

# Handbook for the year 2021

## Annual General Meeting of Shareholders



Meeting Date: June 09, 2021

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

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2021 ANNUAL SHAREHOLDERS' MEETING (THE "AGENDA") OF TTY BIOPHARM COMPANY LIMITED (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

## Table of Contents

<b>I.</b>	<b>Meeting Procedure</b> .....	1
<b>II.</b>	<b>Report Items</b> .....	2
<b>III.</b>	<b>Ratification Items</b> .....	3
<b>IV.</b>	<b>Discussion Items</b> .....	4
<b>V.</b>	<b>Election Items</b> .....	5
<b>VI.</b>	<b>Other Proposals</b> .....	6
<b>VII.</b>	<b>Extemporary Motions</b> .....	6
<b>VIII.</b>	<b>Attachment</b> .....	7
	1. Year 2020 Business Report and Financial Statements .....	7
	2. Audit Committee’s Review Report .....	28
	3. Year 2020 Profits Distribution Table .....	30
	4. Amendment Comparison Table of “Regulations for Election of Directors” .....	31
	5. List of Director and Independent Director Candidates.....	34
	6. Details of Director (including Independent Director) Candidates’ Current Positions at Other Companies .....	40
<b>IX.</b>	<b>Appendices</b> .....	41
	1. Regulations for Election of Directors .....	41
	2. Articles of Incorporation .....	43
	3. Rules of Procedure for Shareholders Meetings .....	48
	4. Shareholdings of Directors .....	51

# I. Meeting Procedure

Time: June 09, 2021 (Wednesday) 9:00 AM

Location: Building A, 2F., No. 19-10, Sanchong Rd., Nangang Dist., Taipei City, Taiwan

(International Convention Center of Nangang Software Park)

Meeting procedures:

- I. Calling to the Meeting Order (announcement of attending shares)
- II. Chairman Address
- III. Report Items
  1. Year 2020 Business Report
  2. Audit Committee's Review Report on the year 2020 Financial Statements
  3. Report on Employee and Directors Remuneration in year 2020
- IV. Ratification Items
  1. Year 2020 Business Report and Financial Statements
  2. Year 2020 Profit Distribution
- V. Discussion Items
  1. The Amendment of "Regulations for Election of Directors"
- VI. Election Items
  1. Reelection of Members of Board of Directors
- VII. Other Proposals
  1. Release of Non-Competition Restrictions on New Directors and Its Representatives
- VIII. Extemporaneous Motions
- IX. Adjournment

## II. Report Items

### **Item One:**

Year 2020 Business Report

### **Description:**

Please refer to Attachment 1 (page 7-11) for detailed Business Reports.

### **Item Two:**

Audit Committee's Review Report on the year 2020 Financial Statements

### **Description:**

The Financial Statement, Business Report, and Distribution of 2020 Profits Table have been reviewed by Audit Committee. Please refer to Attachment 2 (page 28-29) for Audit Committee's Review Report.

### **Item Three:**

Report on Employee and Directors Remuneration in year 2020

### **Description:**

The company earned profits (profit before tax before remuneration of employee and of directors) as NT\$ 1,167,600,152 in 2020. Pursuant to the regulations set forth in Article 21 of the Articles of Incorporation, NT\$ 23,195,000, 1.9866% and NT\$ 14,950,000, 1.28% of these earnings shall be allocated as Employee and Directors remuneration, respectively and the total amount will be distributed in cash.

### **III. Ratification Items**

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

Year 2020 Business Report and Financial Statements

**Description:**

1. The Company's year 2020 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by Audit Committee.
2. The Company's year 2020 Financial Statements have been audited by KPMG Taiwan with "Unqualified Opinion"
3. Please refer to the Attachment 1 (page 7-27) for year 2020 Business Report and Financial Statements.

**Resolution:**

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

Year 2020 Profit Distribution

**Description:**

1. Allocation of cash dividend proposed by the Board is total of NT\$ 994,599,836 or NT\$ 4.0 per share based on the number of shares recorded in the Register of Shareholders on the ex-dividend date. All cash dividends are rounded down to the dollar after discount any cents. The remaining amount will be treated as the other revenue of the Company. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors shall be authorized to resolve the ex-dividend date, payment date and other relevant issues.
2. Please refer to the Attachment 3 (page 30) for year 2020 Profits Distribution Table.

**Resolution:**

## IV. Discussion Items

**Item One:**

(Proposed by the Board of Directors.)

The Amendment of “Regulations for Election of Directors”

**Description:**

1. The “Regulations for Election of Directors” is proposed to amend in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 4 (page 31-33) for Amendment Comparison Table of “Regulations for Election of Directors”.

**Resolution:**

## V. Election Items

**Item One:**

(Proposed by the Board of Directors.)

Reelection of Members of Board of Directors

**Description:**

1. The service terms of current Directors of the Company will be matured on November 21, 2021. According to Article 195 and Article 199-1 of the Company Act, members of Board of Directors are reelected beforehand in 2021 annual meeting of shareholders.
2. According to Article 14 of the Article of Incorporation, nine Directors (including three Independent Directors) will be elected for the Board. All of Directors shall be elected through the candidate nomination procedure. The service term for elected Directors is three years, since June 09, 2021 to June 08, 2024.
3. The Director and Independent Director candidate list was reviewed by the Board on April 23, 2021. Please refer to Attachment 5 (Page 34-39) for detailed Director and Independent Director candidates list.

**Voting Result:**

## **VI. Other Proposals**

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

Release of Non-Competition Restrictions on New Directors and Its Representatives

**Description:**

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the general meeting on the essential contents of such an act and obtain its approval.
2. The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions for the actual operation need and no harm to the Company's interest.
3. Please refer to Attachment 6 (Page 40) for Details of Director (including Independent Director) Candidates' Current Positions at Other Companies.

**Resolution:**

## **VII. Extemporary Motions**

### **Adjournment**

## VIII. Attachment

### Attachment 1

#### TTY BIOPHARM COMPANY LIMITED

#### Business Report

##### I. The Company's Business Result for year 2020

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

The Company's consolidated net business revenue for year 2020 reached NT\$4,221,836 thousands, which represents a decrease by NT\$244,472 thousands (-5.47%) compared to that of NT\$4,466,308 thousands for year 2019. The decrease was mainly caused by the decline of oversea sales resulted from COVID-19 and the drop of CDMO revenue. Net profit attributed to the parent company for year 2020 totaled NT\$924,178 thousands which represented addition by NT\$24,097 thousands (+2.68%) compared to that of NT\$900,081 thousands in year 2019. The increase was mainly caused by the recognition of milestones revenue from an affiliate and the Company recognized this investment profit in equity method.

###### (2) Budget Implementation Status

The Company's net business revenue for year 2020 is NT\$ 3,721,161 thousands, Pre-tax net profit is NT\$ 1,129,455 thousands, achieving 89.37% of the annual budget target.

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

Item		Year	
		2020	2019
Income & Expenditure	Interest Income (in thousands)	1,126	2,495
	Interest Expenditure (in thousands)	17,358	14,717
Profitability Analysis	Return on Assets %	10.95	10.76
	Return on Equity %	16.77	15.83
	Net Profit Margin %	24.84	22.25
	Earnings Per Share (NTD)	3.72	3.62

#### (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 2021 Business Plan**

### (1) Operation Policy

Ever since its incorporation, TTY has experienced several critical strategic leaps and successfully transformed itself into a "new drug development oriented innovative international biopharma company" for the purpose of creating excellence and ever-lasting business. In addition to the in-depth exploration of Taiwan market and major countries in Asia in order to obtain stable growth for domestic and offshore businesses, we also proceed to expand 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 2021, the Company expects to sell 360 million tablets of oral products and 5.5 million 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 development targets in a bid to enhance product assortments for respective business divisions in the Company. With respect to “Production Strategy,” we shall continue to establish and maintain drug manufacturing bases meeting international quality requirements and enhance production capacity planning which comes with flexibility and economies of scale for the purpose of ensuring our cost and competitive advantages.

### III. The Company’s Future Development Strategy

Corporate Vision: “Enhance Human Life Quality with Technology”

Corporate Mission: “Commitment to development and manufacturing of specialty pharma (patentable or high entry barrier), biological products, 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) Concentrate in an ongoing basis on the implementation of “localized” business activities and life cycle management “best suited for local community” in respective target markets;

- (4) Development of specialty pharma through competitive self-owned and joint developments for the purpose of creating stable operation patterns for Contract Development and Manufacturing Organization (CDMO) and adding values to TTY international business development;
- (5) Establishment, renewal and maintenance of drug manufacturing bases which comply with international quality standards and requirements;
- (6) 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.
- (7) Continued implementation of production process improvement and enhancement of production capacity planning (capable of supplying international mass production demand) which comes with flexibility and economies of scale for the purpose of ensuring cost advantage and competency;
- (8) 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;”
- (9) Accelerate expansion of overseas business footprints, enhance agency sales target management over existing collaborating partners and continue to establish powerful and preminent 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 Southeast Asian countries have successively stepped into generic drug industry, which has led to a status of cut-throat price war. In addition, Taiwanese drug manufacturers lack economies of scale, coupled with challenging export sales resulted from 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, prices for drugs covered by National Health Insurance have been adjusted numerous times, which has led to an imbalance between input and output and a further squeeze on revenues and profits of drug manufacturers.

The year of 2020 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 2021, trend for global economy has not exposed a silver lining. Economic growth for major countries is still weak, 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: Shih Chun-Liang

Responsible Accountant: Wang, Shu-Wen



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3

## Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

### Opinion

We have audited the accompanying financial statements of TTY Biopharm Company Limited (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, 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 of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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(q) of the financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

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

Auditing procedures performed:

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

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 an increase in the cost of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Company's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

- 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 material, and recalculating the net realizable value by marketing expense rate, to ensure the reasonableness of net realizable value adopted by the Company.

**Other Matter**

We did not audit the financial statements of PharmaEngine, Inc. Those statements were audited by another auditor, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, are based solely on the report of another auditor. The amount of long-term investment in the investee company represented 10.25% and 9.12% of the related total assets as of December 31, 2020 and 2019, respectively, and the related investment gains represented 9.51% and 0.44% of the profit before tax for the years ended December 31, 2020 and 2019, respectively.

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

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

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

Those charged with governance (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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)  
March 19, 2021

#### **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

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 <b>Operating revenue (note 6(o) and 7)</b>	\$ 3,721,161	100	4,044,660	100
5000 <b>Operating costs (note 6(d), (k) and 12)</b>	<u>1,508,605</u>	<u>41</u>	<u>1,453,178</u>	<u>36</u>
<b>Gross profit</b>	2,212,556	59	2,591,482	64
5910 Less: Unrealized profit (loss) from sales	23,316	1	24,488	1
5920 Add: Realized profit (loss) from sales	<u>21,870</u>	<u>1</u>	<u>10,400</u>	<u>-</u>
<b>Gross profit, net</b>	<u>2,211,110</u>	<u>59</u>	<u>2,577,394</u>	<u>63</u>
6000 <b>Operating expenses (note 6(k) and 12):</b>				
6100 Selling expenses	799,945	21	850,894	21
6200 Administrative expenses (note 6(p))	287,363	7	285,133	7
6300 Research and development expenses	216,594	6	231,026	6
6450 Reversal of expected credit losses (note 6(c))	<u>-</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>
	<u>1,303,902</u>	<u>34</u>	<u>1,361,553</u>	<u>34</u>
<b>Net operating income</b>	<u>907,208</u>	<u>25</u>	<u>1,215,841</u>	<u>29</u>
<b>Non-operating income and losses (note 6(q) and 7):</b>				
7100 Interest income	1,126	-	2,495	-
7010 Other income	16,818	1	14,808	-
7020 Other gains and losses, net	17,842	1	(32,125)	(1)
7050 Finance costs, net	(17,358)	(1)	(14,717)	-
7070 Share of profit (loss) of subsidiaries and associates accounted for using equity method, net (note 6(e))	<u>203,819</u>	<u>5</u>	<u>(3,633)</u>	<u>-</u>
	<u>222,247</u>	<u>6</u>	<u>(33,172)</u>	<u>(1)</u>
<b>Profit before tax</b>	1,129,455	31	1,182,669	28
7950 Less: Income tax expenses (Note 6(l))	<u>205,277</u>	<u>6</u>	<u>282,588</u>	<u>7</u>
<b>Profit for the period</b>	<u>924,178</u>	<u>25</u>	<u>900,081</u>	<u>21</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Gains on remeasurements of defined benefit plans (note 6(k))	7,920	-	2,438	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	15,132	-	6,320	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>23,052</u>	<u>-</u>	<u>8,758</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	(82,635)	(2)	(29,894)	(1)
8380 Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(6,829)	-	10,880	-
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>16,480</u>	<u>1</u>	<u>6,008</u>	<u>-</u>
Components of other comprehensive income that may be reclassified to profit or loss	<u>(72,984)</u>	<u>(1)</u>	<u>(13,006)</u>	<u>(1)</u>
8300 <b>Other comprehensive loss for the period, net of tax</b>	<u>(49,932)</u>	<u>(1)</u>	<u>(4,248)</u>	<u>(1)</u>
<b>Total comprehensive loss for the period</b>	<u>\$ 874,246</u>	<u>24</u>	<u>\$ 895,833</u>	<u>20</u>
<b>Earnings per share, net of tax (note 6(n))</b>				
Basic earnings per share	<u>\$ 3.72</u>		<u>\$ 3.62</u>	
Diluted earnings per share	<u>\$ 3.71</u>		<u>\$ 3.61</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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollar)**

	Share capital			Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
<b>Balance on January 1, 2019</b>	\$ 2,486,500	348,819	857,418	110,154	1,954,321	(56,694)	103,515	46,821	5,804,033
Profit for the period	-	-	-	-	900,081	-	-	-	900,081
Other comprehensive income	-	-	-	-	2,438	(24,030)	17,344	(6,686)	(4,248)
Total comprehensive income	-	-	-	-	902,519	(24,030)	17,344	(6,686)	895,833
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	146,138	-	(146,138)	-	-	-	-
Cash dividends of ordinary share distributed	-	-	-	-	(1,118,925)	-	-	-	(1,118,925)
Other changes in capital surplus:									
Changes in equity of investments accounted for using equity method	-	(10,305)	-	-	-	-	-	-	(10,305)
Balance on December 31, 2019	2,486,500	338,514	1,003,556	110,154	1,591,777	(80,724)	120,859	40,135	5,570,636
Profit for the period	-	-	-	-	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 distributed	-	-	-	-	(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 designated at fair value through other comprehensive income	-	-	-	-	115,992	-	(115,992)	(115,992)	-
<b>Balance on December 31, 2020</b>	\$ 2,486,500	337,997	1,093,808	110,154	1,555,016	(146,611)	12,902	(133,709)	5,449,766

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, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
<b>Cash flows from (used in) from operating activities:</b>		
Profit before tax	\$ 1,129,455	1,182,669
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	132,489	129,693
Amortization expense	5,226	6,505
Reversal of allowance for expected credit losses	-	(5,500)
Interest expense	17,358	14,717
Interest income	(1,126)	(2,495)
Share of (profit) loss of investments accounted for using equity method	(203,819)	3,633
Loss on disposal of property, plant and equipment	321	535
Impairment loss and remeasurement profit on non-financial assets	-	58,349
Unrealized profit from sales	23,316	24,488
Realized profit from sales	(21,870)	(10,400)
Gain from lease modification	(7)	-
Amortization of deferred profit	(2,917)	-
<b>Total adjustments to reconcile profit (loss)</b>	<u>(51,029)</u>	<u>219,525</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	(1,653)	4,175
Accounts receivable	7,008	(87,158)
Other receivable	30,462	29,475
Inventories	(219,403)	(93,772)
Other current assets	(8,014)	5,759
<b>Total changes in operating assets</b>	<u>(191,600)</u>	<u>(141,521)</u>
Current contract liabilities	3,318	6,840
Notes payable	1,202	(1,677)
Accounts payable	(22,617)	33,325
Other payable	(61,023)	66,698
Other current liabilities	(4,675)	(8,752)
Net defined benefit liability	(2,689)	88
<b>Total changes in operating liabilities</b>	<u>(86,484)</u>	<u>96,522</u>
<b>Total changes in operating assets and liabilities</b>	<u>(278,084)</u>	<u>(44,999)</u>
<b>Total adjustments</b>	<u>(329,113)</u>	<u>174,526</u>
Cash inflow generated from operations	800,342	1,357,195
Interest received	1,126	2,495
Dividends received	59,964	65,002
Interest paid	(17,495)	(14,902)
Income taxes paid	(301,910)	(239,252)
<b>Net cash flows from operating activities</b>	<u>542,027</u>	<u>1,170,538</u>
<b>Cash flows from (used in) from 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	-	(336,353)
Acquisition of property, plant and equipment	(155,962)	(44,934)
Proceeds from disposal of property, plant and equipment	13	18
Decrease (increase) in refundable deposits	8,393	(5,767)
Acquisition of intangible assets	(13,210)	(640)
Acquisition of investment properties	-	(140)
Decrease in other financial assets	1,228	8,553
Increase in prepayments for business facilities	(789)	(28,425)
Decrease in other non-current assets	10,656	35,131
<b>Net cash flows used in investing activities</b>	<u>(79,499)</u>	<u>(372,557)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	5,400,000	7,700,000
Decrease in short-term loans	(5,200,000)	(7,400,000)
Proceeds from long-term debt	700,000	-
Repayments of long-term debt	(650,000)	-
Increase in guarantee deposits received	-	440
Payment of lease liabilities	(4,888)	(3,596)
Cash dividends paid	(994,599)	(1,118,925)
<b>Net cash flows used in financing activities</b>	<u>(749,487)</u>	<u>(822,081)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	35	-
<b>Net decrease in cash and cash equivalents</b>	<u>(286,924)</u>	<u>(24,100)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>481,515</u>	<u>505,615</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 194,591</u>	<u>481,515</u>

See accompanying notes to financial statements.



安侯建業聯合會計師事務所

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4

## Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

### Opinion

We have audited the consolidated financial statements of TTY Biopharm Company Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, 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 Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

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

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

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

Key audit matters:

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

Auditing procedures performed:

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

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 an increase in the cost of pharmaceutical products, which will affect the carrying value of inventories to exceed its net value. Because of these uncertainties, the Group's revenue and income may be effected by the price fluctuations. If the assessment of the net realizable value of the inventory is not appropriate, it will lead to a material misstatement of the financial statements.

Auditing procedures performed:

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

**Other Matter**

We did not audit the financial statements of PharmaEngine Inc. Those statements were audited by another auditor, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, are based solely on the report of another auditor. The amount of long-term investment in the investee company represented 9.37% and 8.20% of the related consolidated total assets as of December 31, 2020 and 2019, respectively, and the related investment gains represented 8.94% and 0.43% of the consolidated profit before tax for the years ended December 31, 2020 and 2019, respectively.

We also audited the financial statements of the Company as of and for the years ended December 31, 2020 and 2019 and have issued unqualified audit reports, respectively, thereon.

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

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

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

Those charged with governance (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 Kuo-Yang Tseng and Yilien Han.

KPMG

Taipei, Taiwan (Republic of China)  
March 19, 2021

#### 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, 2020 and 2019**

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

	2020		2019	
	Amount	%	Amount	%
4000 <b>Operating revenue (note 6(h), (t) and 12)</b>	\$ 4,221,836	100	4,466,308	100
5000 <b>Operating costs (note 6(f), (h), (l), (p), 7 and 12)</b>	<u>1,617,062</u>	<u>38</u>	<u>1,559,067</u>	<u>35</u>
<b>Gross profit</b>	2,604,774	62	2,907,241	65
5910 Less: Unrealized profit (loss) from sales	6,734	-	9,012	-
5920 Add: Realized profit (loss) from sales	<u>9,012</u>	<u>-</u>	<u>4,155</u>	<u>-</u>
<b>Gross profit, net</b>	<u>2,607,052</u>	<u>62</u>	<u>2,902,384</u>	<u>65</u>
6000 <b>Operating expenses (note 6(p), (u) and 12):</b>				
6100 Selling expenses	983,415	23	1,002,748	22
6200 Administrative expenses	404,758	10	377,970	8
6300 Research and development expenses	261,597	6	298,552	7
6450 Reversal of expected credit losses (note 6(d))	<u>(97)</u>	<u>-</u>	<u>(5,495)</u>	<u>-</u>
<b>Total operating expenses</b>	<u>1,649,673</u>	<u>39</u>	<u>1,673,775</u>	<u>37</u>
<b>Net operating income</b>	<u>957,379</u>	<u>23</u>	<u>1,228,609</u>	<u>28</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income (note 6(v))	14,981	-	40,445	1
7010 Other income (note 6(h), (v) and 7)	91,412	2	12,104	-
7020 Other gains and losses, net (note 6(v) and 7)	(5,699)	-	(16,850)	-
7050 Finance costs, net (note 6(v))	(19,413)	-	(14,810)	-
7060 Share of profit (loss) of associates accounted for using the equity method, net (note 6(g))	<u>162,865</u>	<u>4</u>	<u>(46,844)</u>	<u>(1)</u>
7055 <b>Total non-operating income and expenses</b>	<u>244,146</u>	<u>6</u>	<u>(25,955)</u>	<u>-</u>
<b>Profit before tax</b>	1,201,525	29	1,202,654	28
7950 Less: Income tax expenses (note 6(q))	<u>222,848</u>	<u>5</u>	<u>294,949</u>	<u>7</u>
<b>Profit for the period</b>	<u>978,677</u>	<u>24</u>	<u>907,705</u>	<u>21</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Gains on remeasurements of defined benefit plans	7,920	-	2,438	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	12,507	-	24,931	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>20,427</u>	<u>-</u>	<u>27,369</u>	<u>1</u>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation	(82,652)	(2)	(29,980)	(1)
8370 Share of other comprehensive loss of associates accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(5,333)</u>	<u>-</u>	<u>(140)</u>	<u>-</u>
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>16,480</u>	<u>-</u>	<u>6,008</u>	<u>-</u>
Components of other comprehensive loss that will be reclassified to profit or loss	<u>(71,505)</u>	<u>(2)</u>	<u>(24,112)</u>	<u>(1)</u>
8300 <b>Other comprehensive (loss) income</b>	<u>(51,078)</u>	<u>(2)</u>	<u>3,257</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>\$ 927,599</u>	<u>22</u>	<u>910,962</u>	<u>21</u>
<b>Profit attributable to:</b>				
8610 Owners of parent	\$ 924,178	23	900,081	21
8620 Non-controlling interests	<u>54,499</u>	<u>1</u>	<u>7,624</u>	<u>-</u>
	<u>\$ 978,677</u>	<u>24</u>	<u>907,705</u>	<u>21</u>
<b>Comprehensive income attributable to:</b>				
Owners of parent	\$ 874,246	21	895,833	21
Non-controlling interests	<u>53,353</u>	<u>1</u>	<u>15,129</u>	<u>-</u>
	<u>\$ 927,599</u>	<u>22</u>	<u>910,962</u>	<u>21</u>
<b>Earnings per share, net of tax (note 6(s))</b>				
9750 Basic earnings per share	\$ <u>3.72</u>		\$ <u>3.62</u>	
9850 Diluted earnings per share	\$ <u>3.71</u>		\$ <u>3.61</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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent							Total equity attributable to parent	Non-controlling interests	Total equity	
	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				
<b>Balance on January 1, 2019</b>											
Net income											
Other comprehensive income											
Total comprehensive income											
Appropriation and distribution of retained earnings:											
Legal reserve appropriated											
Cash dividends of ordinary share											
Other changes in capital surplus:											
Due to business combination											
Changes in equity of associates accounted for using equity method											
Balance at December 31, 2019											
Net income											
Other comprehensive income											
Total comprehensive income											
Appropriation and distribution of retained earnings:											
Legal reserve appropriated											
Cash dividends of ordinary share											
Other changes in capital surplus:											
Changes in equity of associates accounted for using equity method											
Changes in ownership interests in subsidiaries											
Disposal of investments in equity instruments measured at fair value through other comprehensive income											
<b>Balance on December 31, 2020</b>											
	\$ 2,486,500	348,819	857,418	110,154	1,954,321	(56,694)	103,515	46,821	5,804,033	587,592	6,391,625
	-	-	-	-	900,081	-	-	-	900,081	7,624	907,705
	-	-	-	-	2,438	(24,030)	17,344	(6,686)	(4,248)	7,505	3,257
	-	-	-	-	902,519	(24,030)	17,344	(6,686)	895,833	15,129	910,962
	-	-	146,138	-	(146,138)	-	-	-	-	-	-
	-	-	-	-	(1,118,925)	-	-	-	(1,118,925)	(26,737)	(1,145,662)
	-	-	-	-	-	-	-	-	-	22,444	22,444
	-	(10,305)	-	-	-	-	-	-	(10,305)	-	(10,305)
	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
	-	-	-	-	924,178	-	-	-	924,178	54,499	978,677
	-	-	-	-	7,920	(65,887)	8,035	(57,852)	(49,932)	(1,146)	(51,078)
	-	-	-	-	932,098	(65,887)	8,035	(57,852)	874,246	53,353	927,599
	-	-	90,252	-	(90,252)	-	-	-	-	-	-
	-	-	-	-	(994,599)	-	-	-	(994,599)	(30,079)	(1,024,678)
	-	(517)	-	-	-	-	-	-	(517)	-	(517)
	-	-	-	-	-	-	(115,992)	(115,992)	-	6,600	6,600
	-	-	-	-	115,992	-	-	-	-	-	-
<b>Balance on December 31, 2020</b>	\$ 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

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollar)

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,201,525	1,202,654
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	137,130	133,497
Amortization expense	19,869	18,841
Reversal of allowance for expected credit losses	(97)	(5,495)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,558	(378)
Interest expense	19,413	14,810
Interest income	(14,981)	(40,445)
Dividend income	(6,420)	(6,315)
Share of profit (loss) of associates accounted for using the equity method	(162,865)	46,844
Loss on disposal of property, plant and equipment	321	581
Gain on disposal of investments	(1,715)	-
Impairment loss and remeasurement profit on non-financial assets	4,583	82,686
Unrealized profit from sales	6,734	9,012
Realized profit from sales	(9,012)	(4,155)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(5,482)</u>	<u>249,483</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes receivable	953	5,357
Accounts receivable	(36,422)	(83,200)
Other receivables	103,277	42,420
Inventories	(251,804)	(96,331)
Prepayments and other current assets	16,808	(19,690)
<b>Total changes in operating assets</b>	<u>(167,188)</u>	<u>(151,444)</u>
<b>Changes in operating liabilities:</b>		
Contract liabilities	(393)	8,255
Notes payable	4,410	(3,475)
Accounts payable	(26,354)	9,271
Other payable	(77,511)	81,362
Other current liabilities	(111,225)	(11,839)
Net defined benefit liability	(2,689)	88
<b>Total changes in operating liabilities</b>	<u>(213,762)</u>	<u>83,662</u>
<b>Total changes in operating assets and liabilities</b>	<u>(380,950)</u>	<u>(67,782)</u>
<b>Total adjustments</b>	<u>(386,432)</u>	<u>181,701</u>
Cash inflow generated from operations	815,093	1,384,355
Interest received	14,981	40,445
Dividends received	27,347	36,617
Interest paid	(19,596)	(14,996)
Income taxes paid	(311,474)	(236,566)
<b>Net cash flows from operating activities</b>	<u>526,351</u>	<u>1,209,855</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(50,316)
Proceeds from disposal of financial assets at fair value through other comprehensive income	252,956	-
Proceeds from disposal of financial assets at fair value through profit or loss	4,316	-
Acquisition of investments accounted for using the equity method	-	(237,461)
Acquisition of property, plant and equipment	(167,317)	(48,223)
Proceeds from disposal of property, plant and equipment	13	19
Decrease (increase) in refundable deposits	9,108	(4,121)
Acquisition of intangible assets	(13,754)	(780)
Net cash inflows from business combination (note 6(h))	-	(24,894)
Acquisition of investment properties	-	(140)
Decrease in other financial assets	51,552	79,822
Increase in prepayments for business facilities	(789)	(21,640)
Increase in other non-current assets	11,151	34,584
<b>Net cash flows from (used in) investing activities</b>	<u>147,236</u>	<u>(273,150)</u>
<b>Cash flows from (used in) used in financing activities:</b>		
Increase in short-term loans	5,400,000	7,700,000
Decrease in short-term loans	(5,246,000)	(7,400,000)
Proceeds from long-term borrowings	720,000	-
Repayments of long-term borrowings	(663,650)	-
Decrease in guarantee deposits received	-	(13)
Payment of lease liabilities	-	(3,596)
Increase in other non-current liabilities	1,120	-
Cash dividends paid	(994,599)	(1,118,925)
Cash dividends paid to non-controlling interests	(30,079)	(26,737)
Change in non-controlling interests	6,600	-
<b>Net cash flows used in financing activities</b>	<u>(806,608)</u>	<u>(849,271)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(65,407)</u>	<u>(37,570)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(198,428)</u>	<u>49,864</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>2,422,158</u>	<u>2,372,294</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,223,730</u>	<u>2,422,158</u>

See accompanying notes to financial statements.

## **Attachment 2**

### **TTY BIOPHARM COMPANY LIMITED** **Audit Committee's Review Report on the year 2020 Financial Statements**

The Board of Directors presented the year 2020 Business Report and Financial Statement (including the consolidated financial statement). 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 2021 Annual General Meeting of Shareholders of the Company

Hsueh, Ming-Ling

Chairman of the Audit Committee

March 19, 2021

## **TTY BIOPHARM COMPANY LIMITED**

### **Audit Committee's Review Report on the year 2020 Profit Distribution**

The Board of Directors presented the year 2020 profit distribution proposal. The aforementioned proposal was 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 2021 Annual General Meeting of Shareholders of the Company

Hsueh, Ming-Ling

Chairman of the Audit Committee

April 23, 2021

### Attachment 3

## TTY BIOPHARM COMPANY LIMITED

### Year 2020 Profits Distribution Table

Unit: NTD

Item	Amount	Note	
Unappropriated retained earnings of previous year	506,925,428	Re-measurement effects of defined benefit plans and realized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	
Add: Year 2020 retained earnings adjustment	123,912,146		
Add: Year 2020 net profit after tax for the year	924,178,586		
Less: Appropriated as legal capital reserve (10%)	104,809,073		
Less: Appropriated as special reserve	23,555,889		
Retained earnings available for distribution as of December 31, 2020	1,426,651,198		
Allocation Items			
Cash Dividends to Shareholders	994,599,836		Cash dividend of NT\$4.0 per share
Unappropriated retained earnings as of December 31, 2020	432,051,362		

Note:

1. Total 248,649,959 outstanding common shares
2. Earnings distribution this time would be paid from earnings for year 2020 as priority.

Chairman of the Board: Lin, Chuan

Responsible Management: Shih Chun-Liang

Responsible Accountant: Wang, Shu-Wen

**Attachment 4**

**TTY BIOPHARM COMPANY LIMITED**

**Amendment Comparison Table of “Regulations for Election of Directors”**

<b>Before amendment</b>	<b>After amendment</b>	<b>Reason for amendment</b>
<p><b>Article 2</b> The Company’s directors shall be elected from those who have capacity to make juridical acts by shareholders’ meeting.</p>	<p><b>Article 2</b> The Company’s directors shall be elected by adopting the candidate nomination system. The shareholders shall elect the directors from the nominees listed of director candidates.</p>	<p>Amendment was made in correspondence with the candidate nomination system adopted for the election of the Company’s directors.</p>
<p><b>Article 4</b> In the election for the directors, unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, each common share is entitled to the number of voting rights equivalent to the numbers of directors to be elected; election ballots of the number equal to the number of the director(s). Votes may be cast for only one candidate or a few candidates.</p>	<p><b>Article 4</b> In the election for the directors, each common share is entitled to the number of voting rights equivalent to the numbers of directors to be elected. Votes may be cast for only one candidate or a few candidates.</p>	<p>Amendment was made in correspondence with the Article 198 of the Company Act.</p>
<p><b>Article 5</b> In the election of directors of the Company, votes of independent directors and non-independent directors elected shall be calculated separately. Candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.</p>	<p><b>Article 5</b> In the election of directors of the Company, votes of independent directors and non-independent directors elected shall be calculated separately. Candidates who acquire more shares should win the seats of directors in numbers of received votes order. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.</p>	<p>Word Modification.</p>

Before amendment	After amendment	Reason for amendment
<p><b>Article 8</b> The Board of Directors shall set up the ballot box and have such box checked by scrutinizer in public before the voting.</p>	<p><b>Article 8</b> The ballot box shall be set up by the Board of Directors and such box shall be checked by scrutinizer in public before the voting.</p>	<p>Word Modification.</p>
<p><b>Article 9</b> If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot and throw in the ballot box. If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.</p>	<p><b>Article 9</b> The voter must fill in the candidate's name or shareholder's account name in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name alone; or fill in both the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.</p>	<ol style="list-style-type: none"> <li>1. Amendment was made in correspondence with the candidate nomination system adopted for the election of the Company's directors. The nominated list of director, including names, background and past work experience, will be released before shareholders' meeting, hence it is unnecessary for shareholders to fill in candidates' account number or identification number when voting.</li> <li>2. Word Modification.</li> </ol>
<p><b>Article 10</b> A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> <li>1. A ballot is not prepared according this regulation.</li> <li>2. The blank ballot was cast in the ballot box.</li> <li>3. Illegible handwriting or corrections without regulation compliance after erased or changed.</li> <li>4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list. If the write-in candidate is not a shareholder, the candidate's name, ID or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent.</li> </ol>	<p><b>Article 10</b> A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> <li>1. A ballot not prepared by meeting convener.</li> <li>2. The blank ballot was cast in the ballot box.</li> <li>3. Illegible handwriting or being erased or altered.</li> <li>4. If the write-in candidate written on the ballot is inconsistent with the nomination list.</li> <li>5. The number of write-in candidates is two or more than two candidate.</li> <li>6. Other words or marks are written in addition to the candidate name or shareholder account name.</li> </ol>	<ol style="list-style-type: none"> <li>1. Amendment was made in correspondence with Article 173 of the Company Act - If the board of directors fails to give a notice for convening a meeting, shareholder may, after obtaining an approval from the competent authority, convene a meeting on his/their own.</li> <li>2. The candidate nomination system is adopted for the election of the Company's directors. The nominated list of director candidates, including names,</li> </ol>

<b>Before amendment</b>	<b>After amendment</b>	<b>Reason for amendment</b>
<p>5. The number of write-in candidates is two or more than two candidate.</p> <p>6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card or government uniform invoice (GUI) number.</p> <p>7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.</p>		<p>background and past work experience, will be released before shareholders' meeting; hence it is unnecessary for shareholders to fill in candidates' account number or identification number when voting. The original Paragraph 4 and 6 were altered and Paragraph 7 was deleted.</p> <p>3. Word Modification.</p>
<p><b>Article 12</b> The ballots shall be counted immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.</p>	<p><b>Article 12</b> The ballots shall be counted immediately under the supervision of the scrutinizer(s). The results of election, including the list of elected directors and unelected directors, and their corresponding received votes, shall be announced by the Chairman at the spot.</p>	<p>Amendment was made in correspondence with actual needs of the Company, adding the contents of announcement, including the list of elected directors and unelected directors, and their corresponding received votes.</p>
<p><b>Article 14</b> These Rules and any revision thereof shall be effective once approved by a shareholders' meeting.</p>	<p><b>Article 14</b> These Rules and any alteration thereof shall be effective once approved by a shareholders' meeting.</p>	<p>Word Modification.</p>

**Attachment 5**

**TTY BIOPHARM COMPANY LIMITED**

**List of Director Candidates**

(Nominated by Board of Directors)

Category	Name	Gender	Major Education, Current Position and Experience
Director	Lin, Chuan	Male	<p><b><u>Education</u></b> Ph.D., Economics, University of Illinois at Urbana-Champaign, USA</p> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Chairman, TTY Biopharm Co., Ltd.</li> <li>• Chairman, TSH Biopharm Co., Ltd.</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Premier, Executive Yuan, R.O.C.</li> <li>• CEO, New Frontier Foundation</li> <li>• Chairman, Vanguard International Semiconductor Co.</li> <li>• Minister, Ministry of Finance, Executive Yuan, R.O.C.</li> <li>• Minister, Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C.</li> <li>• Director General, Department of Finance, Taipei City Government</li> <li>• Professor, Department of Public Finance, National ChengChi University</li> <li>• Researcher, Chung-Hua Institution for Economic Research</li> </ul>
Director	Chang, Wen-Hwa	Female	<p><b><u>Education</u></b> MBA, Manmos College Bachelor, Department of Accounting, Soochow University</p> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Vice Chairman, TTY Biopharm Co., Ltd.</li> <li>• Director, Arich Investment Company Limited</li> <li>• Director, American Taiwan Biopharma Philippines Inc.</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Director, TSH Biopharm Company Limited</li> <li>• Director, Chuang Yi Biotech Co., Ltd.</li> <li>• Director, PharmaEngine, Inc.</li> <li>• Director, Arich Enterprise Co., Ltd.</li> <li>• Vice General Manager of Operations, Arich Enterprise Co., Ltd.</li> <li>• CFO, Arich Enterprise Co., Ltd.</li> <li>• Supervisor, EnhanX Inc.</li> </ul>
Director	Dawan Technology Company Limited. Representative: Carl Hsiao	Male	<p><b><u>Education</u></b> PharmD., University of the Pacific Thomas J Long School of Pharmacy MBA, University of the Pacific Eberhardt School of Business</p>

Category	Name	Gender	Major Education, Current Position and Experience
			<p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Director, TTY Biopharm Co., Ltd.</li> <li>• Director, TSH Biopharm Company Limited</li> <li>• Director, American Taiwan Biopharm Co., Ltd.</li> <li>• Director, Dawan Technology Co., Ltd.</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Pharmacist, CVS Health Pharmacy</li> </ul>
Director	Yang, Tze-Kaing	Male	<p><b><u>Education</u></b></p> <p>Ph.D of Business Administration, National Chengchi University</p> <p>MBA of University of Illinois at Urbana-Champaign</p> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Director, TTY Biopharm Co., Ltd.</li> <li>• Chairmen, Yangtze Associates</li> <li>• Director and General Manager, Huiyang Private Equity Fund Co., Ltd.</li> <li>• Director, Chien Kuo Construction Co., Ltd.</li> <li>• Director, Airiti Inc.</li> <li>• Director, Hon Yang Healthcare</li> <li>• Director, Pegatron Corporation</li> <li>• Director, Asustek Computer Inc.</li> <li>• Director, Huacheng Capital Co., Ltd.</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Consultant, Executive Yuan, R.O.C.</li> <li>• Deputy Minister, Ministry of Finance, R.O.C.</li> <li>• Executive Secretary, National Development Fund, Executive Yuan</li> <li>• Managing Director and Chairman, Bank of Taiwan</li> <li>• General Manager, China Development Industrial Bank</li> </ul>
Director	Chang, Hsiu-Chi	Male	<p><b><u>Education</u></b></p> <p>EMBA, National Taiwan University College of Management</p> <p>BS., School of Pharmacy, Taipei Medical University</p> <p><b><u>Current Positon (note)</u></b></p> <ul style="list-style-type: none"> <li>• Director, TTY Biopharm Co., Ltd.</li> <li>• Director, Yuan-Hwa Biotechnology Enterprise Company Limited</li> <li>• Chairman, Yuen Hung Investment Company Limited</li> <li>• Director, Reber Genetics Company Limited</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Director and Chairman, Purzer Pharmaceutical Company Limited</li> <li>• Director, AnnJi Pharmaceutical Company Limited</li> <li>• Director, HealthBanks Biotech Company Limited</li> <li>• Director, Nung Pao Biotech Company Limited</li> <li>• Director, TheVax Genetics Vaccine Company Limited</li> </ul>

Category	Name	Gender	Major Education, Current Position and Experience
			<ul style="list-style-type: none"> <li>• Director, Sheng Rong Biotech Company Limited</li> <li>• Director, Chi Chun Consulting Management Co. Ltd.</li> <li>• Director, Aaxter International Limited</li> </ul>
Director	Liao, Ying-Ying	Female	<p><b><u>Education</u></b> MBA, University of Missouri, USA</p> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Director, TTY Biopharm Co., Ltd.</li> <li>• Supervisor, cnYES.com Company Limited</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Director, cnYES.com Company Limited</li> <li>• Director, Evenstar Capital Management Limited</li> <li>• Senior Assist Vice President, Fubon Securities Co. Ltd.</li> <li>• Manager, Fubon Securities Co. Ltd.</li> <li>• Junior Manager, Taiwan Securities Co. Ltd.</li> <li>• Supervisor, ECOVE Environment Corp.</li> <li>• Director, Anuenue Asset Management Limited</li> </ul>

## TTY BIOPHARM COMPANY LIMITED

### List of Independent Director Candidates

(Nominated by Board of Directors)

Category	Name	Gender	Major Education, Current Position and Experience	Reasons for Nominating Independent Directors Who Has Served for 3 Consecutive Terms.
Independent Director	Tsai, Duei	Male	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>• Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University</li> </ul> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Independent Director, TTY Biopharm Co., Ltd.</li> <li>• Independent Director, Compal Electronics, Inc.</li> <li>• Independent Director, Taiwan High Speed Rail Corp.</li> <li>• Adjunct Professor, Department of Electrical Engineering, National Taipei University of Technology</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Minister, Ministry of Transportation and Communications R.O.C.</li> <li>• Director General, Civil Aeronautics Administration, Ministry of Transportation and Communications R.O.C.</li> <li>• Deputy Director General, Directorate General of Telecommunications, Ministry of Transportation and Communications R.O.C.</li> <li>• Adjunct Professor, National Taiwan University of Science and Technology</li> <li>• Adjunct Professor, Kainan University</li> <li>• Independent Director, Hauman Technologies Corp.</li> <li>• Independent Director, Taiwan Taxi Co., Ltd.</li> <li>• Independent Director, Getac Technology Corp.</li> </ul>	Not Applicable.
Independent Director	Hsueh, Ming-Ling	Male	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>• MS., Graduate Institute of Accounting, Soochow University</li> </ul>	Not Applicable.

Category	Name	Gender	Major Education, Current Position and Experience	Reasons for Nominating Independent Directors Who Has Served for 3 Consecutive Terms.
			<ul style="list-style-type: none"> <li>• MBA, Bloomsburg University, Pennsylvania, USA</li> </ul> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Independent Director, TTY Biopharm Co., Ltd.</li> <li>• Independent Director, Lite-On Technology Corp.</li> <li>• Independent Director, Walsin Lihwa Corporation</li> <li>• Independent Director, Yuanta Financial Holdings and Yuanta Commercial Bank</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• Chairman, PricewaterhouseCoopers Taiwan</li> <li>• Adjunct Associate Professor, College of Technology Management, National Tsing Hua University</li> <li>• Adjunct Professor, School of Management, National Taiwan University of Science and Technology</li> <li>• Member of the Committee in charge of the examination affairs and qualification screening for professional and technologies, Examination Yuan</li> <li>• Director, Corporate Governance Association in Taiwan</li> </ul>	
Independent Director	Lin, Tien-Fu	Male	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>• General Program, Yu Da Institute of Business Intermediate Accounting Group, Center for Public Administration and Business Management Education, National Chengchi University, Accounting Training Session 52 Common Accounting Group and Session 57</li> </ul> <p><b><u>Current Position</u></b></p> <ul style="list-style-type: none"> <li>• Independent Director, TTY Biopharm Co., Ltd.</li> <li>• Chairman, Yuanta Futures Co., Ltd.</li> </ul> <p><b><u>Experience</u></b></p> <ul style="list-style-type: none"> <li>• General Manager, Yuanta Securities Co., Ltd.</li> </ul>	Not Applicable.

Category	Name	Gender	Major Education, Current Position and Experience	Reasons for Nominating Independent Directors Who Has Served for 3 Consecutive Terms.
			<ul style="list-style-type: none"> <li>• Executive Vice General Manager, Yuanta Securities Co., Ltd.</li> <li>• Vice Chairman, Yuanta Securities Finance Co., Ltd.</li> <li>• General Manager, Fuhwa Securities Co., Ltd.</li> </ul>	

## Attachment 6

### Details of Director (including Independent Director) Candidates' Current Positions at Other Companies

Title	Name	Concurrent positions at other companies
Director	Lin, Chuan	<ul style="list-style-type: none"> <li>Chairman, TSH Biopharm Co., Ltd.</li> </ul>
Director	Chang, Wen-Hwa	<ul style="list-style-type: none"> <li>Director, Arich Investment Company Limited</li> <li>Director, American Taiwan Biopharma Philippines Inc.</li> </ul>
Director	Dawan Technology Company Limited. Representative: Carl Hsiao	<ul style="list-style-type: none"> <li>Director, TSH Biopharm Company Limited</li> <li>Director, American Taiwan Biopharm Co., Ltd.</li> <li>Director, Dawan Technology Co., Ltd.</li> </ul>
Director	Yang, Tze-Kaing	<ul style="list-style-type: none"> <li>Chairmen, Yangtze Associates</li> <li>Director and General Manager, Huiyang Private Equity Fund Co., Ltd.</li> <li>Director, Chien Kuo Construction Co., Ltd.</li> <li>Director, Airiti Inc.</li> <li>Director, Hon Yang Healthcare</li> <li>Director, Pegatron Corporation</li> <li>Director, Asustek Computer Inc.</li> <li>Director, Huacheng Capital Co., Ltd.</li> </ul>
Director	Chang, Hsiu-Chi	<ul style="list-style-type: none"> <li>Director, Yuan-Hwa Biotechnology Enterprise Company Limited</li> <li>Chairman, Yuen Hung Investment Company Limited</li> <li>Director, Reber Genetics Company Limited</li> </ul>
Independent Director	Tsai, Duei	<ul style="list-style-type: none"> <li>Independent Director, Compal Electronics, Inc.</li> <li>Independent Director, Taiwan High Speed Rail Corp.</li> </ul>
Independent Director	Hsueh, Ming-Ling	<ul style="list-style-type: none"> <li>Independent Director, Lite-On Technology Corp.</li> <li>Independent Director, Walsin Lihwa Corporation</li> <li>Independent Director, Yuanta Financial Holdings and Yuanta Commercial Bank</li> </ul>
Independent Director	Lin, Tien-Fu	<ul style="list-style-type: none"> <li>Chairman, Yuanta Futures Co., Ltd.</li> </ul>

## **IX. Appendices**

### **Appendices 1**

#### **TTY BIOPHARM COMPANY LIMITED**

##### **Regulations for Election of Directors**

(Prior to the amendment of year 2021 Annual General Shareholder's Meeting)

Revised date: 2016.06.24

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

4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list.  
If the write-in candidate is not a shareholder, the candidate's name, ID or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent.
5. The number of write-in candidates is two or more than two candidate.
6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card or government uniform invoice (GUI) number.
7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.

Article 11 : The ballot box should be opened by scrutinizer at the spot and calculated by ballot counter right after the vote casting.

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

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

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

## Appendices 2

### TTY BIOPHARM COMPANY LIMITED

#### Articles of Incorporation

##### *Chapter 1 General Provisions*

**Article 1** The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act. The English name is TTY BIOPHARM COMPANY LIMITED.

**Article 2** Business areas of the Company are as follows:

1. C801010 Basic Industrial Chemical Manufacturing
2. C802041 Western Medicine Manufacturing
3. F108021 Wholesale of Western Medicine
4. F208021 Retail Sale of Western Medicine
5. F108031 Wholesale of Medical Equipments
6. F208031 Retail Sale of Medical Equipments
7. C802060 Animal Use Medicine Manufacturing
8. C802070 Pesticide Manufacturing
9. C802080 Environmental Agents Manufacturing
10. C802100 Cosmetics Manufacturing
11. C804020 Industrial Rubber Products Manufacturing
12. C804990 Other Rubber Products Manufacturing
13. C901020 Glass and Glass Made Products Manufacturing
14. CF01011 Medical Materials and Equipment Manufacturing
15. F102170 Wholesale of Food and Grocery
16. F203010 Retail Sale of Food, Grocery, and Beverages
17. IG01010 Biotechnology Services
18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

**Article 3** The Company may formulate regulations governing external endorsements/ guarantees pursuant to relevant government regulations subject to ratification by the shareholder meeting. All guarantees shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.

**Article 4** The total reinvestment amount may exceed 40% of the paid-in capital. Reinvestment related matters shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.

**Article 5** The Company has its domicile in Taipei City and may establish branches in other suitable locations if deemed necessary.

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

##### *Chapter 2 Shares*

**Article 7** The total capital of the Company is NT\$ 5 billion divided into 500 million shares. The par value of each share is NT\$ 10. The board of directors shall be authorized to issue these shares in subsequent offerings.

**Article 8** It shall not be required to print stocks for shares issued by the Company, but shares

shall be registered upon negotiation with centralized securities depository enterprises.

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

**Article 10** 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.

**Chapter 3** *Shareholders Meeting*

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

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

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

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

**Article 13.1** Resolution items of the shareholders meeting shall be compiled into meeting minutes with the affixed signature and seal of the chairperson. These minutes shall be distributed or made known to the shareholders per public notice within 20 days after the meeting. The meeting minutes shall specify the date, location, name of chair, resolution methods, main agenda items, and results. The minutes shall be preserved permanently. The shareholder attendance book and the powers of attorney for proxies shall be preserved for a minimum of one year. Where litigation is initiated by shareholders pursuant to Article 189 of the Company Act, said documents shall be preserved until the conclusion of litigation.

**Chapter 4** *Directors*

**Article 14** The Company shall appoint 7 to 11 board directors. The number of directors elected shall be determined in a board meeting. And a candidate nomination system shall be adapted and the shareholders meeting shall elect directors from the list of candidates. They shall serve for a term of three years. And They may serve consecutive terms if reelected.

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

- Article 14.1** When terms of directors expire prior to elections, terms may be extended until the newly elected directors assume office. The total number of inscribed stocks held by the directors of the Company shall conform to the standards prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies made public by the competent authority.
- Article 14.2** When director vacancies account for 1/3, the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors shall serve for the remainder of the original terms.
- Article 14.3** Board meetings shall be convened annually.  
Directors shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies.  
Directors shall be notified of scheduled meetings in writing, by fax, or by e-mail.
- Article 14.4** The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors. The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company.
- Article 15** The board is composed of directors who shall elect a chairperson and vice chairperson from among their ranks. The chairperson and vice chairperson shall be elected by a majority of the board directors in attendance with an attendance rate of at least 2/3.
- Article 16** Where the chairperson is on leave or for any reason unable to exercise his/her powers, an acting chairperson shall be appointed pursuant to the regulations set forth in Article 208 of the Company Act.
- Article 16.1** Board directors shall personally attend board meetings. The assignment of proxies shall conform to the regulations set forth in Article 205 of the Company Act. Where board meetings are conducted by video conference, participation in the conference shall be viewed as personal attendance.
- Article 17** All business policies and key items of the Company shall be handled in accordance with board resolutions. All board resolutions require the attendance of a majority of board directors and approval by a majority of the directors in attendance unless relevant regulations set forth in the Company Act stipulate otherwise.
- Article 18** The Company shall arrange liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws.
- Chapter 5** **Managers**
- Article 19** The Company shall appoint managers. The appointment, dismissal, and remuneration thereof shall be handled pursuant to Article 29 of the Company Act.
- Chapter 6** **Accounting**
- Article 20** The accounting year runs from January 1 to December 31. Accounts shall be settled at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which These documents and the review report shall be submitted to the shareholders meeting for ratification in accordance

with relevant laws.

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

**Article 21** Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.  
Employee remuneration prescribed in the preceding paragraph may be distributed in the form of shares or cash. Terms and distribution measures are hereby authorized to the Board of Directors for decision. Director's remuneration shall only be distributed in the form of cash.

**Article 22** Where surpluses are recorded upon annual settlement of accounts, 10% shall be appropriated as legal reserve upon payment of taxes and making up for previous losses in accordance with relevant laws unless the Legal Reserve has reached the Company's total paid-in capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board for approval at a shareholders' meeting.

**Article 23** In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting.

**Article 24** The Company shall adopt a dividend equalization policy to ensure a sound financial structure and safeguard investor rights and interests. A minimum of 50% of distributable surpluses in the respective year shall be distributed as stock dividends. A minimum of 70% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends.

**Article 25** The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards.

**Chapter 7** *Supplementary provisions*

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

**Article 27** Matters not specifically covered in these articles of Incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws.

**Article 28** These articles of incorporation were formulated on June 23, 1960.

They were amended for the first time on June 17, 1966.

They were amended for the second time on June 17, 1967.

They were amended for the third time on January 22, 1968.

They were amended for the fourth time on September 20, 1969.  
They were amended for the fifth time on September 11, 1978.  
They were amended for the sixth time on September 30, 1980.  
They were amended for the seventh time on November 25, 1982.  
They were amended for the eighth time on March 28, 1986.  
They were amended for the ninth time on February 2, 1989.  
They were amended for the tenth time on May 10, 1990.  
They were amended for the eleventh time on October 12, 1991.  
They were amended for the twelfth time on December 2, 1993.  
They were amended for the thirteenth time on July 24, 1995.  
They were amended for the fourteenth time on July 25, 1997.  
They were amended for the fifteenth time on October 7, 1997.  
They were amended for the sixteenth time on November 27, 1997.  
They were amended for the seventeenth time on May 22, 1998.  
They were amended for the eighteenth time on June 25, 1999.  
They were amended for the nineteenth time on March 24, 2000.  
They were amended for the twentieth time on December 22, 2000.  
They were amended for the twenty-first time on June 8, 2001.  
They were amended for the twenty-second time on June 8, 2001.  
They were amended for the twenty-third time on May 13, 2002.  
They were amended for the twenty-fourth time on May 13, 2002.  
They were amended for the twenty-fifth time on May 19, 2003.  
They were amended for the twenty-sixth time on May 19, 2003.  
They were amended for the twenty-seventh time on June 1, 2004.  
They were amended for the twenty-eighth time on June 1, 2004.  
They were amended for the twenty-ninth time on June 10, 2005.  
They were amended for the thirtieth time on June 14, 2006.  
They were amended for the thirty-first time on June 19, 2009.  
They were amended for the thirty-second time on June 25, 2010.  
They were amended for the thirty-third time on June 22, 2012.  
They were amended for the thirty-fourth time on June 25, 2013.  
They were amended for the thirty-fifth time on June 16, 2015.  
They were amended for the thirty-sixteenth time on June 24, 2016.  
They were amended for the thirty- seventh time on June 16, 2017.  
They were amended for the thirty-eight time on November 22, 2018  
They were amended for the thirty-nine time on June 12, 2020

TTY BIOPHARM COMPANY LIMITED

CHAIRMAN OF THE BOARD: LIN, CHUAN

## Appendices 3

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

1. Shareholders Meetings of the Company shall be handled in accordance with these rules unless regulations set forth in relevant laws stipulate otherwise.
2. Shareholders Meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated based on the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
3. Attendance and voting rights at shareholders meetings shall be calculated based on numbers of shares.
4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. It shall fully take independent directors' opinions on board for the venue and time of the meeting.
5. Where a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise his/her powers, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise his/her powers, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. Where a shareholders' meeting is convened by a person with the power to convene other than the directors, the convener shall serve as chair.
6. The Company may dispatch its attorneys, certified public accountants, or related persons to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The shareholders meeting proceedings shall be audio or video recorded. These records shall be preserved for a minimum of one year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Each proposal (including extraordinary motion and amendment to original proposal) shall be voted by shareholders individually. The meeting shall proceed in the

order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the regulations set forth in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is commissioned to attend a shareholders meeting as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote given sufficient time for shareholders to cast its ballot.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation. Counting operation for voting or election resolutions shall be conducted in an open area inside the venue of shareholders' meeting. Voting results, which include weights for calculation, should be announced on the spot upon completion of vote counting and records shall be prepared accordingly.
16. When a meeting is in progress, the chair may order a recess based on time considerations.
17. Proposals shall be approved by a majority of the voting rights of attending shareholders unless stipulated otherwise in the Company Act or the articles of incorporation. When voting is conducted, chairman or his/her designated personnel shall first announce attending shareholders' total voting weights for each proposal before shareholders start to vote for each individual proposal.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. These rules and all amendments thereof shall come into effect upon ratification by a Shareholders' Meeting

## Appendices 4

### TTY BIOPHARM COMPANY LIMITED Shareholdings of Directors

Date: April 11, 2021

<b>Title</b>	<b>Name</b>	<b>Shares held in share register</b>
Chairman	LIN, CHUAN	120,000
Vice Chairman	CHANG, WEN-HWA	4,409,800
Director	Dawan Technology Company Limited. Representative: CARL HSIAO	22,590,732
Director	YANG, TZE-KAING	—
Director	CHANG, HSIU-CHI	1,943,686
Director	LIAO, YING-YING	—
Independent Director	TSAI, DUEI	—
Independent Director	HSUEH, MING-LING	—
Independent Director	LIN, TIEN-FU	—

Note:

1. 248,649,959 Common Shares issued on April 11, 2021.
2. Statutory minimum shareholding requirement for all directors is 12,000,000 shares and Shares held in share register is 29,064,218 shares.
3. Since the Company has established an audit committee, statutory shareholding requirements for supervisors are not applicable.



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