

TTY BIOPHARM COMPANY LIMITED
2016 Annual General Shareholders' Meeting Minutes
(Translation)

Time: June 24, 2016 (Friday) at 9:00 am

Location: Room 423, Nangang Software Incubator
(Building E, 4th Floor, No.19-11, Sanchong Rd., Nangang Dist., Taipei City, Taiwan)

Total outstanding TTY shares: 248,649,959 shares

Total shares represented by shareholder present in person or by proxy: 214,012,985 shares

Percentage of shares held by shareholder present in person or by proxy: 86.06%

Director Present: Hsiao, Ying-Chun; Chang, Wen-Hwa; Tseng, Tien-Szu

Supervisor Present: Chang, Hsiu-Chi; Liao, Ying-Ying

Chairperson: Hsiao, Ying-Chun, Chairman

Recorder: Huang, Ching-Yi

Meeting procedures

I. Report the total number of shares represented at this AGM

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

II. Meeting Commencement Announced

III. Chairman's Address (omitted)

IV. Discussion Items

Item One: (Proposed by the Board of Directors)

To approve the amendment to the "Articles of Incorporation"

Description:

In accordance with the amendment of Company Act, setup of Audit Committee and actual operating need, the proposed amendments to the Company's "Articles of Incorporation" are shown in a comparison table on Attachment 1.

VOTING RESULTS: a total of 212,026,584 voting rights were represented by the presence of shareholders at the time of voting; therein 197,467,146 in favor (incl. 83,578,630 voting rights cast by electronic method), 253 against (incl. 253 voting rights cast by electronic method), 50,000 invalid votes and 14,509,185 abstention votes/ no votes (incl. 12,559,185 voting rights cast by electronic method).

RESOLVED, 93.13% of total represented voting rights present were in favor and this proposal was approved as proposed.

V. Report Items

1. To report the business of 2015 (See Attachment 2)
2. Supervisor's review report on the 2015 Financial Statements (See Attachment 3)

3. To report 2015 compensation of Employee, Directors and Supervisors Status (See Meeting Handbook)
4. Report of Company's indirect investment in Mainland China (See Meeting Handbook)

VI. Ratification Items

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

To ratify 2015 Business Report and Financial Statements

Description:

1. The Company's 2015 Business Report and Financial Statements have been approved by the Board of Directors and reviewed by Supervisors of the Company.
2. The Company's 2015 Financial Statements have been audited by KPMG Taiwan with the auditing opinion "Modified Unqualified Opinion"
3. Please refer to the Attachment 2 and Attachment 4 for 2015 Business Report and Financial Statements.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 196,716,712 in favor (incl. 82,823,196 voting rights cast by electronic method), 435,310 against (incl. 435,310 voting rights cast by electronic method), 50,000 invalid votes and 14,859,572 abstention votes/ no votes (incl. 12,879,562 voting rights cast by electronic method).

RESOLVED, 92.76% of total represented voting rights present were in favor and this proposal was approved as proposed.

Item Two: (Proposed by the Board of Directors)

To ratify the distribution of 2015 profits

Description:

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

Please refer to the Attachment 5 for Distribution of 2015 Profits Table.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 197,472,139 in favor (incl. 83,578,623 voting rights cast by electronic method), 259 against (incl. 259 voting rights cast by electronic method), 50,000 invalid votes and 14,539,196 abstention votes/ no votes (incl. 12,559,186 voting rights cast by electronic method).

RESOLVED, 93.12% of total represented voting rights present were in favor and this proposal was approved as proposed.

VII. Discussion and Election Items

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

To approve the amendment to the "Regulations for Lending Funds to Other Parties"

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Lending Funds to Other Parties are shown in a comparison table on Attachment 6.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 197,471,477 in favor (incl. 83,577,961 voting rights cast by electronic method), 921 against (incl. 921 voting rights cast by electronic method), 50,000 invalid votes and 14,539,196 abstention votes/ no votes (incl. 12,559,186 voting rights cast by electronic method).

RESOLVED, 93.12% of total represented voting rights present were in favor and this proposal was approved as proposed.

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

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

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Endorsement and Guarantee are shown in a comparison table on Attachment 7.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 197,471,477 in favor (incl. 83,577,961 voting rights cast by electronic method), 921 against (incl. 921 voting rights cast by electronic method), 50,000 invalid votes and 14,539,196 abstention votes/ no votes (incl. 12,559,186 voting rights cast by electronic method).

RESOLVED, 93.12% of total represented voting rights present were in favor and this proposal was approved as proposed.

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

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

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Procedures for Financial Derivatives Transactions are shown in a comparison table on Attachment 8.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 197,471,481 in favor (incl. 83,577,965 voting rights cast by electronic method), 917 against (incl. 917 voting rights cast by electronic method), 50,000 invalid votes and 14,539,196 abstention votes/ no votes (incl. 12,559,186 voting rights cast by electronic method).

RESOLVED, 93.12% of total represented voting rights present were in favor and this proposal was approved as proposed.

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

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

Description:

In accordance with the setup of Audit Committee and actual operating need, the proposed amendments to Regulations for Election of Directors and Supervisors are shown in a

comparison table on Attachment 9.

VOTING RESULTS: a total of 212,061,594 voting rights were represented by the presence of shareholders at the time of voting; therein 195,471,482 in favor (incl. 81,577,966 voting rights cast by electronic method), 916 against (incl. 916 voting rights cast by electronic method), 50,000 invalid votes and 16,539,196 abstention votes/ no votes (incl. 14,559,186 voting rights cast by electronic method).

RESOLVED, 92.18% of total represented voting rights present were in favor and this proposal was approved as proposed.

Item Five:

(Proposed by the Board of Directors.)

To elect Directors

Description:

1. The current terms of Directors and Supervisors of the Company will be expired on June 23, 2017. In accordance with improvement of company governance and setup of Audit Committee, all the directors and supervisors shall be elected in advance at this shareholders' meeting.
2. Based on the Article of Incorporation, Nine directors will be considered for the Board, including three Independent Directors who shall be elected by shareholders from Independent Director candidate name list through the candidate nomination system. The Independent Director candidate name list was reviewed at the Board meeting on May 10, 2016. Please refer to Attachment 10 for detailed Independent Director candidate name list.
3. The term for elected Directors is three years, starting from June 24th, 2016 to June 23rd, 2019.

Voting Results

List of Directors Elected

Title	Shareholder's No. or Identification	Name	Votes Received
Director	548	DaWan Technology Co., Ltd. Representative : Hsiao, Ying-Chun	186,475,656
Director	27	Chang, Wen-Hwa	182,044,297
Director	A102241***	Yang, Tze-Kaing	174,814,864
Director	182	Chang, Hsiu-Chi	171,817,033
Director	8908	Tseng, Tien-Szu	171,307,135
Director	58906	Liao, Ying-Ying	167,519,560
Independent Director	B101077***	Hsueh, Ming-Ling	76,856,912
Independent Director	L100933***	Tsai, Duei	73,986,025
Independent Director	A102932***	Lin, Tien-Fu	71,602,922

Item Six:

(Proposed by the Board of Directors.)

To approve the release of non-competition restrictions for Directors

Description:

1. According to Article 209, Company Act, a director who does anything for himself or on

behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2. The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions for the actual operation need and no harm to the Company's interest.

VOTING RESULTS: a total of 213,008,446 voting rights were represented by the presence of shareholders at the time of voting; therein 142,826,717 in favor (incl. 28,938,201 voting rights cast by electronic method), 33,025,956 against (incl. 33,025,956 voting rights cast by electronic method), 50,000 invalid votes and 37,105,773 abstention votes/ no votes (incl. 34,173,911 voting rights cast by electronic method).

RESOLVED, 67.05% of total represented voting rights present were in favor and this proposal was approved as proposed.

VIII. Extraordinary Motions: None

IX. Adjournment: The Chairman announced the meeting adjourned at 9:56 am on June 24, 2016

Attachment 1

TTY BIOPHARM COMPANY LIMITED
Articles of Incorporation Amendment Comparison Table

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

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

Business Report

1. The Company's Business Result for 2015

(1) Business Plan Implementation Result

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

(2) Budget Implementation Status

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

(3) Income & Expenditure and Profitability Analysis

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

(4) Research & Development Status

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

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

2. Business Plan Summary for This Year (2016)

(1) Operation Policy

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

(2) Quantity and Basis for Projected Sales

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

(3) Critical Production and Marketing Policies

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

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

3. The Company’s Future Development Strategy

Corporate Vision: “Enhance Human Life Quality with Technology”

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

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

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

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

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

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

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

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

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

Chairman of the Board: Hsiao, Ying-Chun

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

Attachment 3

TTY BIOPHARM COMPANY LIMITED

Supervisor's Review Report

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

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

Supervisor : CHANG, HSIU-CHI

Supervisor : LIAO, YING-YING

On the Date of May 30, 2016



安侯建業聯合會計師事務所
KPMG

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(English Translation of Financial Report Originally Issued in Chinese)

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

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

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

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



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

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

KPMG

Taipei, Taiwan (the Republic of China)

March 30, 2016

Note to Readers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



安侯建業聯合會計師事務所

KPMG

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(English Translation of Financial Report Originally Issued in Chinese)

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

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

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

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



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

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

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

KPMG

Taipei, Taiwan (the Republic of China)

March 30, 2016

Notes to Readers

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

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

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

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

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

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

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

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

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

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

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

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

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

	Attributable to Owners of the Parent											
	Share capital	Capital surplus	Retained earnings			Other adjustments to equity			Total	Owners of the parent company	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated	Foreign currency translation differences	Unrealized gains (losses) on available-for-sale financial assets	Unrealized gains (losses) on available-for-sale financial assets				
Balance, January 1, 2014	\$ 2,330,365	390,153	345,803	110,154	682,073	18,066	-	-	18,066	3,876,614	451,103	4,327,717
Profit for the year	-	-	-	-	779,645	-	-	-	-	779,645	32,050	811,695
Other comprehensive income for the year	-	-	-	-	-	27,658	-	-	(10,821)	16,837	33	16,870
Total comprehensive income for the year	-	-	-	-	779,645	27,658	-	-	(10,821)	16,837	32,083	828,565
Appropriation and distribution of retained earnings												
Legal reserve	-	-	58,744	-	(58,744)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(466,072)	-	-	-	-	(466,072)	(46,791)	(512,863)
Stock dividends of ordinary shares	156,135	-	-	-	(156,135)	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for under equity method	-	12,092	-	-	-	-	-	-	-	12,092	-	12,092
Disposal of investments accounted for using equity method	-	(24,238)	-	-	-	-	-	-	-	(24,238)	-	(24,238)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,167	1,167
Balance, December 31, 2014	2,486,500	378,007	404,547	110,154	780,767	45,724	-	-	(10,821)	4,194,878	437,562	4,632,440
Profit for the year	-	-	-	-	1,211,018	-	-	-	-	1,211,018	35,574	1,246,592
Other comprehensive income for the year	-	-	-	-	(4,056)	(29,564)	-	-	354,672	321,052	153,137	474,189
Total comprehensive income for the year	-	-	-	-	1,206,962	(29,564)	-	-	354,672	1,532,070	188,711	1,720,781
Appropriation and distribution of retained earnings												
Legal reserve	-	-	77,964	-	(77,964)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(621,625)	-	-	-	-	(621,625)	(33,422)	(655,047)
Changes in equity of associates and joint ventures accounted for under equity method	-	(4,022)	-	-	-	-	-	-	-	-	-	(4,022)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	798	798
Balance, December 31, 2015	\$ 2,486,500	373,985	482,511	110,154	1,288,140	16,160	-	-	343,851	5,101,301	593,649	5,694,950

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

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

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

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

Distribution of 2015 Profit Table

Unit: NTD

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

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

Chairman of the Board: Hsiao, Ying-Chun

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

TTY BIOPHARM COMPANY LIMITED

Regulations for Lending Funds to Other Parties Amendment Comparison Table

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

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

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

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

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

Regulations for Endorsement and Guarantee Amendment Comparison Table

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

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

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

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

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

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

Procedures for Financial Derivatives Transactions Amendment Comparison Table

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

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

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

Before amendment	After amendment	Reason for amendment																																							
	<p><u>measures shall be determined upon deliberation and report to the top executives which authorized by board of directors, general manager, chairman and board of directors.</u> If independent directors have been appointed, these directors shall attend related board meetings and express their opinions.</p>																																								
<p>Article 4 Operating procedures: 1. Authorized amount and management level:</p> <table border="1" data-bbox="164 869 622 1590"> <thead> <tr> <th data-bbox="164 869 292 947"></th> <th data-bbox="292 869 448 947">Hedging transactions</th> <th data-bbox="448 869 622 947">Non-hedging transactions</th> </tr> <tr> <th data-bbox="164 947 292 1149">Level</th> <th data-bbox="292 947 448 1149">Net cumulative position transaction amount</th> <th data-bbox="448 947 622 1149">Net cumulative position transaction amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="164 1149 292 1227">Chairman</td> <td data-bbox="292 1149 448 1227">USD 6 million</td> <td data-bbox="448 1149 622 1227">USD 3 million</td> </tr> <tr> <td data-bbox="164 1227 292 1305">President</td> <td data-bbox="292 1227 448 1305">USD 4 million</td> <td data-bbox="448 1227 622 1305">USD 1 million</td> </tr> <tr> <td data-bbox="164 1305 292 1429">Senior Finance AVP</td> <td data-bbox="292 1305 448 1429">USD 2 million</td> <td data-bbox="448 1305 622 1429">—</td> </tr> <tr> <td data-bbox="164 1429 292 1507">Finance AVP</td> <td data-bbox="292 1429 448 1507">USD 1 million</td> <td data-bbox="448 1429 622 1507">—</td> </tr> <tr> <td data-bbox="164 1507 292 1590">Finance Manager</td> <td data-bbox="292 1507 448 1590">USD 0</td> <td data-bbox="448 1507 622 1590">—</td> </tr> </tbody> </table> <p>2. Omitted. 3. description of relevant procedures:</p>		Hedging transactions	Non-hedging transactions	Level	Net cumulative position transaction amount	Net cumulative position transaction amount	Chairman	USD 6 million	USD 3 million	President	USD 4 million	USD 1 million	Senior Finance AVP	USD 2 million	—	Finance AVP	USD 1 million	—	Finance Manager	USD 0	—	<p>Article 4 Operating procedures: 1. Authorized amount and management level:</p> <table border="1" data-bbox="647 869 1106 1668"> <thead> <tr> <th data-bbox="647 869 775 947"></th> <th data-bbox="775 869 932 947">Hedging transactions</th> <th data-bbox="932 869 1106 947">Non-hedging transactions</th> </tr> <tr> <th data-bbox="647 947 775 1149">Level</th> <th data-bbox="775 947 932 1149">Net cumulative position transaction amount</th> <th data-bbox="932 947 1106 1149">Net cumulative position transaction amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="647 1149 775 1227">Chairman</td> <td data-bbox="775 1149 932 1227">USD 6 million</td> <td data-bbox="932 1149 1106 1227">USD 3 million</td> </tr> <tr> <td data-bbox="647 1227 775 1305">President</td> <td data-bbox="775 1227 932 1305">USD 4 million</td> <td data-bbox="932 1227 1106 1305">USD 1 million</td> </tr> <tr> <td data-bbox="647 1305 775 1429">The head of finance department</td> <td data-bbox="775 1305 932 1429">USD 2 million</td> <td data-bbox="932 1305 1106 1429">—</td> </tr> <tr> <td data-bbox="647 1429 775 1668">Authorized traders of finance department</td> <td data-bbox="775 1429 932 1668">USD 1 million</td> <td data-bbox="932 1429 1106 1668">—</td> </tr> </tbody> </table> <p>2. Omitted. 3. description of relevant procedures:</p>		Hedging transactions	Non-hedging transactions	Level	Net cumulative position transaction amount	Net cumulative position transaction amount	Chairman	USD 6 million	USD 3 million	President	USD 4 million	USD 1 million	The head of finance department	USD 2 million	—	Authorized traders of finance department	USD 1 million	—	<p>1. Authorized and management level Modification. 2. Word Modification.</p>
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Before amendment	After amendment	Reason for amendment
<p style="text-align: center;">Description / Responsible department</p>	<p style="text-align: center;">Description / Responsible department</p>	
<p>*Description: (1) Order placement with financial institutions <u>in accordance with authorized scope</u></p> <p>* Responsible department: Omitted</p>	<p>*Description: (1) Prior to Order placement with financial institutions, <u>company shall make confirmation of trading position and concrete measures, fill in Forex evaluation form for get approval</u></p> <p>* Responsible department: Omitted.</p>	
<p>*Description: (2) <u>Filling out of foreign exchange assessment form prior to carrying out of transactions</u>; submission to personnel in charge of settlement and banks; notification of accounting unit upon verification of foreign exchange forward contracts</p> <p>* Responsible department: Omitted.</p>	<p>*Description: (2) After transaction completion, submission to personnel in charge of settlement and banks; notification of accounting unit upon verification of foreign exchange forward contracts</p> <p>* Responsible department: Omitted.</p>	
<p>*Description: (3) Confirmation of review of aforementioned transaction documents by relevant personnel; checking of accounts on a monthly basis according to lists of unsettled forward exchange transactions provided by the financial unit.</p> <p>* Responsible department: Omitted.</p>	<p>*Description: (3) Confirmation of review of aforementioned transaction documents by relevant personnel; checking of accounts on a monthly basis according to lists of unsettled forward exchange transactions provided by the financial unit</p> <p>* Responsible department: Omitted.</p>	
<p>*Description: (4) Responsible personnel shall carry out settlement upon confirmation of documents when contract expires and submit an Assessment Form on Unrealized Gains or Losses to the accounting unit</p>	<p>*Description: (4) Responsible personnel shall carry out settlement <u>upon document which is confirmed by relevant personnel</u> when contract expires and submit an Assessment Form on Unrealized Gains or Losses to the accounting unit at the end of every month for <u>acknowledge</u>.</p> <p>* Responsible department:</p>	

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

Regulations for Election of Directors and Supervisors Amendment Comparison Table

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

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

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

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

TTY BIOPHARM COMPANY LIMITED

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

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

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

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