,000 shares and Shares held in share register is 29,046,218 shares.
3. Since the Company has established an audit committee, statutory shareholding requirements for supervisors are not applicable.



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