

TTY BIOPHARM COMPANY LIMITED
2020 Annual General Meeting Minutes
(Translation Version)

Time: June 12, 2020 (Friday) 9:00 AM

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

Total outstanding TTY shares: 248,649,959 shares

Total shares represented by shareholder present in person or by proxy: 210,094,474 shares

Percentage of shares held by shareholder present in person or by proxy: 84.49%

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

Attendance: Hsiao, Ying-Chun, General Manager; Shih, Chun-Liang, COO; Ssu, Han-Te, Lawyer of Mingforever Law Firm; Han, Yi-Lien, CPA of KPMG

Chairman: Lin, Chuan, Chairman

Recorder: Huang, Ching-Yi

Meeting procedures

I. Calling to the Meeting Order

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

II. Chairman's Address (omitted)

III. Report Items

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

IV. Ratification Items

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

2019 Business Report and Financial Statements

Description:

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

Summary of shareholders' presentation (number of attendance certificate: 75003, 75004, 75005, 75006):

Who is company's partner to co-develop liposome products for overseas markets? How much is the milestone? How much is the cost of legal fee of domestic and overseas suit against Inopha AG? What is the status to have CDMO business with Johnson & Johnson and how much benefit could be brought to the company? What are the items for R&D expense and relevant workforce?

Summary of presentation of chairman and his assignment:

The contents of financial statement and annual report were disclosed followed by relevant regulations. The financial statement was audited by CPA and audit report was issued by audit committee.

VOTING RESULTS: a total of 209,442,317 voting rights were represented by the presence of shareholders at the time of voting; therein 201,213,044 votes for (incl. 76,955,450 voting rights cast by electronic method), 17,470 votes against (incl. 12,043 voting rights cast by electronic method), 1,469 invalid votes and 8,210,334 votes abstention /no votes (incl. 8,171,988 voting rights cast by electronic method).

RESOLVED, 96.07% of total represented voting rights present voted for and this proposal was approved as proposed.

Item Two:

(Proposed by the Board of Directors.)

2019 Profit Distribution

Description:

1. Allocation of cash dividend proposed by the Board is total of NT\$ 994,599,836 or NT\$ 4.0 per share based on the number of shares recorded in the Register of Shareholders on the ex-dividend date. All cash dividends are rounded down to the dollar after discount any cents. The remaining amount will be treated as the other revenue of the Company. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors shall be authorized to resolve the ex-dividend date, payment date and other relevant issues.
2. Please refer to the Attachment 4 for 2019 Profits Distribution Table.

Summary of shareholders' presentation (number of attendance certificate: 75001, 75003, 75006):

Shareholder (number of attendance certificate 75001) was not allowed to speak at agenda one. Is there any violation of regulation and article for assembly process and approval method? Can company increase the payment of dividend? Will company reconcile with defendant to speed up legal suit and realize benefit?

Summary of presentation of chairman and his assignment:

Regarding payment of dividend, even sales growth in year 2019, but invested company suffered from delist of original weight-loss drugs to impact profitability of the company. To reach balanced dividend payment, the company will payout NTD 4 per share. Additionally,

shareholder's speech must be aligned with agenda. Chairman can prohibit speech in accordance with Article 11 of "Rules of Procedure for Shareholders Meetings".

VOTING RESULTS: a total of 209,442,317 voting rights were represented by the presence of shareholders at the time of voting; therein 202,686,413 votes for (incl. 78,428,819 voting rights cast by electronic method), 956,901 votes against (incl. 946,047 voting rights cast by electronic method), 0 invalid votes and 5,799,003 votes abstention /no votes (incl. 5,764,615 voting rights cast by electronic method).

RESOLVED, 96.77% of total represented voting rights present voted for and this proposal was approved as proposed.

V. Discussion Items

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

The amendment of "Articles of Incorporation"

Description:

1. The "Articles of Incorporation" is proposed to amend in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 5 for Amendment Comparison Table of "Articles of Incorporation".

VOTING RESULTS: a total of 209,442,317 voting rights were represented by the presence of shareholders at the time of voting; therein 202,990,847 votes for (incl. 78,739,253 voting rights cast by electronic method), 600,480 votes against (incl. 595,053 voting rights cast by electronic method), 0 invalid votes and 5,850,990 votes abstention /no votes (incl. 5,805,175 voting rights cast by electronic method).

RESOLVED, 96.91% of total represented voting rights present voted for and this proposal was approved as proposed.

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

The amendment of "Rules of Procedure for Shareholders Meetings"

Description:

1. The "Rules of Procedure for Shareholders Meetings" is proposed to amend in accordance with the amendment of applicable laws and actual operational needs.
2. Please refer to the Attachment 6 for Amendment Comparison Table of "Rules of Procedure for Shareholders Meetings".

VOTING RESULTS: a total of 209,442,317 voting rights were represented by the presence of shareholders at the time of voting; therein 203,531,829 votes for (incl. 79,320,235 voting rights cast by electronic method), 19,496 votes against (incl. 14,069 voting rights cast by electronic method), 0 invalid votes and 5,890,992 votes abstention /no votes (incl. 5,805,177 voting rights cast by electronic method).

RESOLVED, 97.17% of total represented voting rights present voted for and this proposal was approved as proposed.

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

The amendment of "Regulations for Lending Funds to Other Parties"

Description:

1. The “Regulations for Lending Funds to Other Parties” is proposed to amend in accordance with the actual operational needs.
2. Please refer to the Attachment 7 for Amendment Comparison Table of “Regulations for Lending Funds to Other Parties”.

VOTING RESULTS: a total of 209,442,317 voting rights were represented by the presence of shareholders at the time of voting; therein 203,511,618 votes for (incl. 79,318,454 voting rights cast by electronic method), 40,217 votes against (incl. 16,360 voting rights cast by electronic method), 0 invalid votes and 5,890,482 votes abstention /no votes (incl. 5,804,667 voting rights cast by electronic method).

RESOLVED, 97.16% of total represented voting rights present voted for and this proposal was approved as proposed.

VI. Extraordinary Motions

Summary of shareholders’ presentation (number of attendance certificate: 75001, 75002):

Suggest company to hire independent legal consult to revalue the strategy of legal suit to protect benefit of all shareholders and the company. What is the negotiation process of non-audit fee of CPA mentioned in annual report? Should audit committee realize all legal process and fully disclose to facilitate shareholders’ understanding.

Summary of presentation of chairman and his assignment:

The company definitely raised the issue to maximize shareholders value. The company will seriously consider the employment of lawyer to protect our rights. Regarding negotiation process of non-audit fee of CPA, both parties are known and no any public disclosure requested under auditing principles.

VII. Adjournment: The Chairman announced the meeting adjourned at 11:08 am on June 12, 2020.

(The resolution of annual general meeting are recorded in summary. Any speech of shareholder during the meeting must be subject to on site recording.)

Attachment 1

TTY BIOPHARM COMPANY LIMITED

Business Report

I. The Company's Business Result for year 2019

(1) Business Plan Implementation Result

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

(2) Budget Implementation Status

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

(3) Income & Expenditure and Profitability Analysis

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

(4) Research & Development Status

TTY Biopharm has accumulated professional capabilities in the development and manufacture of drugs and provides comprehensive solutions in the field of drug delivery systems. Dosage development includes development of formulations, analysis methodology and processes, animal testing, functional formulation, GMP manufacturing, and CMC preparation. We are firmly

committed to our core philosophy to benefit more patients and maximizing shareholder value.

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

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

II. Overview of the 2020 Business Plan

(1) Operation Policy

Ever since its incorporation, TTY has experienced several critical strategic leaps and successfully transformed itself into a “new drug development oriented innovative international biopharma company” for the purpose of creating excellence and ever-lasting business. In addition to the in-depth exploration of Taiwan market and major countries in Asia in order to obtain stable growth for domestic and offshore businesses, we also proceed to expand emerging markets across the world. TTY explores its self-developed product revenue and brand efficiency through direct sales or collaboration with strategic partners. TTY is also closely connected with international expert social media groups and provides treatment solutions with the best drug economic values. TTY is dedicated to become an international biopharma company specialized in developing special formulation and biotechnological drugs, marketing and manufacturing. Additionally, TTY Biopharm also emphasizes its performance of corporate social responsibility and shall endeavor its efforts on environment, society and corporate governance to fulfill its sustainability responsibility.

(2) Quantity and Basis for Projected Sales

In year 2020, the Company expects to sell 440,000 thousands tablets of oral products and 6,300 thousands vials of injection. The Company’s projected sales volume has been established in accordance with IQVIA statistic report and under considerations of possible changes in market supply and demand going forward, new product development speed as well as national health insurance policy.

(3) Critical Production and Marketing Policies

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

With respect to “marketing strategy,” we shall continue to evaluate major countries in Asia as well as global emerging markets in addition to our in-depth exploration of Taiwan market. Exploration of TTY product revenue and brand efficiency will be conducted through

management of direct sales and strategic partner collaboration. As for “Research & Development Strategy,” we shall continue to enhance the development of specialty pharma platform. In the meantime, we shall balance our needs for short/medium/long term R&D and be engaged in aggressive and cautious search for and assessment of development targets in a bid to enhance product assortments for respective business divisions in the Company. With respect to “Production Strategy,” we shall continue to establish and maintain drug manufacturing bases meeting international quality requirements and enhance production capacity planning which comes with flexibility and economies of scale for the purpose of ensuring our cost and competitive advantages.

III. The Company’s Future Development Strategy

Corporate Vision: “Enhance Human Life Quality with Technology”

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

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

- (1) Balanced evaluations over early/middle/final phase drug development targets for the purpose of enhancing product assortments(specialty pharma, biopharma, new drug) and meeting this organization’s short/long term operation goals;
- (2) Collaboration with international cooperation partners in order to speed up development for new drugs which come with unmet medical needs, high entry barrier (technology, manufacturing) and high drug economic values;
- (3) Concentrate in an ongoing basis on the implementation of “localized” business activities and life cycle management “best suited for local community” in respective target markets;
- (4) Development of specialty pharma through competitive self-owned and joint developments for the purpose of creating stable operation patterns for Contract Development and Manufacturing Organization (CDMO) and adding values to TTY international business development;
- (5) Establishment, renewal and maintenance of drug manufacturing bases which meet with international quality requirements;
- (6) Utilization of critical strategic activities of mergers and acquisitions, strategic alliance or joint

venture to complete integration of value chain which starts from R&D and manufacturing to marketing;

- (7) Continued implementation of production process improvement and enhancement of production capacity planning (capable of supplying international mass production demand) which comes with flexibility and economies of scale for the purpose of ensuring cost advantage;
- (8) Rapid acquisition and cultivation of local talents with “entrepreneurial spirit” and continued enhancement over product development talents possessing balanced developments in the fields of “science, regulation, business management;”
- (9) Product development supported by current sales revenue from Taiwan;
- (10) Amortization of facility operation costs through international characteristic drug OEM/joint development revenue;
- (11) Introduction of R&D result into in global market and completion of offshore license -out; Combination of product and R&D revenue for the purpose of investing the future while creating positive business cycle;
- (12) Concentration on global biotechnology investment targets to maximize group profits.

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

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

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

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

Chairman of the Board: Lin, Chuan

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

Attachment 2

TTY BIOPHARM COMPANY LIMITED

Audit Committee's Review Report on the 2019 Financial Statements

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

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Hsueh, Ming-Ling

Chairman of the Audit Committee

March 16, 2020

Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Recognition of investments accounted for using equity method

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

Key audit matters:

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

Auditing procedures performed:

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

2. Occurrence of revenue from selling pharmaceuticals and chemical drugs

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

Key audit matters:

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

Auditing procedures performed:

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

3. Inventory valuation

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

Key audit matters:

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

Auditing procedures performed:

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

Other Matter

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

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

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

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

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

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

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

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

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

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

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

See accompanying notes to financial statements.

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

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

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

See accompanying notes to financial statements.



安侯建業聯合會計師事務所

KPMG

台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 kpmg.com/tw

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Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Business combinations

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

Key audit matters:

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

Auditing procedures performed:

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

2. Occurrence of revenue from selling pharmaceuticals and chemical drugs

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

Key audit matters:

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

Auditing procedures performed:

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

3. Inventory valuation

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

Key audit matters:

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

Auditing procedures performed:

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

Other Matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

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

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

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

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

Assets		December 31, 2019		December 31, 2018		Liabilities and Equity		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a) and (y))	\$ 2,422,158	26	2,372,294	27	2100	Short-term borrowings (note 6(n) and (y))	\$ 1,561,070	15	1,150,000	13
1120	Current financial assets at fair value through other comprehensive income (note 6(c) and (y))	149,727	2	132,560	1	2130	Contract liabilities-current(note 6(u))	16,678	-	6,405	-
1150	Notes receivable, net (note 6(d), (y), and 7)	34,719	-	40,063	-	2150	Notes payable (note 6(y))	1,454	-	3,761	-
1170	Accounts receivable, net (note 6(d) and (y))	935,104	10	837,003	9	2170	Accounts payable (note 6(y))	179,823	2	154,621	2
1180	Accounts receivable due from related parties, net (note 6(d), (y), and 7)	27,778	-	16,156	-	2180	Accounts payable due to related parties (note 6(y) and 7)	-	-	14,382	-
1200	Other receivables, net (note 6(e), (y), and 7)	119,753	1	76,821	1	2219	Other payables, others (note 6(y))	574,769	6	469,037	5
130X	Inventories (note 6(f))	858,685	9	750,888	8	2230	Current tax liabilities	188,857	2	132,286	1
1410	Prepayments	48,308	1	23,749	-	2300	Other current liabilities	146,848	2	41,391	-
1476	Other current financial assets (note 6(a), (m), and (y))	332,889	3	398,271	4	2320	Long-term liabilities, current portion (note 6(o) and (y))	355,931	4	-	-
1470	Other current assets (note 6(m))	45,297	-	6,796	-			<u>3,025,430</u>	<u>31</u>	<u>1,971,883</u>	<u>21</u>
		<u>4,974,418</u>	<u>52</u>	<u>4,654,601</u>	<u>50</u>	Non-current liabilities:					
Non-current assets:						2540	Long-term borrowings (note 6(o) and (y))	16,313	-	350,000	4
1510	Non-current financial assets at fair value through profit or loss (note 6(b) and (y))	5,874	-	5,496	-	2570	Deferred tax liabilities (note 6(r))	282,077	3	278,723	3
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c) and (y))	379,179	4	322,276	4	2640	Net defined benefit liability, non-current (note 6(q))	56,256	1	58,459	1
1550	Investments accounted for using equity method, net (note 6(g))	1,100,878	13	901,648	11	2645	Guarantee deposits received (note 6(y))	2,428	-	2,445	-
1600	Property, plant and equipment (note 6(j))	2,394,277	25	2,474,331	28	2670	Other non-current liabilities	1,148	-	-	-
1760	Investment property, net (note 6(k))	100,431	1	88,150	1			<u>358,222</u>	<u>4</u>	<u>689,627</u>	<u>8</u>
1780	Intangible assets (note 6(l))	139,013	1	153,188	2	3100	Total liabilities	<u>3,383,652</u>	<u>35</u>	<u>2,661,510</u>	<u>29</u>
1840	Deferred tax assets (note 6(r))	45,670	-	38,072	-	Equity attributable to owners of parent (note 6(s)):					
1915	Prepayments for business facilities	201,259	2	188,633	2	3100	Capital stock	2,486,500	26	2,486,500	28
1920	Refundable deposits paid (note 6(y))	31,132	-	26,252	-	3200	Capital surplus	338,514	4	348,819	4
1981	Cash surrender value of life insurance (note 6(y))	13,657	-	13,357	-	3310	Legal reserve	1,003,556	11	857,418	9
1984	Other non-current financial assets (note 6(m), (y), and 8)	158,363	2	143,678	2	3320	Special reserve	110,154	1	110,154	1
1990	Other non-current assets (note 6(m))	8,565	-	43,453	-	3350	Unappropriated retained earnings	1,591,777	17	1,954,321	22
		<u>4,578,298</u>	<u>48</u>	<u>4,398,534</u>	<u>50</u>	3400	Other equity interest	40,135	-	46,821	1
		<u>4,578,298</u>	<u>48</u>	<u>4,398,534</u>	<u>50</u>			<u>5,570,636</u>	<u>59</u>	<u>5,804,033</u>	<u>65</u>
Total assets		<u>\$ 9,552,716</u>	<u>100</u>	<u>9,053,135</u>	<u>100</u>	Equity attributable to the parent company:					
						36XX	Non-controlling interests (note 6(s))	598,428	6	587,592	6
								<u>6,169,064</u>	<u>65</u>	<u>6,391,625</u>	<u>71</u>
						Total equity		<u>6,169,064</u>	<u>65</u>	<u>6,391,625</u>	<u>71</u>
						Total liabilities and equity		<u>\$ 9,552,716</u>	<u>100</u>	<u>9,053,135</u>	<u>100</u>

See accompanying notes to financial statements.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

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

See accompanying notes to financial statements.

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

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

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

See accompanying notes to financial statements.

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

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

See accompanying notes to financial statements.

Attachment 4

TTY BIOPHARM COMPANY LIMITED
2019 Profits Distribution Table

Unit: NTD

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

Note :

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

Chairman of the Board: Lin, Chuan

Responsible Management: Hsiao, Ying-Chun

Responsible Accountant: Wang, Shu-Wen

Attachment 5

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

Before amendment	After amendment	Reason for amendment
<p>Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act.</p>	<p>Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act. The English name is TTY BIOPHARM COMPANY LIMITED.</p>	<p>1. Amendment was made in correspondence with Article 392-1 of the Company Act and the actual needs of the Company. 2. Word Modification.</p>
<p>Article 7 The total capital of the Company is NT\$ 3.5 billion divided into 350 million shares. The par value of each share is NT\$ 10. The board of directors shall be authorized to issue these shares in subsequent offerings.</p>	<p>Article 7 The total capital of the Company is NT\$ 5 billion divided into 500 million shares. The par value of each share is NT\$ 10. The board of directors shall be authorized to issue these shares in subsequent offerings.</p>	<p>Amendment was made in correspondence with actual needs.</p>
<p>Article 8 All stocks of the Company shall be inscribed and a minimum of three board directors shall affix their signatures and seals. Stocks shall be issued upon certification in accordance with relevant laws.</p>	<p>(This Article was deleted.)</p>	<p>Amendment was made in correspondence with the stocks issued by the Company in dematerialized form.</p>
<p>Article 8.1 It shall not be required to print stocks for shares issued by the Company, but shares shall be registered upon negotiation with centralized securities depository enterprises.</p>	<p>Article 8 It shall not be required to print stocks for shares issued by the Company, but shares shall be registered upon negotiation with centralized securities depository enterprises.</p>	<p>The original Article 8 was deleted and move this Article to Article 8.</p>
<p>Article 10 Stock name change and transfer shall be suspended within 60 days prior to the convening of Regular Shareholders Meetings, thirty days prior to Extraordinary Shareholders Meetings, and five days prior to the distribution of stock dividends by the Company or the record date of other benefits.</p>	<p>Article 10 Change to entitlement of shares would be ceased since 60 days prior to annual general meeting, 30 days prior to extraordinary general meeting or 5 days prior record date which decided by the company to distribute dividend, bonus or other benefit.</p>	<p>Word Modification.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 18 The Company may purchase liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws.</p>	<p>Article 18 The Company shall arrange liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws.</p>	<p>Word Modification.</p>
<p>Article 21 Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.</p>	<p>Article 21 Where the Company earns annual profits, 0.5% to 10% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses. Employee remuneration prescribed in the preceding paragraph may be distributed in the form of shares or cash. Terms and distribution measures are hereby authorized to the Board of Directors for decision. Director's remuneration shall only be distributed in the form of cash.</p>	<p>To add paragraph 2 to correspond to Article 235-1 of the Company Act and the actual needs of the Company.</p>
<p>Article 25 The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards. In case of surpluses, rewards shall be granted pursuant to the regulations set forth in Article 21.</p>	<p>Article 25 The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards.</p>	<p>To delete regulations of surplus distribution granted pursuant to Article 21 in this Article which were defined in Article 21.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 28 These articles of incorporation were formulated on June 23, 1960. They were amended for the first time on June 17, 1966. ∴ They were amended for the thirty-eight time on November 22, 2018</p>	<p>Article 28 These articles of incorporation were formulated on June 23, 1960. They were amended for the first time on June 17, 1966. ∴ They were amended for the thirty-eight time on November 22, 2018 They were amended for the thirty-nine time on June 12, 2020</p>	<p>Adding the date of the latest amendment.</p>

Attachment 6

TTY BIOPHARM COMPANY LIMITED

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

Before amendment	After amendment	Reason for amendment
<p>2. Shareholders Meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated based on the attendance book or handed in sign-in cards.</p>	<p>2. Shareholders Meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated based on the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders’ meeting.</p>
<p>4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. It shall fully take independent directors’ opinions on board for the venue and time of the meeting.</p>	<p>Amendment was made in correspondence to fully take independent directors’ opinions on board.</p>
<p>8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair</p>	<p>8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a</p>	<p>1. Amendment was made in correspondence to clearly define that the attending shareholders do not represent a majority of the total number of issued shares at the appointed meeting time and the attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. 2. Word Modification.</p>

Before amendment	After amendment	Reason for amendment
<p>may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
<p>9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.</p>	<p>9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Each proposal (including extraordinary motion and amendment to original proposal) shall be voted by shareholders individually. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders' meeting and also implement the policy - each proposal shall be voted by shareholders individually.</p>
<p>14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p>	<p>14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote given sufficient time for shareholders to cast its ballot.</p>	<p>Amendment was made in correspondence to protect shareholders' rights of a vote.</p>

Before amendment	After amendment	Reason for amendment
<p>15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.</p>	<p>15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation. Counting operation for voting or election resolutions shall be conducted in an open area inside the venue of shareholders' meeting. Voting results, which include weights for calculation, should be announced on the spot upon completion of vote counting and records shall be prepared accordingly.</p>	<ol style="list-style-type: none"> 1. Word Modification. 2. Amendment was made in correspondence to allow shareholders to be fully acknowledged the statistic of voting result in timely manner.
<p>17. Proposals shall be approved by a majority of the voting rights of attending shareholders unless stipulated otherwise in the Company Act or the articles of incorporation. If attending shareholders express no disagreement upon inquiry by the chair, the proposal shall be considered approved. The legal validity of this process shall be equivalent to voting.</p>	<p>17. Proposals shall be approved by a majority of the voting rights of attending shareholders unless stipulated otherwise in the Company Act or the articles of incorporation. When voting is conducted, chairman or his/her designated personnel shall first announce attending shareholders' total voting weights for each proposal before shareholders start to vote for each individual proposal.</p>	<p>Amendment was made in correspondence with the regulations of listed company whom will be asked to adopt electronic voting in shareholders' meeting and also implement the policy - each proposal shall be voted by shareholders individually.</p>

Attachment 7

TTY BIOPHARM COMPANY LIMITED

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

Before amendment	After amendment	Reason for amendment
<p>Article 7 The interest rate for granted loans shall not be lower than the prime rate charged by Bank of Taiwan plus two percent. Interest shall be calculated for every loan according to the daily rate and settled and charged at the end of each month.</p>	<p>Article 7 The interest rate for granted loans shall not be lower than the base rate (by month) charged by Bank of Taiwan. Interest shall be calculated for every loan according to the daily rate and settled and charged at the end of each month.</p>	<p>Amendment was made in correspondence with actual needs.</p>
<p>Article 14 These operational procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 19, 2009. They were amended for the fifth time on June 25, 2010. They were amended for the sixth time on June 25, 2013. They were amended for the seventh time on June 24, 2016. They were amended for the eighth time on June 25, 2019.</p>	<p>Article 14 These operational procedures were formulated on May 22, 1998. They were amended for the first time on March 24, 2000. They were amended for the second time on May 13, 2002. They were amended for the third time on May 19, 2003. They were amended for the fourth time on June 19, 2009. They were amended for the fifth time on June 25, 2010. They were amended for the sixth time on June 25, 2013. They were amended for the seventh time on June 24, 2016. They were amended for the eighth time on June 25, 2019. They were amended for the ninth time on June 12, 2020.</p>	<p>Adding the date of the latest amendment.</p>