

**TTY BIOPHARM COMPANY LIMITED**  
**Year 2022 Annual General Meeting Minutes**  
**(Translation Version)**

**Time:** May 26, 2022 (Thursday) 9:00 AM

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

Total outstanding TTY shares: 248,649,959 shares

Total shares represented by shareholder present in person or by proxy: 186,312,928 shares

Percentage of shares held by shareholder present in person or by proxy: 74.92%

**Director Present:** Lin, Chuan; Chang, Wen-Hwa; Yang, Tze-Kaing; Chang, Hsiu-Chi; Liao, Ying-Ying; Hsueh, Ming-Ling (Independent Director & Chairman of the Audit Committee); Lin, Tien-Fu (Independent Director)

**Attendance:** Hou, Ching-Lan, General Manager; Han, Yi-Lien, CPA of KPMG; Lin, Wen-Peng, Lawyer of Giant Era International Law Office

**Chairman:** Lin, Chuan, Chairman

**Recorder:** Huang, Ching-Yi

**Meeting procedures**

**I. Calling to the Meeting Order**

The aggregate shareholding of the shareholder present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**II. Chairman's Address** (omitted)

**III. Report Items**

1. Year 2021 Business Report (See Attachment 1)
2. Audit Committee's Review Report on the year 2021 Financial Statements (See Attachment 2)
3. Report on Employee and Directors Remuneration in year 2021 (See Meeting Handbook)

**IV. Ratification Items**

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

Year 2021 Business Report and Financial Statements

**Description:**

1. The Company's year 2021 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by Audit Committee.
2. The Company's year 2021 Financial Statements have been audited by KPMG Taiwan with "Unqualified Opinion"
3. Please refer to the Attachment 1 and Attachment 3 for year 2021 Business Report and

## Financial Statements.

**VOTING RESULTS:** a total of 185,560,771 voting rights were represented by the presence of shareholders at the time of voting; therein 182,867,475 votes for (incl. 48,599,996 voting rights cast by electronic method), 23,738 votes against (incl. 23,738 voting rights cast by electronic method), 0 invalid votes and 2,669,558 votes abstention /no votes (incl. 1,627,869 voting rights cast by electronic method).

**RESOLVED,** 98.54% of total represented voting rights present voted for and this proposal was approved as proposed.

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

### Year 2021 Profit Distribution

#### **Description:**

1. Allocation of cash dividend proposed by the Board is total of NT\$ 745,949,877 or NT\$ 3.0 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 4 for year 2021 Profits Distribution Table.

**VOTING RESULTS:** a total of 185,560,771 voting rights were represented by the presence of shareholders at the time of voting; therein 182,864,274 votes for (incl. 48,596,795 voting rights cast by electronic method), 27,938 votes against (incl. 27,938 voting rights cast by electronic method), 0 invalid votes and 2,668,559 votes abstention /no votes (incl. 1,626,870 voting rights cast by electronic method).

**RESOLVED,** 98.54% of total represented voting rights present voted for and this proposal was approved as proposed.

## V. 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 be amended in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 5 for Amendment Comparison Table of “Articles of Incorporation”.

**VOTING RESULTS:** a total of 185,560,771 voting rights were represented by the presence of shareholders at the time of voting; therein 168,436,540 votes for (incl. 34,169,061 voting rights cast by electronic method), 13,607,236 votes against (incl. 13,607,236 voting rights cast by electronic method), 0 invalid votes and 3,516,995 votes abstention /no votes (incl. 2,475,306 voting rights cast by electronic method).

**RESOLVED,** 90.77% of total represented voting rights present voted for and this proposal was approved as proposed.

**Item Two:**

(Proposed by the Board of Directors.)

The Amendment of “Procedures for Acquisition or Disposal of Assets”

**Description:**

1. The “Procedures for Acquisition or Disposal of Assets” is proposed to be amended in accordance with the amendment of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” released by Financial Supervisory Commission on January 28, 2022 with issue number of 1110380465.
2. Please refer to the Attachment 6 for Amendment Comparison Table of “Procedures for Acquisition or Disposal of Assets”.

**VOTING RESULTS:** a total of 185,560,771 voting rights were represented by the presence of shareholders at the time of voting; therein 182,036,964 votes for (incl. 47,769,485 voting rights cast by electronic method), 20,812 votes against (incl. 20,812 voting rights cast by electronic method), 0 invalid votes and 3,502,995 votes abstention /no votes (incl. 2,461,306 voting rights cast by electronic method).

**RESOLVED,** 98.10% of total represented voting rights present voted for and this proposal was approved as proposed.

**VI. Extraordinary Motions:** None.

**VII. Adjournment:** The Chairman announced the meeting adjourned at 9:15 am on May 26, 2022.

## Attachment 1

### TTY BIOPHARM COMPANY LIMITED

#### Business Report

#### I. The Company's Business Result for year 2021

##### (1) Business Plan Implementation Result

The Company's consolidated net business revenue for year 2021 reached NT\$4,535,610 thousands, which represents an increase by NT\$313,774 thousands (7.43%) compared to that of NT\$4,221,836 thousands for year 2020. The increase was mainly caused by the increasing volume of influenza vaccines and manufacturing of COVID-19 vaccines for Medigen Vaccine Biologics Corp. Net profit attributed to the parent company for year 2021 totaled NT\$831,894 thousands which represented a decline by NT\$92,284 thousands (-9.99%) compared to that of NT\$924,178 thousands in year 2020. The decrease was mainly caused by the recognition of penalty of NT 220,000 thousands from Fair Trade Commission. The Company has filed an administrative relief to revoke of this administrative penalty with acceptance by the Court.

##### (2) Budget Implementation Status

The Company's net business revenue for year 2021 is NT\$ 4,038,636 thousands, Pre-tax net profit is NT\$ 1,082,219 thousands, achieving 99.92% of the annual budget target.

##### (3) Income & Expenditure and Profitability Analysis

| Item                   |                                     | Year   |        |
|------------------------|-------------------------------------|--------|--------|
|                        |                                     | 2021   | 2020   |
| Income & Expenditure   | Interest Income (in thousands)      | 442    | 1,126  |
|                        | Interest Expenditure (in thousands) | 17,288 | 17,358 |
| Profitability Analysis | Return on Assets %                  | 9.91   | 10.95  |
|                        | Return on Equity %                  | 15.67  | 16.77  |
|                        | Net Profit Margin %                 | 20.60  | 24.84  |
|                        | Earnings Per Share (NTD)            | 3.35   | 3.72   |

##### (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. 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 year 2022 Business Plan**

### **(1) Operation Policy**

Ever since its incorporation, TTY has experienced several critical strategic leaps and successfully transformed itself into a “specialty drug and 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 primary markets and 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 2022, the Company expects to sell 333,100 thousands tablets of oral products and 6,250 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, global primary markets, and 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 licensing-in and 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, purchase manufacturing equipment, 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, new medical technology 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 obtaining drugs approval to maximize 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 and investment over early/middle/final phase drug development targets for the purpose of enhancing product assortments and competency (specialty pharma, biopharma, new drug) and sustaining this organization’s short/long term growth momentum and integration of value chain;
- (2) Collaboration with international cooperation partners in order to speed up development for specialty pharma and new drugs which come with unmet medical needs, high entry barrier (technology, manufacturing) and high drug economic values;
- (3) Development of specialty pharma through competitive in-house and joint developments and concentration 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) Establishment, renewal and maintenance of drug manufacturing bases which comply with international quality standards and requirements for the purpose of creating stable operation patterns for Contract Development and Manufacturing Organization (CDMO) and adding values to TTY international business development;
- (5) Enhance production capacity and supply chain management and complete optimal integration and management encompassing from R&D to production through critical strategic events of M&As, strategic alliance and joint venture.

- (6) 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 and competency;
- (7) Rapid acquisition and cultivation of local talents with “entrepreneurial spirit” and continued enhancement over product development, operation, and marketing talents possessing balanced developments in the fields of “science, regulation, business management;”
- (8) Accelerate expansion of overseas business footprints, enhance agency sales target management over existing collaborating partners and continue to establish powerful and preeminent overseas self-operated teams for the purpose of generating the Company’s mid-and-long term revenue growth potential and diversified development for internationalization.

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

Under the policy of stricter controlling drug expenditure conducted by governments and the impact of regional industrial competition, China, India, and emerging 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, coupled with challenging export sales resulted from increasing documents requirement with certain regulatory obstacles, has caused excessive domestic 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 manufacturing laws and regulations. Besides that, price negotiation from hospital and that 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.

2021 operation environment was full of challenges due to COVID-19 pandemic. Geopolitical instability and US-China trade war caused impact to global economy. Looking into the year of 2022, trend for global economy has not exposed a silver lining. Economic growth for major countries is struggling, testing again corporate’s capability to respond to contingency and effectiveness in cost control. TTY Biopharm shall continue to exploit and develop suitable drugs, explore channels, acquire drugs approval or obtain applications of new drugs to boost revenue growth and 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: Lin, Chuan

Responsible Accountant: Wang, Shu-Wen

## **Attachment 2**

### **TTY BIOPHARM COMPANY LIMITED**

#### **Audit Committee's Review Report on the year 2021 Financial Statements**

The Board of Directors presented the year 2021 Business Report, Financial Statement (including the consolidated financial statement) and 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: Year 2022 Annual General Meeting of Shareholders of the Company

Hsueh, Ming-Ling

Chairman of the Audit Committee

March 9, 2022



## Attachment 3



安侯建業聯合會計師事務所

KPMG

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### Independent Auditors' Report

To the Board of Directors  
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, 2021 and 2020, 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, 2021 and 2020, 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.

#### 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 10.27% and 10.25% of the related total assets as of December 31, 2021 and 2020, respectively, and the related investment gains represented 7.05% and 9.51% of the profit before tax for the years ended December 31, 2021 and 2020, respectively.

#### 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. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(p) 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.

## 2. 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 large price fluctuation 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 inventories, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Company.

## **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 the 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 (including the Audit Committee) 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Yilien Han and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2022

#### **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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

|                            |   | December 31, 2021   |            | December 31, 2020 |            |                                     |   | December 31, 2021               |            | December 31, 2020 |            |
|----------------------------|---|---------------------|------------|-------------------|------------|-------------------------------------|---|---------------------------------|------------|-------------------|------------|
|                            |   | Amount              | %          | Amount            | %          |                                     |   | Amount                          | %          | Amount            | %          |
| <b>Assets</b>              |   |                     |            |                   |            |                                     |   | <b>Liabilities and Equity</b>   |            |                   |            |
| <b>Current assets:</b>     |   |                     |            |                   |            |                                     |   | <b>Current liabilities:</b>     |            |                   |            |
| 1100                       | Cash and cash equivalents (note 6(a) and (q))                           | \$ 261,301          | 3          | 194,591           | 3          | 2100                                | Short-term borrowings (note 6(h) and (q))                                   | \$ 1,650,000                    | 19         | 1,650,000         | 19         |
| 1150                       | Notes receivable, net (note 6(b) and (q))                               | 18,530              | -          | 17,652            | -          | 2130                                | Contract liabilities-current(note 6(n))                                     | 40,099                          | -          | 15,495            | -          |
| 1170                       | Accounts receivable, net (note 6(b) and (q))                            | 868,643             | 11         | 778,724           | 9          | 2150                                | Notes payable (note 6(q))   | 56,794                          | 1          | 1,922             | -          |
| 1180                       | Accounts receivable due from related parties, net (note 6(b), (q)and 7) | 142,853             | 2          | 86,155            | 1          | 2170                                | Accounts payable (note 6(q))  | 115,777                         | 1          | 150,648           | 2          |
| 1200                       | Other receivables, net (note 6(q) and 7)                                | 20,134              | -          | 91,464            | 1          | 2230                                | Current tax liabilities   | 143,290                         | 2          | 94,049            | 1          |
| 130X                       | Inventories (note 6(c))   | 868,845             | 11         | 1,016,308         | 12         | 2200                                | Other payables (note 6(o) and (q))  | 442,289                         | 5          | 414,126           | 5          |
| 1410                       | Prepayments   | 23,208              | -          | 24,139            | -          | 2300                                | Other current liabilities   | 19,523                          | -          | 20,256            | -          |
| 1470                       | Other current assets (note 6(g))  | <u>81</u>           | -          | <u>4,465</u>      | -          | 2320                                | Long-term liabilities, current portion (note 6(i) and (q))                  | <u>400,000</u>                  | <u>5</u>   | <u>-</u>          | <u>-</u>   |
|                            |   | <u>2,203,595</u>    | <u>27</u>  | <u>2,213,498</u>  | <u>26</u>  |                                     |   | <u>2,867,772</u>                | <u>33</u>  | <u>2,346,496</u>  | <u>27</u>  |
| <b>Non-current assets:</b> |   |                     |            |                   |            |                                     |   | <b>Non-Current liabilities:</b> |            |                   |            |
| 1550                       | Investments accounted for using equity method, net (note 6(d))          | 3,352,240           | 39         | 3,403,670         | 40         | 2540                                | Long-term borrowings (note 6(i) and (q))                                    | -                               | -          | 400,000           | 5          |
| 1600                       | Property, plant and equipment (note 6(e))                               | 2,485,520           | 29         | 2,558,085         | 30         | 2570                                | Deferred tax liabilities (note 6(k))  | 260,519                         | 3          | 271,826           | 3          |
| 1760                       | Investment property, net (note (f))                                     | 113,396             | 1          | 114,163           | 1          | 2640                                | Net defined benefit liability, non-current (note 6(j))                      | 52,597                          | 1          | 45,500            | 1          |
| 1780                       | Intangible assets   | 39,781              | -          | 34,591            | -          | 2645                                | Guarantee deposits received (note 6(q) and 7)                               | 3,637                           | -          | 3,559             | -          |
| 1840                       | Deferred tax assets (note 6(k))   | 45,005              | 1          | 43,940            | 1          | 2650                                | Credit balance of investments accounted for using equity method (note 6(d)) | 1,300                           | -          | 35,332            | -          |
| 1915                       | Prepayments for business facilities                                     | 6,894               | -          | 4,975             | -          | 2670                                | Other non-current liabilities (note 6(q))                                   | <u>152,792</u>                  | <u>2</u>   | <u>2,268</u>      | <u>-</u>   |
| 1920                       | Refundable deposits paid (note 6(q))                                    | 29,366              | -          | 19,696            | -          |                                     |   | <u>470,845</u>                  | <u>6</u>   | <u>758,485</u>    | <u>9</u>   |
| 1984                       | Other non-current financial assets (note 6(g), (q) and 8)               | 151,003             | 2          | 151,193           | 2          |                                     | <b>Total liabilities</b>  | <u>3,338,617</u>                | <u>39</u>  | <u>3,104,981</u>  | <u>36</u>  |
| 1990                       | Other non-current assets (note 6(g))                                    | <u>79,672</u>       | <u>1</u>   | <u>10,936</u>     | <u>-</u>   |                                     | <b>Equity (note 6(l)):</b>  |                                 |            |                   |            |
|                            |   | <u>6,302,877</u>    | <u>73</u>  | <u>6,341,249</u>  | <u>74</u>  | 3100                                | Capital stock   | 2,486,500                       | 29         | 2,486,500         | 29         |
|                            |   |                     |            |                   |            | 3200                                | Capital surplus (note 6(d))   | 311,876                         | 4          | 337,997           | 4          |
|                            |   |                     |            |                   |            | 3310                                | Legal reserve   | 1,198,617                       | 14         | 1,093,808         | 13         |
|                            |   |                     |            |                   |            | 3320                                | Special reserve   | 133,709                         | 2          | 110,154           | 2          |
|                            |   |                     |            |                   |            | 3350                                | Unappropriated retained earnings  | 1,235,223                       | 14         | 1,555,016         | 18         |
|                            |   |                     |            |                   |            | 3400                                | Other equity interest   | <u>(198,070)</u>                | <u>(2)</u> | <u>(133,709)</u>  | <u>(2)</u> |
|                            |   |                     |            |                   |            |                                     | <b>Total equity</b>   | <u>5,167,855</u>                | <u>61</u>  | <u>5,449,766</u>  | <u>64</u>  |
| <b>Total assets</b>        |   | <u>\$ 8,506,472</u> | <u>100</u> | <u>8,554,747</u>  | <u>100</u> | <b>Total liabilities and equity</b> |   | <u>\$ 8,506,472</u>             | <u>100</u> | <u>8,554,747</u>  | <u>100</u> |

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, 2021 and 2020**

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

|      |   | <b>2021</b>       |            | <b>2020</b>      |            |
|------|---|-------------------|------------|------------------|------------|
|      |   | <u>Amount</u>     | <u>%</u>   | <u>Amount</u>    | <u>%</u>   |
| 4000 | <b>Operating revenue (note 6(n) and 7)</b>  | \$ 4,038,636      | 100        | 3,721,161        | 100        |
| 5000 | <b>Operating costs (note 6(c), (j) and 12)</b>  | <u>1,613,866</u>  | <u>40</u>  | <u>1,508,605</u> | <u>41</u>  |
|      | <b>Gross profit</b>   | 2,424,770         | 60         | 2,212,556        | 59         |
| 5910 | Less: Unrealized profit (loss) from sales   | 18,474            | -          | 23,316           | 1          |
| 5920 | Add: Realized profit (loss) from sales  | <u>23,316</u>     | <u>-</u>   | <u>21,870</u>    | <u>1</u>   |
|      | <b>Gross profit, net</b>  | <u>2,429,612</u>  | <u>60</u>  | <u>2,211,110</u> | <u>59</u>  |
| 6000 | <b>Operating expenses (note 6(j) and 12):</b>   |                   |            |                  |            |
| 6100 | Selling expenses  | 736,328           | 18         | 799,945          | 21         |
| 6200 | Administrative expenses (note 6(o))   | 301,965           | 8          | 287,363          | 7          |
| 6300 | Research and development expenses   | 245,778           | 6          | 216,594          | 6          |
| 6450 | Expected credit losses (note 6(b))  | <u>12,024</u>     | <u>-</u>   | <u>-</u>         | <u>-</u>   |
|      |   | <u>1,296,095</u>  | <u>32</u>  | <u>1,303,902</u> | <u>34</u>  |
|      | <b>Net operating income</b>   | <u>1,133,517</u>  | <u>28</u>  | <u>907,208</u>   | <u>25</u>  |
|      | <b>Non-operating income and losses (note 6(p) and 7):</b>   |                   |            |                  |            |
| 7100 | Interest income   | 442               | -          | 1,126            | -          |
| 7010 | Other income  | 16,930            | -          | 16,818           | 1          |
| 7020 | Other gains and losses, net   | (170,936)         | (4)        | 17,842           | 1          |
| 7050 | Finance costs, net  | (17,288)          | -          | (17,358)         | (1)        |
| 7070 | Share of profit of subsidiaries and associates accounted for using equity method, net (note 6(d))   | <u>119,554</u>    | <u>3</u>   | <u>203,819</u>   | <u>5</u>   |
|      |   | <u>(51,298)</u>   | <u>(1)</u> | <u>222,247</u>   | <u>6</u>   |
|      | <b>Profit before tax</b>  | <u>1,082,219</u>  | <u>27</u>  | <u>1,129,455</u> | <u>31</u>  |
| 7950 | Less: Income tax expenses (Note 6(k))   | <u>250,325</u>    | <u>6</u>   | <u>205,277</u>   | <u>6</u>   |
|      | <b>Profit for the period</b>  | <u>831,894</u>    | <u>21</u>  | <u>924,178</u>   | <u>25</u>  |
| 8300 | <b>Other comprehensive income:</b>  |                   |            |                  |            |
| 8310 | <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>  |                   |            |                  |            |
| 8311 | (Losses) gains on remeasurements of defined benefit plans (note 6(j))   | (10,809)          | -          | 7,920            | -          |
| 8316 | Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income   | -                 | -          | 15,132           | -          |
| 8330 | Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss      | (5,802)           | -          | (7,097)          | -          |
| 8349 | Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss   | <u>-</u>          | <u>-</u>   | <u>-</u>         | <u>-</u>   |
|      | Components of other comprehensive (loss) income that will not be reclassified to profit or loss   | <u>(16,611)</u>   | <u>-</u>   | <u>15,955</u>    | <u>-</u>   |
| 8360 | <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>  |                   |            |                  |            |
| 8361 | Exchange differences on translation   | (87,520)          | (2)        | (82,635)         | (2)        |
| 8380 | Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | (182)             | -          | 268              | -          |
| 8399 | Income tax related to components of other comprehensive loss that may be reclassified to profit or loss   | <u>17,540</u>     | <u>-</u>   | <u>16,480</u>    | <u>(1)</u> |
|      | Components of other comprehensive loss that may be reclassified to profit or loss   | <u>(70,162)</u>   | <u>(2)</u> | <u>(65,887)</u>  | <u>(1)</u> |
| 8300 | <b>Other comprehensive loss for the period, net of tax</b>  | <u>(86,773)</u>   | <u>(2)</u> | <u>(49,932)</u>  | <u>(1)</u> |
|      | <b>Total comprehensive income for the period</b>  | <u>\$ 745,121</u> | <u>19</u>  | <u>874,246</u>   | <u>24</u>  |
|      | <b>Earnings per share, net of tax (note 6(m))</b>   |                   |            |                  |            |
|      | Basic earnings per share  | <u>\$ 3.35</u>    |            | <u>3.72</u>      |            |
|      | Diluted earnings per share  | <u>\$ 3.34</u>    |            | <u>3.71</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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

|   | Share capital   |                 | Retained earnings |                 |                                  | Total other equity interest   |   |                             |           | Total equity |
|---|-----------------|-----------------|-------------------|-----------------|----------------------------------|---|---|-----------------------------|-----------|--------------|
|   | 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 | Total other equity interest |           |              |
| <b>Balance on January 1, 2020</b>   | \$ 2,486,500    | 338,514         | 1,003,556         | 110,154         | 1,591,777                        | (80,724)  | 120,859   | 40,135                      | 5,570,636 |              |
| Net income  | -               | -               | -                 | -               | 924,178                          | -   | -   | -                           | 924,178   |              |
| Other comprehensive income  | -               | -               | -                 | -               | 7,920                            | (65,887)  | 8,035   | (57,852)                    | (49,932)  |              |
| Total comprehensive income  | -               | -               | -                 | -               | 932,098                          | (65,887)  | 8,035   | (57,852)                    | 874,246   |              |
| Appropriation and distribution of retained earnings:  |                 |                 |                   |                 |                                  |   |   |                             |           |              |
| Legal reserve appropriated  | -               | -               | 90,252            | -               | (90,252)                         | -   | -   | -                           | -         |              |
| Cash dividends of ordinary share  | -               | -               | -                 | -               | (994,599)                        | -   | -   | -                           | (994,599) |              |
| Other changes in capital surplus:   |                 |                 |                   |                 |                                  |   |   |                             |           |              |
| Changes in equity of investments accounted for using equity method                                      | -               | (517)           | -                 | -               | -                                | -   | -   | -                           | (517)     |              |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -               | -               | -                 | -               | 115,992                          | -   | (115,992)   | (115,992)                   | -         |              |
| Balance on December 31, 2020  | 2,486,500       | 337,997         | 1,093,808         | 110,154         | 1,555,016                        | (146,611)   | 12,902  | (133,709)                   | 5,449,766 |              |
| Net income  | -               | -               | -                 | -               | 831,894                          | -   | -   | -                           | 831,894   |              |
| Other comprehensive income  | -               | -               | -                 | -               | (10,809)                         | (70,162)  | (5,802)   | (75,964)                    | (86,773)  |              |
| Total comprehensive income  | -               | -               | -                 | -               | 821,085                          | (70,162)  | (5,802)   | (75,964)                    | 745,121   |              |
| Appropriation and distribution of retained earnings:  |                 |                 |                   |                 |                                  |   |   |                             |           |              |
| Legal reserve appropriated  | -               | -               | 104,809           | -               | (104,809)                        | -   | -   | -                           | -         |              |
| Special reserve appropriated  | -               | -               | -                 | 23,555          | (23,555)                         | -   | -   | -                           | -         |              |
| Cash dividends of ordinary share  | -               | -               | -                 | -               | (994,600)                        | -   | -   | -                           | (994,600) |              |
| Other changes in capital surplus:   |                 |                 |                   |                 |                                  |   |   |                             |           |              |
| Changes in equity of investments accounted for using equity method                                      | -               | (13,893)        | -                 | -               | -                                | -   | -   | -                           | (13,893)  |              |
| Other changes in capital surplus  | -               | 710             | -                 | -               | -                                | -   | -   | -                           | 710       |              |
| Difference between consideration value and carrying amount of subsidiaries acquired or disposed         | -               | (13,155)        | -                 | -               | (6,311)                          | -   | -   | -                           | (19,466)  |              |
| Changes in ownership interests in subsidiaries  | -               | 217             | -                 | -               | -                                | -   | -   | -                           | 217       |              |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -               | -               | -                 | -               | (11,603)                         | -   | 11,603  | 11,603                      | -         |              |
| <b>Balance on December 31, 2021</b>   | \$ 2,486,500    | 311,876         | 1,198,617         | 133,709         | 1,235,223                        | (216,773)   | 18,703  | (198,070)                   | 5,167,855 |              |

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

|   | 2021         | 2020        |
|---|--------------|-------------|
| <b>Cash flows from (used in) operating activities:</b>                                      |              |             |
| Profit before tax   | \$ 1,082,219 | 1,129,455   |
| Adjustments:  |              |             |
| <b>Adjustments to reconcile profit (loss):</b>  |              |             |
| Depreciation expense  | 140,926      | 132,489     |
| Amortization expense  | 7,657        | 5,226       |
| Expected credit losses  | 12,024       | -           |
| Interest expense  | 17,288       | 17,358      |
| Interest income   | (442)        | (1,126)     |
| Share of profit of investments accounted for using the equity method                        | (119,554)    | (203,819)   |
| Losses on disposal of property, plant and equipment   | 108          | 321         |
| Unrealized profit from sales  | 18,474       | 23,316      |
| Realized profit from sales  | (23,316)     | (21,870)    |
| Gain from lease modification  | (232)        | (7)         |
| Amortization of deferred profit   | (13,183)     | (2,917)     |
| <b>Total adjustments to reconcile profit (loss)</b>   | 39,750       | (51,029)    |
| <b>Changes in operating assets and liabilities:</b>   |              |             |
| Notes receivable  | (878)        | (1,653)     |
| Accounts receivable   | (158,641)    | 7,008       |
| Other receivable  | 1,330        | 30,462      |
| Inventories   | 147,463      | (219,403)   |
| Other current assets  | 5,315        | (8,014)     |
| <b>Total changes in operating assets</b>  | (5,411)      | (191,600)   |
| Current contract liabilities  | 24,604       | 3,318       |
| Notes payable   | 198,672      | 1,202       |
| Accounts payable  | (34,871)     | (22,617)    |
| Other payable   | 31,243       | (61,023)    |
| Other current liabilities   | (2,208)      | (4,675)     |
| Net defined benefit liability   | (3,712)      | (2,689)     |
| <b>Total changes in operating liabilities</b>   | 213,728      | (86,484)    |
| <b>Total changes in operating assets and liabilities</b>                                    | 208,317      | (278,084)   |
| <b>Total adjustments</b>  | 248,067      | (329,113)   |
| Cash inflow generated from operations   | 1,330,286    | 800,342     |
| Interest received   | 442          | 1,126       |
| Dividends received  | 112,197      | 59,964      |
| Interest paid   | (16,772)     | (17,495)    |
| Income taxes paid   | (195,916)    | (301,910)   |
| <b>Net cash flows from operating activities</b>   | 1,230,237    | 542,027     |
| <b>Cash flows from (used in) investing activities:</b>                                      |              |             |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | -            | 70,172      |
| Acquisition of investments accounted for using equity method                                | (13,863)     | -           |
| Acquisition of property, plant and equipment  | (56,552)     | (155,962)   |
| Proceeds from disposal of property, plant and equipment                                     | -            | 13          |
| (Increase) decrease in refundable deposits paid   | (9,670)      | 8,393       |
| Acquisition of intangible assets  | (12,847)     | (13,210)    |
| Decrease in other financial assets  | 190          | 1,228       |
| Increase in prepayments for business facilities   | (2,690)      | (789)       |
| (Increase) decrease in other non-current assets   | (68,736)     | 10,656      |
| <b>Net cash flows used in investing activities</b>  | (164,168)    | (79,499)    |
| <b>Cash flows from (used in) financing activities:</b>                                      |              |             |
| Increase in short-term loans  | 5,400,000    | 5,400,000   |
| Decrease in short-term loans  | (5,400,000)  | (5,200,000) |
| Proceeds from long-term borrowings  | -            | 700,000     |
| Repayments of long-term borrowings  | -            | (650,000)   |
| Increase in guarantee deposits received   | 78           | -           |
| Payment of lease liabilities  | (5,544)      | (4,888)     |
| Cash dividends paid   | (994,600)    | (994,599)   |
| Dividends unclaimed by shareholders   | 710          | -           |
| <b>Net cash flows used in financing activities</b>  | (999,356)    | (749,487)   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                         | (3)          | 35          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                 | 66,710       | (286,924)   |
| <b>Cash and cash equivalents at beginning of period</b>                                     | 194,591      | 481,515     |
| <b>Cash and cash equivalents at end of period</b>   | \$ 261,301   | 194,591     |

See accompanying notes to financial statements.





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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 and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, 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 audit in accordance with the Regulations Governing Auditing and Attestation 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 for our opinion.

### Other Matter

We did not audit the financial statements of PharmaEngine Inc, an associate of the Group, which represented investment in another entity accounted for using the equity method. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, is based solely on the report of another auditor. The investment in the investee company constituting 9.40% and 9.37% of consolidated total assets as of December 31, 2021 and 2020, respectively, and the related share of profit of associates accounted for using the equity method constituting 7.01% and 8.94% of consolidated profit before tax for the years ended December 31, 2021 and 2020, respectively.

We have audited the financial statements of TTY Biopharm Company Limited as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion with an other matter section, thereon.



## 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. Occurrence of revenue from selling pharmaceuticals and chemical drugs

Please refer to Notes 4(p) 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.

### 2. 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 large price fluctuation 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:

- Overlooking 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 inventories, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Group.



## **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 (including the Audit Committee) 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 Yilien Han and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)  
March 9, 2022

#### **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, 2021 and 2020**

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

|   | <b>2021</b>       |            | <b>2020</b>      |            |
|---|-------------------|------------|------------------|------------|
|   | <u>Amount</u>     | <u>%</u>   | <u>Amount</u>    | <u>%</u>   |
| 4000 <b>Operating revenue (note 6(q) and 7)</b>   | \$ 4,535,610      | 100        | 4,221,836        | 100        |
| 5000 <b>Operating costs (note 6(d), (i), (m) and 12)</b>  | <u>1,767,630</u>  | <u>39</u>  | <u>1,617,062</u> | <u>38</u>  |
| <b>Gross profit</b>   | 2,767,980         | 61         | 2,604,774        | 62         |
| 5910 Less: Unrealized profit (loss) from sales  | 8,161             | -          | 6,734            | -          |
| 5920 Add: Realized profit (loss) from sales   | <u>6,734</u>      | <u>-</u>   | <u>9,012</u>     | <u>-</u>   |
| <b>Gross profit, net</b>  | <u>2,766,553</u>  | <u>61</u>  | <u>2,607,052</u> | <u>62</u>  |
| 6000 <b>Operating expenses (note 6(i), (m), (r) and 12):</b>  |                   |            |                  |            |
| 6100 Selling expenses   | 921,732           | 21         | 983,415          | 23         |
| 6200 Administrative expenses  | 402,992           | 9          | 404,758          | 10         |
| 6300 Research and development expenses  | 287,595           | 6          | 261,597          | 6          |
| 6450 Expected credit losses (gains) (note 6(c))   | <u>13,582</u>     | <u>-</u>   | <u>(97)</u>      | <u>-</u>   |
| <b>Total operating expenses</b>   | <u>1,625,901</u>  | <u>36</u>  | <u>1,649,673</u> | <u>39</u>  |
| <b>Net operating income</b>   | <u>1,140,652</u>  | <u>25</u>  | <u>957,379</u>   | <u>23</u>  |
| <b>Non-operating income and expenses:</b>   |                   |            |                  |            |
| 7100 Interest income (note 6(s))  | 6,309             | -          | 14,981           | -          |
| 7010 Other income (note 6(s))   | 11,271            | -          | 91,412           | 2          |
| 7020 Other gains and losses, net (note 6(s) and 7)  | (187,051)         | (4)        | (5,699)          | -          |
| 7050 Finance costs, net (note 6(s))   | (18,985)          | -          | (19,413)         | -          |
| 7060 Share of profit of associates accounted for using the equity method, net (note 6(e))   | <u>135,184</u>    | <u>3</u>   | <u>162,865</u>   | <u>4</u>   |
| 7055 <b>Total non-operating income and expenses</b>   | <u>(53,272)</u>   | <u>(1)</u> | <u>244,146</u>   | <u>6</u>   |
| <b>Profit before tax</b>  | 1,087,380         | 24         | 1,201,525        | 29         |
| 7950 Less: Income tax expenses (note 6(n))  | <u>264,811</u>    | <u>6</u>   | <u>222,848</u>   | <u>5</u>   |
| <b>Profit for the period</b>  | <u>822,569</u>    | <u>18</u>  | <u>978,677</u>   | <u>24</u>  |
| 8300 <b>Other comprehensive income:</b>   |                   |            |                  |            |
| 8310 <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>   |                   |            |                  |            |
| 8311 (Losses) gains on remeasurements of defined benefit plans  | (10,809)          | -          | 7,920            | -          |
| 8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive  | (21,094)          | -          | 12,507           | -          |
| 8320 Share of other comprehensive income (loss) of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | 6,112             | -          | (5,615)          | -          |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss   | -                 | -          | -                | -          |
| Components of other comprehensive (loss) income that will not be reclassified to profit or loss   | <u>(25,791)</u>   | <u>-</u>   | <u>14,812</u>    | <u>-</u>   |
| 8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>   |                   |            |                  |            |
| 8361 Exchange differences on translation  | (87,454)          | (2)        | (82,652)         | (2)        |
| 8370 Share of other comprehensive (loss) income of associates accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss | (220)             | -          | 282              | -          |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss   | <u>17,540</u>     | <u>-</u>   | <u>16,480</u>    | <u>-</u>   |
| Components of other comprehensive loss that will be reclassified to profit or loss  | <u>(70,134)</u>   | <u>(2)</u> | <u>(65,890)</u>  | <u>(2)</u> |
| 8300 <b>Other comprehensive Loss</b>  | <u>(95,925)</u>   | <u>(2)</u> | <u>(51,078)</u>  | <u>(2)</u> |
| <b>Total comprehensive income for the period</b>  | <u>\$ 726,644</u> | <u>16</u>  | <u>927,599</u>   | <u>22</u>  |
| <b>Profit attributable to:</b>  |                   |            |                  |            |
| 8610 Owners of parent   | \$ 831,894        | 18         | 924,178          | 23         |
| 8620 Non-controlling interests  | <u>(9,325)</u>    | <u>-</u>   | <u>54,499</u>    | <u>1</u>   |
|   | <u>\$ 822,569</u> | <u>18</u>  | <u>978,677</u>   | <u>24</u>  |
| <b>Comprehensive income attributable to:</b>  |                   |            |                  |            |
| Owners of parent  | \$ 745,121        | 16         | 874,246          | 21         |
| Non-controlling interests   | <u>(18,477)</u>   | <u>-</u>   | <u>53,353</u>    | <u>1</u>   |
|   | <u>\$ 726,644</u> | <u>16</u>  | <u>927,599</u>   | <u>22</u>  |
| <b>Earnings per share, net of tax (note 6(p))</b>   |                   |            |                  |            |
| 9750 Basic earnings per share   | <u>\$ 3.35</u>    |            | <u>3.72</u>      |            |
| 9850 Diluted earnings per share   | <u>\$ 3.34</u>    |            | <u>3.71</u>      |            |

See accompanying notes to financial statements.

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

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollar)**

|   | Equity attributable to owners of parent |                   |                 |                                  |                                     |   |                             |   |                             |   |                           |
|---|---|-------------------|-----------------|----------------------------------|-------------------------------------|---|-----------------------------|---|-----------------------------|---|---------------------------|
|   | Share capital                           | Retained earnings |                 |                                  |                                     | Total other equity interest   |                             |   |                             |   |                           |
|   |   |                   |                 |                                  |                                     | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income |                             |   | Total other equity interest | Total equity attributable to owners of parent | Non-controlling interests |
| Ordinary shares   | Capital surplus                         | Legal reserve     | Special reserve | Unappropriated retained earnings | Exchange differences on translation | comprehensive income  | Total other equity interest | Total equity attributable to owners of parent | Non-controlling interests   | Total equity                                  |                           |
| <b>Balance on January 1, 2020</b>   | \$ 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                 |
| Net income  | -                                       | -                 | -               | -                                | 924,178                             | -   | -                           | -   | 924,178                     | 54,499  | 978,677                   |
| Other comprehensive income  | -                                       | -                 | -               | -                                | 7,920                               | (65,887)  | 8,035                       | (57,852)                                      | (49,932)                    | (1,146)                                       | (51,078)                  |
| Total comprehensive income  | -                                       | -                 | -               | -                                | 932,098                             | (65,887)  | 8,035                       | (57,852)                                      | 874,246                     | 53,353  | 927,599                   |
| Appropriation and distribution of retained earnings:  |   |                   |                 |                                  |                                     |   |                             |   |                             |   |                           |
| Legal reserve appropriated  | -                                       | -                 | 90,252          | -                                | (90,252)                            | -   | -                           | -   | -                           | -   | -                         |
| Cash dividends of ordinary share  | -                                       | -                 | -               | -                                | (994,599)                           | -   | -                           | -   | (994,599)                   | -   | (994,599)                 |
| Other changes in capital surplus:   |   |                   |                 |                                  |                                     |   |                             |   |                             |   |                           |
| Changes in equity of investments accounted for using the equity method                                  | -                                       | (517)             | -               | -                                | -                                   | -   | -                           | -   | (517)                       | -   | (517)                     |
| Changes in ownership interests in subsidiaries  | -                                       | -                 | -               | -                                | -                                   | -   | -                           | -   | -                           | 6,600   | 6,600                     |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -                                       | -                 | -               | -                                | 115,992                             | -   | (115,992)                   | (115,992)                                     | -                           | -   | -                         |
| Distribution of dividend by subsidiaries to non-controlling interests                                   | -                                       | -                 | -               | -                                | -                                   | -   | -                           | -   | -                           | (30,079)                                      | (30,079)                  |
| Balance at December 31, 2020  | 2,486,500                               | 337,997           | 1,093,808       | 110,154                          | 1,555,016                           | (146,611)   | 12,902                      | (133,709)                                     | 5,449,766                   | 628,302                                       | 6,078,068                 |
| Net income  | -                                       | -                 | -               | -                                | 831,894                             | -   | -                           | -   | 831,894                     | (9,325)                                       | 822,569                   |
| Other comprehensive income  | -                                       | -                 | -               | -                                | (10,809)                            | (70,162)  | (5,802)                     | (75,964)                                      | (86,773)                    | (9,152)                                       | (95,925)                  |
| Total comprehensive income  | -                                       | -                 | -               | -                                | 821,085                             | (70,162)  | (5,802)                     | (75,964)                                      | 745,121                     | (18,477)                                      | 726,644                   |
| Appropriation and distribution of retained earnings:  |   |                   |                 |                                  |                                     |   |                             |   |                             |   |                           |
| Legal reserve appropriated  | -                                       | -                 | 104,809         | -                                | (104,809)                           | -   | -                           | -   | -                           | -   | -                         |
| Special reserve appropriated  | -                                       | -                 | -               | 23,555                           | (23,555)                            | -   | -                           | -   | -                           | -   | -                         |
| Cash dividends of ordinary share  | -                                       | -                 | -               | -                                | (994,600)                           | -   | -                           | -   | (994,600)                   | -   | (994,600)                 |
| Other changes in capital surplus:   |   |                   |                 |                                  |                                     |   |                             |   |                             |   |                           |
| Changes in equity of investments accounted for using the equity method                                  | -                                       | (13,893)          | -               | -                                | -                                   | -   | -                           | -   | (13,893)                    | -   | (13,893)                  |
| Other changes in capital surplus  | -                                       | 710               | -               | -                                | -                                   | -   | -                           | -   | 710                         | -   | 710                       |
| Difference between consideration value and carrying amount of subsidiaries acquired or disposed         | -                                       | (13,155)          | -               | -                                | (6,311)                             | -   | -                           | -   | (19,466)                    | 19,466  | -                         |
| Changes in ownership interests in subsidiaries  | -                                       | 217               | -               | -                                | -                                   | -   | -                           | -   | 217                         | 168   | 385                       |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -                                       | -                 | -               | -                                | (11,603)                            | -   | 11,603                      | 11,603  | -                           | -   | -                         |
| Distribution of dividend by subsidiaries to non-controlling interests                                   | -                                       | -                 | -               | -                                | -                                   | -   | -                           | -   | -                           | (30,080)                                      | (30,080)                  |
| <b>Balance on December 31, 2021</b>   | \$ 2,486,500                            | 311,876           | 1,198,617       | 133,709                          | 1,235,223                           | (216,773)   | 18,703                      | (198,070)                                     | 5,167,855                   | 599,379                                       | 5,767,234                 |

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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollar)**

|   | 2021         | 2020        |
|---|--------------|-------------|
| <b>Cash flows from (used in) operating activities:</b>                                      |              |             |
| <b>Profit before tax</b>  | \$ 1,087,380 | 1,201,525   |
| <b>Adjustments:</b>   |              |             |
| <b>Adjustments to reconcile profit (loss):</b>  |              |             |
| Depreciation expenses   | 145,448      | 137,130     |
| Amortization expenses   | 21,833       | 19,869      |
| Expected credit losses (gains)  | 13,582       | (97)        |
| Net losses on financial assets or liabilities at fair value through profit or loss          | -            | 1,558       |
| Interest expenses   | 18,985       | 19,413      |
| Interest income   | (6,309)      | (14,981)    |
| Dividend income   | (6,360)      | (6,420)     |
| Shares of profit of investments accounted for using the equity method                       | (135,184)    | (162,865)   |
| Losses on disposal of property, plant and equipment   | 736          | 321         |
| Losses (gains) on disposal of investments   | 205          | (1,715)     |
| Impairment loss on non-financial assets   | 4,146        | 4,583       |
| Unrealized profit from sales  | 8,161        | 6,734       |
| Realized profit from sales  | (6,734)      | (9,012)     |
| <b>Total adjustments to reconcile profit (loss)</b>   | 58,509       | (5,482)     |
| <b>Changes in operating assets and liabilities:</b>   |              |             |
| <b>Changes in operating assets:</b>   |              |             |
| Notes receivable  | (3,880)      | 953         |
| Accounts receivable   | (114,319)    | (36,422)    |
| Other receivables   | 2,009        | 103,277     |
| Inventories   | 155,118      | (251,804)   |
| Prepayments and other current assets  | 19,707       | 16,808      |
| <b>Total changes in operating assets</b>  | 58,635       | (167,188)   |
| <b>Changes in operating liabilities:</b>  |              |             |
| Contract liabilities  | 23,484       | (393)       |
| Notes payable   | 195,171      | 4,410       |
| Accounts payable  | (23,073)     | (26,354)    |
| Other payable   | 24,968       | (77,511)    |
| Other current liabilities   | (12,027)     | (111,225)   |
| Net defined benefit liability   | (3,712)      | (2,689)     |
| <b>Total changes in operating liabilities</b>   | 204,811      | (213,762)   |
| <b>Total changes in operating assets and liabilities</b>                                    | 263,446      | (380,950)   |
| <b>Total adjustments</b>  | 321,955      | (386,432)   |
| Cash inflow generated from operations   | 1,409,335    | 815,093     |
| Interest received   | 6,375        | 14,981      |
| Dividends received  | 79,520       | 27,347      |
| Interest paid   | (18,666)     | (19,596)    |
| Income taxes paid   | (220,223)    | (311,474)   |
| <b>Net cash flows from operating activities</b>   | 1,256,341    | 526,351     |
| <b>Cash flows from (used in) investing activities:</b>                                      |              |             |
| Acquisition of financial assets at fair value through other comprehensive income            | (3,478)      | -           |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 20,707       | 252,956     |
| Proceeds from disposal of financial assets at fair value through profit or loss             | -            | 4,316       |
| Acquisition of property, plant and equipment  | (56,032)     | (167,317)   |
| Proceeds from disposal of property, plant and equipment                                     | 25           | 13          |
| (Increase) decrease in refundable deposits paid   | (11,820)     | 9,108       |
| Acquisition of intangible assets  | (13,839)     | (13,754)    |
| (Increase) decrease in other financial assets   | (31,324)     | 51,552      |
| Increase in prepayments for business facilities   | (4,283)      | (789)       |
| (Increase) decrease in other non-current assets   | (68,735)     | 11,151      |
| <b>Net cash flows (used in) from investing activities</b>                                   | (168,779)    | 147,236     |
| <b>Cash flows from (used in) financing activities:</b>                                      |              |             |
| Increase in short-term loans  | 5,400,000    | 5,400,000   |
| Decrease in short-term loans  | (5,404,000)  | (5,246,000) |
| Proceeds from long-term borrowings  | -            | 720,000     |
| Repayments of long-term borrowings  | (16,543)     | (663,650)   |
| Increase in other non-current liabilities   | -            | 1,120       |
| Cash dividends paid   | (994,600)    | (994,599)   |
| Dividends unclaimed by shareholders   | 1,095        | -           |
| Cash dividends paid to non-controlling interests  | (30,080)     | (30,079)    |
| Change in non-controlling interests   | -            | 6,600       |
| <b>Net cash flows used in financing activities</b>  | (1,044,128)  | (806,608)   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                         | (44,911)     | (65,407)    |
| <b>Net decrease in cash and cash equivalents</b>  | (1,477)      | (198,428)   |
| <b>Cash and cash equivalents at beginning of period</b>                                     | 2,223,730    | 2,422,158   |
| <b>Cash and cash equivalents at end of period</b>   | \$ 2,222,253 | 2,223,730   |

See accompanying notes to financial statements.



## Attachment 4

### TTY BIOPHARM COMPANY LIMITED Year 2021 Profits Distribution Table

Unit: NTD

| Item   | Amount        | Note   |
|--|---------------|--|
| Unappropriated retained earnings of previous year                    | 432,051,362   | Re-measurement effects of defined benefit plans, the difference between share price and book value for affiliates, and recognized the gain (loss) of affiliates resulting from investments in equity instruments measured at fair value through other comprehensive income, and aforementioned gain (loss) is directly transferred to retained earnings.<br><br>Cash dividend of NT\$3.0 per share |
| Less: Year 2021 retained earnings adjustment                         | 28,723,022    |  |
| Add: Year 2021 net profit after tax for the year                     | 831,893,428   |  |
| Less: Appropriated as legal capital reserve (10%)                    | 80,317,041    |  |
| Less: Appropriated as special reserve                                | 64,360,882    |  |
| Retained earnings available for distribution as of December 31, 2021 | 1,090,543,845 |  |
| Allocation Items   |               |  |
| Cash Dividends to Shareholders                                       | 745,949,877   |  |
| Unappropriated retained earnings as of December 31, 2021             | 344,593,968   |  |

Note:

1. Total 248,649,959 outstanding common shares
2. Earnings distribution this time would be paid from earnings for year 2021 as priority.

Chairman of the Board: Lin, Chuan

Responsible Management: Lin, Chuan

Responsible Accountant: Wang, Shu-Wen

## Attachment 5

### TTY BIOPHARM COMPANY LIMITED Amendment Comparison Table of “Articles of Incorporation”

| Before amendment  | After amendment  | Reason for amendment  |
|---|--|---|
| <p><b>Article 4</b><br/>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.</p>                          | <p><b>Article 4</b><br/>The total reinvestment amount may exceed 40% of the share 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.</p>                                       | Wording Modification.   |
| <p><b>Article 10</b><br/>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> | <p><b>Article 10</b><br/>Change to record in the shareholders’ list 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> | Wording Modification.   |
| <p><b>Article 11</b><br/>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.</p>              | <p><b>Article 11</b><br/>Annual Shareholders Meetings shall be convened at least once a year, 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.</p>   | Wording Modification.   |
| <p><b>Article 12.1</b></p>  | <p><b>Article 13</b></p>   | Content unchanged, only article adjustment (from 12.1 to 13). |
| <p><b>Article 13</b></p>  | <p><b>Article 14</b></p>   | Content unchanged, only article adjustment (from 13 to 14).   |
| <p><b>Article 13.1</b></p>  | <p><b>Article 15</b></p>   | Content unchanged, only article adjustment (from 13.1 to 15). |

| Before amendment   | After amendment  | Reason for amendment  |
|--|--|---|
| <p><b>Article 14</b><br/>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 7 to 11 directors and 20% of the aforementioned quota shall be independent directors. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in charge of securities.</p> | <p><b>Article 16</b><br/>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 7 to 11 directors and 1/3 of the aforementioned quota shall be independent directors. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in charge of securities.</p> | <ol style="list-style-type: none"> <li>1. Article adjustment (from 14 to 16)</li> <li>2. Amendment was made for the purpose of strengthening supervision of board of directors, one-third of directors shall be independent directors.</li> </ol> |
| <p><b>Article 14.1</b><br/>Content omitted</p>   | <p><b>Article 17</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 14.1 to 17).</p>  |
| <p><b>Article 14.2</b><br/>Content omitted</p>   | <p><b>Article 18</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 14.2 to 18).</p>  |
| <p><b>Article 14.3</b><br/>Content omitted</p>   | <p><b>Article 19</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 14.3 to 19).</p>  |
| <p><b>Article 14.4</b><br/>Content omitted</p>   | <p><b>Article 20</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 14.4 to 20).</p>  |
| <p><b>Article 15</b><br/>Content omitted</p>   | <p><b>Article 21</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 15 to 21).</p>  |
| <p><b>Article 16</b><br/>Content omitted</p>   | <p><b>Article 22</b><br/>Content omitted</p>   | <p>Content unchanged, only article adjustment (from 16 to 22).</p>  |

| Before amendment   | After amendment  | Reason for amendment   |
|--|--|--|
| <b>Article 16.1</b><br>Content omitted   | <b>Article 23</b><br>Content omitted   | Content unchanged, only article adjustment (from 16.1 to 23).                              |
| <b>Article 17</b><br>Content omitted   | <b>Article 24</b><br>Content omitted   | Content unchanged, only article adjustment (from 17 to 24).                                |
| <b>Article 18</b><br>Content omitted   | <b>Article 25</b><br>Content omitted   | Content unchanged, only article adjustment (from 18 to 25).                                |
| <b>Article 19</b><br>Content omitted   | <b>Article 26</b><br>Content omitted   | Content unchanged, only article adjustment (from 19 to 26).                                |
| <b>Article 20</b><br>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.<br>1. Business report.<br>2. Financial statement.<br>3. Surplus allocation or loss make-up proposal. | <b>Article 27</b><br>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 annual general meeting for ratification in accordance with relevant laws.<br>1. Business report.<br>2. Financial statement.<br>3. Surplus allocation or loss make-up proposal. | 1. Content unchanged, only article adjustment (from 20 to 27).<br>2. Wording modification. |
| <b>Article 21</b><br>Content omitted.  | <b>Article 28</b><br>Content omitted.  | Content unchanged, only article adjustment (from 21 to 28).                                |

| Before amendment   | After amendment  | Reason for amendment   |
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| <p><b>Article 22</b><br/>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.</p> | <p><b>Article 29</b><br/>The Company's earnings, if any, at the end of fiscal year, shall pay tax first and recover accumulated losses before contributing 10% for legal reserve. However, this shall not be applied if legal reserve hereto has already reached the amount of share capital. After residual amount from aforementioned calculation is added to unappropriated earnings from previous period, a contribution or reversal to special reserved shall then be conducted in accordance with regulations or competent authority's requirements. At the end of each fiscal year, the Board of Directors will propose an earnings distribution based on considerations of the Company's profits, capital and financial structure, future business needs, accumulated earnings and legal reserve, market competition conditions as well as shareholders' interests. The proposal hereto shall be submitted to Annual General Meeting for resolution before being executed accordingly.</p> | <ol style="list-style-type: none"> <li>1. Article adjustment (from 22 to 29).</li> <li>2. Related consideration factors on earnings distribution prescribed in original Article 23 are related to contents of this article, and therefore these factors are now moved to the latter part of paragraph 1 of this article.</li> <li>3. For the purpose of explaining basis for legal reserve contribution, paragraph 2 is hereby added accordingly in accordance with official letter from the Ministry of Economic Affairs dated January 9th, 2020 under reference number of Jin-Shang-Zi No.108024324101.</li> <li>4. Wording modification.</li> </ol> |
| <p><b>Article 23</b><br/>In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting.</p>  |  | <p>Related consideration factors on earnings distribution prescribed in this Article are related to revised contents of Article 29, and therefore these factors are now moved to the latter part of paragraph 1 of Article 29.</p>   |

| Before amendment  | After amendment  | Reason for amendment  |
|---|--|---|
| <p><b>Article 24</b><br/>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.</p> | <p><b>Article 30</b><br/>The Company adopts principle of conservatism in its distribution of dividend. In the event of surplus from the Company’s fiscal account, a contribution of not lower than 70% of the balance amount after tax payment, accumulated loss recovery, contribution of legal reserve and contribution or reversal of special earnings reserve as required by laws shall be made to serve as shareholder dividend in accordance with requirements of Article 29. This can be conducted in cash or stocks. Percentage for cash dividend distribution shall not lower than 70% of the total dividend amount. Based on the Company’s principles of stability for financial structure and dividend balance, the Company may distribute all or part of reserve or retained earnings from previous period in accordance with laws or competent authority’s requirements in the event that there is no surplus for distribution in current period, or there is surplus but surplus amount is obviously lower than the Company’s surplus actually distributed in the previous year. In the event of disposal of real estate, equity investments or intangible assets in the current year, all or a portion of difference between disposal amount and acquisition cost, or income received from litigation or commercial dispute, can be retained accordingly. Restrictions on distribution percentage prescribed in paragraph 1 of this article shall not apply. In the event that the Company distributes all or a portion of dividend, bonus or legal reserve or capital reserve in cash, the</p> | <ol style="list-style-type: none"> <li>1. Article adjustment (from 24 to 30).</li> <li>2. Percentages for dividend contribution and cash dividend distribution are modified, and paragraph 1 is modified through adjustments on descriptions of the article contents.</li> <li>3. Paragraph 2 of the article hereto is modified based on stability principles for the Company’s financial structure and practical needs.</li> <li>4. Paragraph 3 of the article hereto is added in accordance with requirements prescribed on Paragraph 5, Article 240 of the Company Act.</li> </ol> |

| Before amendment  | After amendment  | Reason for amendment  |
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|   | Board of Directors Meeting is hereby authorized to execute this after two-thirds of directors attend Board of Directors Meeting and consent from half of attending directors is obtained, and the Annual General Meeting shall be reported accordingly.                        |   |
| <i>Article 25</i><br>Content omitted  | <i>Article 31</i><br>Content omitted   | Content unchanged, only adjustment of articles (from 25 to 31).       |
| <i>Article 26</i><br>Content omitted  | <i>Article 32</i><br>Content omitted   | Content unchanged, only article adjustment (from 26 to 32).           |
| <i>Article 27</i><br>Content omitted  | <i>Article 33</i><br>Content omitted   | Content unchanged, only article adjustment (from 27 to 33).           |
| <i>Article 28</i><br>These articles of incorporation were formulated on June 23, 1960.<br>They were amended for the first time on June 17, 1966.<br>⋮<br>They were amended for the thirty-nine time on June 12, 2020. | <i>Article 34</i><br>These articles of incorporation were formulated on June 23, 1960.<br>They were amended for the first time on June 17, 1966.<br>⋮<br>They were amended for the thirty-nine time on June 12, 2020.<br>They were amended for the forty time on May 26, 2022. | 1. Article adjustment.<br>2. Adding the date of the latest amendment. |

## Attachment 6

### TTY BIOPHARM COMPANY LIMITED

#### Amendment Comparison Table of “Procedures for Acquisition or Disposal of Assets”

| Before amendment   | After amendment  | Reason for amendment   |
|--|--|--|
| <p><b>Article 6</b><br/>Acquisition of Expert Report:</p> <p>1. In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> | <p><b>Article 6</b><br/>Acquisition of Expert Report:</p> <p>1. In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> | <p>Amendment was made in accordance with the revision of “Regulations Governing with Acquisition and Disposal of Assets by Public Companies”.</p> <p>1. Given respective associations, to which external experts belong, have established related requirements on their responsible businesses, preface of paragraph 6 hereto is hereby amended accordingly to regulate that assessment report or opinions issued by professional appraisers and their employees, accountants, lawyers or securities underwriters shall be conducted not only in accordance with various items prescribed in current paragraph 6 but also self-discipline rules from respective associations to which they belong.</p> <p>2. Aforementioned external expert’s undertaking or execution of appraisal report or fairness opinion cases in accordance with requirements of operation procedures</p> |



| Before amendment   | After amendment  | Reason for amendment  |
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| <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and</p> | <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of securities shall, prior to</p> | <p>hereto is not an audit task on financial statement. Accordingly, words of "audit" cases prescribed in subparagraph 2 of paragraph 6 are hereby amended to "execution" cases.</p> <p>3. Under considerations of actual assessment sourced from utilized material, parameters and information, and being referred related words regarding information source and suitability and fairness of parameters prescribed on item 3-5, subparagraph 4, paragraph 4, Article 9 of Regulations Governing the Preparation of Financial Reports by Securities Issuers, explanation from Accounting Research and Development Foundation's letter dated December 25th, 2014 under reference number of (103) Ji-Mi-Zi No. 0000000298 and Article 27, No. 8 of Statements of Valuation Standards, words prescribed on subparagraph 3 and 4 of paragraph 6 are hereby amended accordingly in order to be in line with reality.</p> |

| Before amendment   | After amendment   | Reason for amendment   |
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| <p>not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. Where the Company acquires or disposes of intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government institution, the</p> | <p>the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. Where the Company acquires or disposes of intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government institution, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>4. Omitted.</p> <p>5. Omitted.</p> <p>6. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline rules of its association and the</p> | <p>4. Paragraph 6 of the article hereto has already added requirements requesting external expert to comply with his or her association's the self-discipline rules when issuing opinions. This has already encompassed procedures to be implemented by accountants when issuing opinions. Accordingly, words requiring accountants to comply with requirements on No. 20 of Statements of Auditing Standards published by Accounting Research and Development Foundation prescribed on subparagraph 3 of paragraph 1, paragraph 2 and 3 are hereby deleted.</p> |

| Before amendment  | After amendment   | Reason for amendment |
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| <p>Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>4. Omitted.</p> <p>5. Omitted.</p> <p>6. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence</p> | <p>following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When executing, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the adequacy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and adequate, and that they have complied with applicable laws and regulations.</p> <p>7. Omitted.</p> |                      |

| Before amendment   | After amendment  | Reason for amendment   |
|--|--|--|
| <p>of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> <p>7. Omitted.</p>  |  |  |
| <p><b>Article 8</b><br/>Related Party Transactions:</p> <p>1. Omitted.</p> <p>2. Assessment and Operation Procedures:</p> <p>(1) When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by adomestic securities investment trust enterprise (SITE), the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and board of directors.</p> <p>(a) The purpose, necessity and anticipated benefit of the acquisition or</p> | <p><b>Article 8</b><br/>Related Party Transactions:</p> <p>1. Omitted.</p> <p>2. Assessment and Operation Procedures:</p> <p>(1) When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by adomestic securities investment trust enterprise (SITE), the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and board of directors.</p> <p>(a) The purpose, necessity and anticipated benefit of the acquisition or</p> | <p>Amendment was made in accordance with the revision of “Regulations Governing with Acquisition and Disposal of Assets by Public Companies”.</p> <p>1. For Paragraph 2 of original article, subparagraph 2 is now moved to subparagraph 6 while subparagraph 3 to subparagraph 5 are moved to subparagraph 2 to subparagraph 4.</p> <p>2. Subparagraph 5 is added:</p> <p>(1) For the purpose of enhancing management on related party transaction and protecting minority shareholders’ rights to express opinion over transaction between the Company and related party while preventing the Company from conducting transactions with major stakeholders through subsidiaries of non-domestically listed companies, it is hereby stipulated,</p> |

| Before amendment  | After amendment   | Reason for amendment  |
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| <p>(b) The reason for choosing the related party as a trading counterparty.</p> <p>(c) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>(d) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>(e) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(f) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(g) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>(2) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 11.1.(2) herein, and</p> | <p>(b) The reason for choosing the related party as a trading counterparty.</p> <p>(c) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>(d) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>(e) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(f) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(g) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>(2) With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in</p> | <p>under references of international major capital markets' regulations requiring that transactions with major stakeholders shall be first approved by Annual General Meeting, that, for asset acquisition or disposal transactions prescribed in subparagraph (1) between the Company or subsidiaries of the Company's non-domestically listed companies and stakeholders with transaction amount reaching more than 10% of the Company's total assets, the Company shall first submit related materials to Annual General Meeting for approval before conducting such transactions. The Company shall be responsible for implementing requirements on matters to be submitted to Annual General Meeting for approval by subsidiaries of non-domestically listed companies.</p> <p>(2) Under considerations of the needs for</p> |

| Before amendment   | After amendment  | Reason for amendment  |
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| <p>"within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and board of directors need not be counted toward the transaction amount.</p> <p>(3) With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 4.2 and 4.3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(a) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(b) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>(4) When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, 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</p> | <p>which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 4.2 and 4.3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(a) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(b) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>(3) When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, 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.</p> <p>(4) The matters for which paragraph 1 requires review by the Audit Committee shall first be approved by more than half of all Audit Committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 14.4 and 14.5.</p> <p>(5) In the event that the Company or a subsidiary of non-</p> | <p>comprehensive business planning between the Company and subsidiary or between subsidiaries as well as references of exemption regulations from aforementioned international major capital markets, it is hereby prescribed in proviso that transactions between these companies are exempted from being submitted to Annual General Meeting for resolution.</p> <p>(3) In the event that aforementioned major stakeholder transaction belongs to situations prescribed in Subparagraph 1 to Subparagraph 3, Paragraph 1, Article 185 of Company Act, resolution from Annual General Meeting shall be conducted in accordance with special resolution requirements prescribed in Article 185 of Company Act as well as aforementioned matters and related regulations in Company Act.</p> <p>Original subparagraph 2 of</p> |

| Before amendment   | After amendment  | Reason for amendment  |
|--|--|---|
| <p>minutes of the board of directors meeting.</p> <p>(5) The matters for which paragraph 1 requires review by the Audit Committee shall first be approved by more than half of all Audit Committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 14.4 and 14.5.</p> <p>3. Omitted.</p> <p>4. Omitted.</p> | <p>domestically listed company is engaged in transaction prescribed in subparagraph 1 and transaction amount reaching more than 10% of the Company’s total assets, the Company can only enter transaction agreement and proceed with payments after materials prescribed in respective items in subparagraph 1 are submitted to Shareholders’ Meeting for approval. However, this shall not apply to transactions between the Company and subsidiaries, or between subsidiaries.</p> <p>(6) Calculation of transaction amount prescribed in subparagraph 1 and aforementioned subparagraph shall be conducted in accordance with subparagraph 2, paragraph 1 of Article 11. The so-called “within one year” shall mean and refer to one year counting back based on the date of occurrence of fact for this transaction, excluding those which have already been submitted to Audit Committee, Board of Directors and Annual General Meeting for approval in accordance with the processing procedures hereto.</p> <p>3. Omitted.</p> <p>4. Omitted.</p> | <p>paragraph 2 is now moved to subparagraph 6. With the addition of subparagraph 5, subparagraph 6 is hereby amended to include calculation of transaction amount into transactions to be submitted to Annual General Meeting for approval.</p> |
| <p><b>Article 11</b><br/>Public Announcement Procedures:</p> <p>1. Matters for the Company’s Public Announcement:</p> <p>(1) Under any of the following</p>  | <p><b>Article 11</b><br/>Public Announcement Procedures:</p> <p>1. Matters for the Company’s Public Announcement:</p> <p>(1) Under any of the following</p>  | <p>1. Amendment was made in accordance with the revision of “Regulations Governing with</p>   |

| Before amendment  | After amendment   | Reason for amendment   |
|---|---|--|
| <p>circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(a) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>(b) Merger, demerger, acquisition, or transfer of shares.</p> <p>(c) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related</p> | <p>circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(a) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>(b) Merger, demerger, acquisition, or transfer of shares.</p> <p>(c) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related</p> | <p>Acquisition and Disposal of Assets by Public Companies”.</p> <p>2. Amendment was made in accordance with current listed company’s exemption of announcement and report on transactions of domestic government bonds. Item 5-1, Subparagraph 1 of paragraph 1 is hereby amended accordingly. Announcement and report on transactions of international government bonds with credit ratings not lower than the domestic government bond is also exempted.</p> |



| Before amendment  | After amendment  | Reason for amendment |
|---|--|----------------------|
| <p>party, and the transaction amount is less than NT\$500 million.</p> <p>(d) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(e) Where an asset transaction other than any of those referred to in the preceding four subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(i) Trading of domestic government bonds.</p> <p>(ii) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>(2) The amount of transactions above shall be calculated as follows:</p> <p>(a) The amount of any individual transaction.</p> | <p>party, and the transaction amount is less than NT\$500 million.</p> <p>(d) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(e) Where an asset transaction other than any of those referred to in the preceding four subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(i) Trading of domestic government bonds or international government bonds which credit rating is not lower than domestic government bonds.</p> <p>(ii) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>(2) The amount of transactions</p> |                      |

| Before amendment   | After amendment  | Reason for amendment |
|--|--|----------------------|
| <p>(b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>(3) "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>2. Omitted.</p> <p>3. Omitted.</p> <p>4. Omitted.</p> <p>5. Omitted.</p> | <p>above shall be calculated as follows:</p> <p>(a) The amount of any individual transaction.</p> <p>(b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>(3) "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>2. Omitted.</p> <p>3. Omitted.</p> <p>4. Omitted.</p> <p>5. Omitted.</p> |                      |

| Before amendment  | After amendment   | Reason for amendment                            |
|---|---|---|
| <p><b>Article 15</b><br/><b>Supplements:</b><br/>Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company’s related rules and requirements.<br/>These Procedures were enacted on May 22, 1998.<br/>The 1st amendment was made on March 24, 2000.<br/>The 2nd amendment was made on May 13, 2002.<br/>The 3rd amendment was made on May 19, 2003.<br/>The 4th amendment was made on June 21, 2007.<br/>The 5th amendment was made on June 22, 2012.<br/>The 6th amendment was made on June 24, 2014.<br/>The 7th amendment was made on June 16, 2017.<br/>The 8th amendment was made on June 25, 2019.</p> | <p><b>Article 15</b><br/><b>Supplements:</b><br/>Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company’s related rules and requirements.<br/>These Procedures were enacted on May 22, 1998.<br/>The 1st amendment was made on March 24, 2000.<br/>The 2nd amendment was made on May 13, 2002.<br/>The 3rd amendment was made on May 19, 2003.<br/>The 4th amendment was made on June 21, 2007.<br/>The 5th amendment was made on June 22, 2012.<br/>The 6th amendment was made on June 24, 2014.<br/>The 7th amendment was made on June 16, 2017.<br/>The 8th amendment was made on June 25, 2019.<br/>The 9th amendment was made on May 26, 2022.</p> | <p>Adding the date of the latest amendment.</p> |