

Stock Code : 4105



台灣東洋藥品工業股份有限公司
TTY BIOPHARM COMPANY LIMITED

Handbook for the year 2024 Annual General Shareholder's Meeting

Meeting Date: May 30, 2024

Meeting Venue: No.1, Jingmao 2nd Rd., Nangang District, Taipei City, Taiwan
(501 Conference Room, 5th Floor, Nangang International
Exhibition Center, Hall 1)

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2024 ANNUAL GENERAL SHAREHOLDER’S MEETING (THE “AGENDA”) OF TTY BIOPHARM COMPANY LIMITED (THE “COMPANY”). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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I. Meeting Procedure

Time: May 30, 2024 (Thursday) 9:00 AM

Location: No.1, Jingmao 2nd Rd., Nangang District, Taipei City, Taiwan

(501 Conference Room, 5th Floor, Nangang International Exhibition Center, Hall 1,)

Meeting type: Physical Meeting

Meeting procedures:

- I. Calling to the Meeting Order (announcement of attending shares)
- II. Chairman Address
- III. Report Items
 1. Year 2023 Business Report.
 2. Report on Audit Committee Reviewed Financial Statements for Year 2023.
 3. Report on Communication Between Members of the Audit Committee and Chief Auditor.
 4. Report on Employees and Directors Remuneration in year 2023.
 5. Report on Cash Dividend Distribution for year 2023.
 6. Report on Related Party Transactions for year 2023.
- IV. Ratification Items
 1. Year 2023 Business Report and Financial Statements.
 2. Year 2023 Earnings Distribution.
- V. Discussion Items
 1. The Amendment of “Procedures for Acquisition or Disposal of Assets”.
- VI. Election Items
 1. Reelection of Members of Board of Directors.
- VII. Other Proposals
 1. Release of Non-Competition Restrictions on New Directors and Its Representatives.

VIII.Extemporary Motions

IX. Adjournment

II. Report Items

Item One:

Year 2023 Business Report

Description:

Please refer to Attachment 1 (page 9-13) for detailed Business Reports.

Item Two:

Audit Committee's Review Report on the year 2023 Financial Statements

Description:

1. The Financial Statements, Business Report, and Distribution of year 2023 Profits Table have been reviewed by Audit Committee and the Review Report has been provided.
2. Please refer to Attachment 2 (page 14) for Audit Committee's Review Report.

Item Three:

Report on Communication between the Audit Committee and Chief Auditor.

Description:

Please refer to Attachment 3 (page 15-16) for Report of Communication between the Audit Committee and Chief Auditor.

Item Four:

Report on Employee and Directors Remuneration in year 2023

Description:

The Company earned profits (profit before tax before remuneration of employee and of directors) for NT\$ 1,461,692,060 for year 2023. Pursuant to the regulations set forth in Article 28 of the Articles of Incorporation, NT\$ 29,189,000, 1.997% and NT\$ 14,950,000, 1.023% of these earnings shall be allocated as Employee and Directors remuneration respectively, and the total amount will be distributed in cash.

Item Five:

Report on Cash Dividend Distribution for year 2023.

Description:

1. Pursuant to the regulations set forth in Item 3 of Article 30 of the Articles of Incorporation, in the event that the Company distributes all or a portion of dividend, bonus or legal reserve or capital reserve in cash, the Board of Directors Meeting is hereby authorized to execute this after two-thirds of directors attend Board of Directors Meeting and consent from half of attending directors is obtained, and the Annual General Shareholders' Meeting shall be reported

accordingly.

2. The Board of Directors of the Company has resolved and proposed to distribute cash dividend of NT\$ 870,274,857 or NT\$ 3.50 per share from distributable earnings, and the distribution of cash dividend will be dated on April 26th, 2024.

Item Six:

Report on Related Party Transactions for year 2023.

Description:

The company had no related party transactions for year 2023.

III. Ratification Items

Item One:

(Proposed by the Board of Directors.)

Year 2023 Business Report and Financial Reports

Description:

1. The Company's year 2023 Business Report, Financial Statements, and Consolidated Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The Company's year 2023 Financial Statements and Consolidated Financial Statements have been audited by KPMG Taiwan with "Unqualified Opinion".
3. Please refer to the Attachment 1 (page 9-13) and Attachment 4 (page 17-32) for year 2023 Business Report and Financial Statements.

Resolution:

Item Two:

(Proposed by the Board of Directors.)

Year 2023 Profit Distribution.

Description:

1. The Distribution of year 2023 Profits Table has been reviewed by the Audit Committee and approved by the Board of Directors. Please refer to the Attachment 5 (page 33) for Distribution of year 2023 Profits Table.

Resolution:

IV. Discussion Items

Item One:

(Proposed by the Board of Directors.)

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

Description:

1. The “Procedures for Acquisition or Disposal of Assets” is proposed to be amended in accordance with actual operational needs and to enhance management of related party transactions.
2. Please refer to the Attachment 6 (page 34-35) for Amendment Comparison Table of “Procedures for Acquisition or Disposal of Assets”.

Resolution:

V. Election Items

Item One:

(Proposed by the Board of Directors.)

Reelection of Members of Board of Directors

Description:

1. The service terms of current Directors of the Company will end on August 24, 2024. According to Article 195 and Article 199-1 of the Company Act, members of Board of Directors are reelected beforehand in year 2024 annual general shareholders' meeting.
2. According to Article 16 of the Article of Incorporation, nine Directors (including three Independent Directors) will be elected for the Board. All of Directors shall be elected through the candidate nomination procedure. The service term for elected Directors is three years, since May 30, 2024 to May 29, 2027.
3. The Director's candidate list was approved by the Board on March 8, 2024. Please refer to Attachment 7 (Page 36-42) for detailed Director's candidates list.

Voting Result:

VI. Other Proposals

Item One:

(Proposed by the Board of Directors.)

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

Description:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The Company's director has invested, managed or has been a director for companies of which business scope is identical or similar to the Company's. It will be proposed to release such directors from non-competition restrictions for the actual operation need premised on no harm to the Company's interest.
3. Please refer to Attachment 8 (Page 43) for Details of Director (including Independent Director) Candidates' Current Positions at Other Companies.

Resolution:

VII. Extemporaneous Motions

VIII. Adjournment

IX. Attachment

Attachment 1

TTY BIOPHARM COMPANY LIMITED

Business Report

I. The Company's Business Result for year 2023

(1) Business Plan Implementation Result

The Company's consolidated net business revenue for year 2023 reached NT\$5,505,542 thousands, which represents an increase by NT\$443,936 thousands (8.77%) compared to that of NT\$5,061,606 thousands for year 2022. The increase was mainly caused by a significant increase from overseas market. Net profit attributed to the parent company for year 2023 totaled NT\$1,128,509 thousands which represented an increase by NT\$34,118 thousands (3.12%) compared to that of NT\$1,094,391 thousands in year 2022. The increase was mainly driven by the growth of revenue and net profit for the period.

(2) Budget Implementation Status

The Company's standalone revenue for year 2023 is NT\$ 4,897,249 thousands, profit before tax is NT\$ 1,417,553 thousands, achieving 111.47% of the annual budget target.

(3) Income & Expenditure and Profitability Analysis

Item \ Year		2023	2022
Income & Expenditure	Interest Income (in thousands)	2,671	1,182
	Interest Expenditure (in thousands)	34,801	22,491
Profitability Analysis	Return on Assets %	12.79	12.81
	Return on Equity %	19.46	20.22
	Net Profit Margin %	23.04	24.36
	Earnings Per Share (NTD)	4.54	4.40

(4) Research & Development Status

TTY Biopharm has amassed 60 years of professional expertise in drug development and manufacturing, offering comprehensive solutions for drug delivery systems. With a robust capacity as a Contract Development and Manufacturing Organization (CDMO), it can provide a wide array

of services. The formulation development process encompasses formulation development, analytical method development, process development, animal testing, excipients synthesis, human clinical trials, GMP production, CMC file preparation, etc., with a mission to fulfill patient needs and maximize benefits for shareholders as the core philosophy.

In addition to ongoing research and development of long-acting microsphere products for treating acromegaly and functional tumors in the stomach, intestine, and pancreas, the Company will commence clinical trials in year 2024. Furthermore, it has collaborated with international pharmaceutical companies to develop two liposome products for overseas markets. One of these liposome products has already been approved and launched in the United States in year 2022, with shipments aimed at capturing the US market starting in 2023. Besides the US, the company is also targeting markets in Europe, Central and South America, and Australia, planning to submit ANDA applications in year 2024, aiming for market launch and sales in 2025. The company is actively engaging in international collaborations to swiftly introduce other products into overseas markets.

Looking forward, the Company shall continue to treat innovation as its core value, develop strategies based on specialty pharma transmission platform and think strategically to maintain the Company's competitiveness leading position for the purpose of maximizing respective stakeholders' values.

II. Overview of the year 2023 Business Plan

(1) Operation Policy

TTY Biopharm has been striving for excellence and sustainability since its inception, undergoing several crucial strategic advancements to successfully transform into an innovative international biopharmaceutical company focused on developing special dosage form drugs and conducting new drug research. Furthermore, we actively secure the qualification to license in brand drugs, vaccines, to complete our product line. Besides solidifying our presence in Taiwan and key Asian markets like South Korea, Vietnam, Philippines, and Thailand, achieving steady domestic and international performance growth, we're progressively expanding into major global markets such as the United States, Europe, Central and South America, and emerging markets. This expansion is facilitated through direct operations or strategic partnerships, expanding revenue and brand value for TTY Biopharm's self-developed products. We also closely collaborate with international expert communities, providing optimal therapeutic solutions with the best pharmacoeconomic value, and are committed to becoming an internationally recognized pharmaceutical company specializing in specialty drugs and biotechnology drugs development, marketing, and manufacturing. Moreover, TTY Biopharm places significant emphasis on fulfilling corporate social responsibilities across environmental, social, educational, and corporate governance aspects, striving for sustainable business practices.

(2) Quantity and Basis for Projected Sales

In year 2024, the Company expects to sell 427,410 thousands tablets of oral products and 6,360 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

In the coming year, TTY Biopharm will continue its consistent strategies and goals, building upon past achievements without complacency, tirelessly working towards self-improvement, and creating new paradigms to reach the next milestone,

In terms of “marketing strategy,” aside from focusing on Taiwan, we target key Asian countries like South Korea and Southeast Asian nations such as Vietnam, as well as major global markets including Europe, the United States, Oceania, Central and South America, and other emerging markets. We aim to expand revenue and brand value for TTY Biopharm products through direct operations or strategic partnerships. Regarding “research and development strategy,” the Company enhance the development of high-barrier specialty drugs and expedite the launch of self-produced generic drugs to challenge brand drug patents, balancing short-, medium-, and long-term research and development needs. The Company actively and prudently seek, evaluate, and develop in-licensing opportunities to enhance the product portfolio, including new drugs for cancers, vaccines, and anesthesia drugs, meeting the demands of Asian and Southeast Asian markets. In terms of “manufacturing strategy,” we will continue maintaining pharmaceutical manufacturing facilities that meet international quality standards, expanding and upgrading manufacturing equipment based on strategic and regulatory requirements. Additionally, we optimize supply chain management to reduce costs, increase efficiency, and improve inventory turnover, ensuring cost-effectiveness and maintaining international competitive advantages.

III. The Company’s Future Development Strategy

Corporate Vision: “Improving the Quality of Human Life with Scientific Innovation ”

Enterprise mission and strategy: “Committed to the development and manufacturing of specialty drugs (patentable or with high-barrier properties), biopharmaceuticals, new medical technologies, and new drugs, comprehending the TTY Biopharm product portfolio; continuously strengthening the research and development of high-barrier specialty drug platforms and extending their benefits to various disease areas.” “Specialized in the in-depth exploration and international development over manufacturing and R&D for anti-cancer, intensive care, anti-infection and specialty drugs,” “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 marketing.”

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

- (1) Balancing early, middle, and late-stage drug development, evaluating and investing in medical product to optimize the product portfolio and competitiveness in target disease treatment areas (specialty drugs, biologics, new drugs), suriging revenue in short term while also reconciling

organizational growth momentum and value chain integration in long term

- (2) Collaborating with international partners to accelerate the development of medical products that meet unmet medical needs, have high barriers (technological, manufacturing), and high pharmacoeconomic value, including specialty generic drugs, new drugs, and drug delivery platforms, while enhancing international visibility.
- (3) Utilizing competitive proprietary products and expanding representation and joint development of specialty drugs to focus and continuously execute “local optimization” and “differentiation” brand activities and business lifecycle management in target markets.
- (4) Understanding the dynamics of international regulations, continually updating and maintaining pharmaceutical manufacturing facilities to meet the quality standards of major international regulatory authorities for drug production, establishing a robust CDMO business model, strengthening the company’s international business development, and enhancing the foundation of internationalization.
- (5) Enhance production capacity and supply chain management and complete optimal integration and management encompassing from R&D to production through critical strategic events of M&As, strategic alliance and joint venture.
- (6) Continuously optimizing production processes, improving capacity planning that combines flexibility and economies of scale (including international mass production scale management), and evaluating the cost-effectiveness of production process resource inputs to expand output, ensuring cost advantages and international competitiveness.
- (7) Significantly recruiting talents served in multinational companies to quickly gain multinational experience and resources, breaking conventional norms to invigorate internal processes, creating a new atmosphere, and enhancing cross-disciplinary talent in product development and marketing, balanced across “science, regulations, business operations, and supply chain management.”
- (8) Considering operational strategies and synergies, re-structuring internal organization to maximize efficiency, standardizing licensing contracts to accelerate international partnerships, expanding domestic and international markets, and maximizing company profits.
- (9) Carefully assessing overseas markets and streamlining operations, strengthening target management of existing sales agencies, focusing on developing self-operated teams in key overseas markets, and creating long-term revenue growth potential and diversified international development for the Company.

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

Under the ongoing global health policies of various governments intensifying control over pharmaceutical spending and regional industrial competitive trends, despite surviving the COVID-19 pandemic, subsequent post-COVID-19 conditions coupled with the Ukraine–Russia conflict

have constrained the supply of natural resources such as petrochemical fuels and coal, resulting in significant price hikes for raw materials and soaring shipping costs. Additionally, the war has caused shortages in natural mineral resources like nickel, directly impacting the profits of stainless steel industry players and indirectly affecting lead times and escalating prices for pharmaceutical production equipment. Furthermore, the inflation of raw materials, goods, and equipment has been severe due to the impact of the Federal Reserve's interest rate hikes for 11 times in the United States.

The pharmaceutical market in Taiwan lacks economies of scale, and the export market faces increasing data requirements due to regulatory changes in various countries, posing certain obstacles to expansion. Additionally, the domestic market is overly competitive, hindering the scale development of Taiwan's pharmaceutical industry.

Moreover, with increasingly stringent manufacturing regulations and quality standards, the implementation of PIC/S and GDP has led to continuous increases in production and transportation costs. Hospital negotiations and adjustments to health insurance drug reimbursement prices have caused a gradual imbalance between pharmaceutical research and development investment and output, further compressing revenue and profitability for pharmaceutical companies.

The operating environment in year 2023 was filled with challenges due to the post-pandemic impact, unfavorable geopolitical factors, impacts from the US–China trade tension, the Ukraine–Russia war, and the Federal Reserve's interest rate hikes, all of which have significant impacts on the global economy. Looking ahead to 2024, the global economic outlook remains uncertain, with major economies striving to recover from stagnation, testing the adaptability and cost control efficiency of businesses. TTY Biopharm will continue to explore or develop suitable new products, carefully evaluate domestic and international channels, and obtain approvals for new drug listings or additional indications (expanding approved medical uses or conditions for which a drug can be prescribed) to enhance revenue momentum. This not only strengthens performance momentum and expands the group's corporate footprint but also actively brings in talents with multinational working experience, optimizes cost controls, and maximizes shareholder value.

Chairman of the Board: Chuan Lin

Responsible Management: Sara Hou

Responsible Accountant: Yung-Ming Jiang

Attachment 2

TTY BIOPHARM COMPANY LIMITED Audit Committee's Review Report on the year 2023 Financial Statements

The Board of Directors presented the year 2023 Business Report, Financial Statements (including the consolidated financial statements) and profit distribution proposal. The Financial Statements (including the consolidated financial statements) was audited by KPMG Taiwan and the results were compiled into a report. The aforementioned reports and statements were audited and found satisfactory by the Company's audit committee. They are hereby submitted respectfully for examination pursuant to the regulations set forth in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to: Year 2024 Annual General Shareholders' Meeting of Shareholders of the Company

Ming-Ling Hsueh

Chairman of the Audit Committee

March 8, 2024

Attachment 3

TTY BIOPHARM COMPANY LIMITED

Communication between the Audit Committee and Chief Auditor

Pursuant to the regulation of “Procedure s of Communications between Audit Committee and Internal Auditing Unit”, Chief Auditor shall report to the Audit Committee at least on a quarterly basis with internal audit report, communication and review results, the implementation, tracks and performance, and discussion of annual auditing plan. In addition, independent directors shall hold close door session with the Chief Auditor with comprehensive communication upon the issues concerned by the independent directors. Independent Directors shall evaluate the performance of internal audit unit annually and highlight the auditing focus for next year.

Summary of Communication between the Audit Committee and Chief Auditor in year 2023,

Date	Focus	Results
Mar 14, 2023 (1 st Meeting for the 3 rd Session of 2023)	<ol style="list-style-type: none">1. Report on internal audit items from December, 2022 to January 2023.2. Self-assessment Report in year 2022 and Formulation of the year 2022 Internal Control Report. Opinions from Independent Directors: To improve decision-making process and implementation for the purpose of benefiting the Company, please include following as auditing and tracing items, (1) Provision for inventory allowances losses. (2) Capital expenditure. (3) Intangible assets.	Have audited the procurement, and disposal (including sale, retirement, rental, transferring, and donation) of property, property, and equipment in May and July 2023 respectively. The operation in auditing period was executed in accordance with relevant regulations without major abnormalities.
May 05, 2023 (2 nd Meeting for the 3 rd Session of 2023)	Report on internal audit items of February, 2023. Opinions from Independent Directors: Please include inventory management and construction in progress as annual regular auditing items.	Have audited the procurement operation in May 2023. The operation in this period was executed in accordance with relevant regulations without major abnormalities.
Aug 10, 2023 (3 rd Meeting for the 3 rd Session of 2023)	Report on internal audit items from March to June, 2023.	Independent Directors received and acknowledged without opinions.
Nov 03, 2023 (4 th Meeting for the 3 rd Session of 2023)	Report on internal audit items from July to September, 2023.	Independent Directors received and acknowledged without opinions.

Date	Focus	Results
Dec 15, 2023 Close Door Session between Chief Auditor and Independent Directors	<ol style="list-style-type: none"> 1. Internal auditing plan for year 2024. 2. Review of asset valuation 3. Digitization of audit operations 4. Continuous optimization of working methods 	Independent Directors received and acknowledged without opinions.
Dec 15, 2023 (5 th Meeting for the 3 rd Session of 2023)	<ol style="list-style-type: none"> 1. Report on internal audit items of October, 2023. 2. Internal auditing plan for year 2024. 	Independent Directors received and acknowledged without opinions.

Attachment 4



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
TTY Biopharm Company Limited:

Opinion

We have audited the accompanying financial statements of TTY Biopharm Company Limited (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the financial statements of PharmaEngine, Inc. Those statements were audited by another auditor, whose report has 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 investment in PharmaEngine, Inc. accounted for using the equity method constituted 9.32% and 9.72% of total assets as of December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituted 3.49% and 4.20% of pre-tax net income for the years ended December 31, 2023 and 2022, respectively.

Key Audit Matters

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

1. Occurrence of revenue from selling pharmaceuticals and chemical drugs

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

Key audit matters:

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

Auditing procedures performed:

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

2. Inventory valuation

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

Key audit matters:

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

Auditing procedures performed:

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

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

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

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



Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a)and (s))	\$ 518,381	6	299,611	4	2100	Short-term borrowings (notes 6(j)and (s))	\$ 1,450,000	16	1,350,000	15
1150	Notes receivable, net (notes 6(b)and (s))	18,969	-	18,559	-	2130	Contract liabilities-current(note 6(p))	12,792	-	28,229	-
1170	Accounts receivable, net (notes 6(b)and (s))	1,057,996	11	987,347	11	2150	Notes payable (note 6(s))	55,688	1	62,245	1
1180	Accounts receivable due from related parties, net (notes 6(b), (s)and 7)	90,255	1	61,576	1	2170	Accounts payable (note 6(s))	221,854	2	214,006	2
1200	Other receivables, net (notes 6(s)and 7)	28,683	-	23,913	-	2230	Current tax liabilities	153,709	2	141,341	2
130X	Inventories (note 6(c))	985,066	11	937,866	11	2200	Other payables (notes 6(q)and (s))	580,023	6	538,730	6
1410	Prepayments	64,908	1	32,733	-	2280	Current lease liabilities(note 6(s))	3,252	-	1,309	-
1470	Other current assets (note 6(i))	4,132	-	4,361	-	2300	Other current liabilities	14,345	-	21,305	-
		<u>2,768,390</u>	<u>30</u>	<u>2,365,966</u>	<u>27</u>	2320	Long-term liabilities, current portion (notes 6(k)and (s))	-	-	400,000	5
								<u>2,491,663</u>	<u>27</u>	<u>2,757,165</u>	<u>31</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(d) and (s))	11,992	-	14,562	-	2540	Long-term borrowings (notes 6(k)and (s))	400,000	5	-	-
1550	Investments accounted for using equity method, net (note 6(e))	3,566,941	39	3,555,460	40	2570	Deferred tax liabilities (note 6(m))	318,745	4	305,443	4
1600	Property, plant and equipment (note 6(f))	2,252,718	24	2,399,332	27	2580	Non-current lease liabilities (note 6(s))	3,047	-	467	-
1755	Right-of-use assets	6,256	-	1,768	-	2640	Net defined benefit liability, non-current (note 6(l))	27,402	-	40,814	-
1760	Investment property, net(note 6(g))	111,912	1	112,633	1	2645	Guarantee deposits received(notes 6(s)and 7)	3,149	-	3,149	-
1780	Intangible assets (note 6(h))	151,583	2	163,549	2	2650	Credit balance of investments accounted for using equity method (note 6(e))	4,481	-	3,606	-
1840	Deferred tax assets(note 6(m))	46,815	1	44,914	1	2670	Other non-current liabilities (note 6(s))	33,400	-	88,600	1
1915	Prepayments for business facilities	15,583	-	5,667	-			<u>790,224</u>	<u>9</u>	<u>442,079</u>	<u>5</u>
1920	Refundable deposits paid(note 6(s))	42,297	-	25,453	-		Total liabilities	<u>3,281,887</u>	<u>36</u>	<u>3,199,244</u>	<u>36</u>
1984	Other non-current financial assets(notes 6(i), (r), (s)and 8)	177,056	2	150,709	2		Equity (note 6(n)):				
1990	Other non-current assets (note 6(i))	71,684	1	17,655	-	3100	Capital stock	2,486,500	27	2,486,500	28
		<u>6,454,837</u>	<u>70</u>	<u>6,491,702</u>	<u>73</u>	3200	Capital surplus (note 6(e))	316,618	3	312,180	4
						3310	Legal reserve	1,389,227	15	1,278,935	15
						3320	Special reserve	198,071	2	198,071	2
						3350	Unappropriated retained earnings	1,594,709	17	1,447,515	16
						3400	Other equity interest	(43,785)	-	(64,777)	(1)
							Total equity	<u>5,941,340</u>	<u>64</u>	<u>5,658,424</u>	<u>64</u>
Total assets		<u>\$ 9,223,227</u>	<u>100</u>	<u>8,857,668</u>	<u>100</u>	Total liabilities and equity		<u>\$ 9,223,227</u>	<u>100</u>	<u>8,857,668</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

TTY BIOPHARM COMPANY LIMITED

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p)and 7)	\$ 4,897,249	100	4,492,904	100
5000	Operating costs (notes 6(c), (l)and 12)	2,022,980	41	1,867,348	42
	Gross profit	2,874,269	59	2,625,556	58
5910	Less:Unrealized profit (loss) from sales	20,922	-	18,253	-
5920	Add:Realized profit (loss) from sales	18,253	-	18,474	-
	Gross profit, net	2,871,600	59	2,625,777	58
6000	Operating expenses (notes6 6(h), (l)and 12):				
6100	Selling expenses	945,842	19	817,520	18
6200	Administrative expenses (note 6(q))	327,872	7	310,945	7
6300	Research and development expenses	274,581	6	307,611	7
6450	Expected credit losses (note 6(b))	-	-	230	-
		1,548,295	32	1,436,306	32
	Net operating income	1,323,305	27	1,189,471	26
	Non-operating income and losses (notes 6(r)and 7):				
7100	Interest income	2,671	-	1,182	-
7010	Other income	14,360	-	14,370	-
7020	Other gains and losses, net	(69,367)	(1)	35,430	1
7050	Finance costs, net	(34,801)	(1)	(22,491)	-
7070	Share of profit of subsidiaries and associates accounted for using equity method, net (note 6(e))	181,385	4	148,986	3
		94,248	2	177,477	4
	Profit before tax	1,417,553	29	1,366,948	30
7950	Less: Income tax expenses (note 6(m)):	289,044	6	272,557	6
	Profit for the period	1,128,509	23	1,094,391	24
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	(Losses) gains on remeasurements of defined benefit plans (note 6(l))	(25,959)	(1)	8,530	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(2,570)	-	4,062	-
8330	Share of other comprehensive loss of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	19,534	1	(4,183)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	(8,995)	-	8,409	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	1,053	-	166,734	4
8380	Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(10)	-	31	-
8399	Income tax related to components of other comprehensive loss that may be reclassified to profit or loss	(1,963)	-	(33,351)	(1)
	Components of other comprehensive (loss) income that may be reclassified to profit or loss	(920)	-	133,414	3
8300	Other comprehensive (loss) income for the period, net of tax	(9,915)	-	141,823	3
	Total comprehensive income for the period	\$ 1,118,594	23	1,236,214	27
	Earnings per share, net of tax (note 6(o))				
	Basic earnings per share	\$ 4.54		4.40	
	Diluted earnings per share	\$ 4.53		4.40	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Total other equity interest			Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	
Balance on January 1, 2022	<u>\$ 2,486,500</u>	<u>311,876</u>	<u>1,198,617</u>	<u>133,709</u>	<u>1,235,223</u>	<u>(216,773)</u>	<u>18,703</u>	<u>(198,070)</u>	<u>5,167,855</u>
Net income	-	-	-	-	1,094,391	-	-	-	1,094,391
Other comprehensive income	-	-	-	-	8,530	133,414	(121)	133,293	141,823
Total comprehensive income	-	-	-	-	1,102,921	133,414	(121)	133,293	1,236,214
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	80,318	-	(80,318)	-	-	-	-
Special reserve appropriated	-	-	-	64,362	(64,362)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(745,949)	-	-	-	(745,949)
Other changes in capital surplus:									
Changes in equity of investments accounted for using equity method	-	66	-	-	-	-	-	-	66
Other changes in capital surplus	-	93	-	-	-	-	-	-	93
Changes in ownership interests in subsidiaries	-	145	-	-	-	-	-	-	145
Balance on December 31, 2022	<u>2,486,500</u>	<u>312,180</u>	<u>1,278,935</u>	<u>198,071</u>	<u>1,447,515</u>	<u>(83,359)</u>	<u>18,582</u>	<u>(64,777)</u>	<u>5,658,424</u>
Net income	-	-	-	-	1,128,509	-	-	-	1,128,509
Other comprehensive income	-	-	-	-	(25,959)	(920)	16,964	16,044	(9,915)
Total comprehensive income	-	-	-	-	1,102,550	(920)	16,964	16,044	1,118,594
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	110,292	-	(110,292)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(845,410)	-	-	-	(845,410)
Other changes in capital surplus:									
Changes in equity of investments accounted for using equity method	-	647	-	-	-	-	-	-	647
Other changes in capital surplus	-	109	-	-	-	-	-	-	109
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	8,787	-	8,787	8,787
Changes in ownership interests in subsidiaries	-	3,682	-	-	(3,493)	-	-	-	189
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,839	-	(3,839)	(3,839)	-
Balance on December 31, 2023	<u>\$ 2,486,500</u>	<u>316,618</u>	<u>1,389,227</u>	<u>198,071</u>	<u>1,594,709</u>	<u>(75,492)</u>	<u>31,707</u>	<u>(43,785)</u>	<u>5,941,340</u>

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,417,553	1,366,948
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	147,062	152,125
Amortization expense	32,596	13,188
Expected credit losses	-	230
Interest expense	34,802	22,491
Interest income	(2,671)	(1,182)
Share of profit of investments accounted for using the equity method	(181,385)	(148,986)
Losses on disposal of property, plant and equipment	1,885	3,225
Losses on disposal of investments accounted for using equity method	8,787	-
Impairment loss on financial assets	26,950	-
Impairment loss on non-financial assets	54,466	734
Unrealized profit from sales	20,922	18,253
Realized profit from sales	(18,253)	(18,474)
Others	(2,496)	(6,475)
Total adjustments to reconcile profit (loss)	122,665	35,129
Changes in operating assets and liabilities:		
Notes receivable	(410)	(29)
Accounts receivable	(99,328)	(37,657)
Other receivable	(5,227)	(3,779)
Inventories	(47,200)	(69,021)
Other current assets	(31,783)	(13,805)
Total changes in operating assets	(183,948)	(124,291)
Current contract liabilities	(15,437)	(11,870)
Notes payable	(61,756)	(49,749)
Accounts payable	7,848	98,229
Other payable	(13,044)	96,502
Other current liabilities	(6,960)	6,858
Net defined benefit liability	(39,370)	(3,253)
Total changes in operating liabilities	(128,719)	136,717
Total changes in operating assets and liabilities	(312,667)	12,426
Total adjustments	(190,002)	47,555
Cash inflow generated from operations	1,227,551	1,414,503
Interest received	2,671	1,182
Dividends received	106,716	117,419
Interest paid	(34,364)	(22,552)
Income taxes paid	(267,239)	(262,843)
Net cash flows from operating activities	1,035,335	1,247,709
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(10,500)
Proceeds from disposal of investments accounted for using equity method	89,132	-
Acquisition of property, plant and equipment	(57,983)	(80,870)
Proceeds from disposal of property, plant and equipment	7,012	9,352
(Increase) decrease in refundable deposits paid	(16,843)	3,913
Acquisition of intangible assets	(21,052)	(28,980)
Decrease in other financial assets	602	294
Increase in prepayments for business facilities	(14,977)	(5,021)
Increase in other non-current assets	(54,029)	(45,959)
Net cash flows used in investing activities	(68,138)	(157,771)
Cash flows from (used in) financing activities:		
Increase in short-term loans	10,280,000	10,870,000
Decrease in short-term loans	(10,180,000)	(11,170,000)
Proceeds from long-term borrowings	400,000	400,000
Repayments of long-term borrowings	(400,000)	(400,000)
Decrease in guarantee deposits received	-	(488)
Payment of lease liabilities	(3,140)	(5,293)
Cash dividends paid	(845,410)	(745,949)
Dividends unclaimed by shareholders	109	93
Net cash flows used in financing activities	(748,441)	(1,051,637)
Effect of exchange rate changes on cash and cash equivalents	14	9
Net increase in cash and cash equivalents	218,770	38,310
Cash and cash equivalents at beginning of period	299,611	261,301
Cash and cash equivalents at end of period	\$ 518,381	299,611

See accompanying notes to financial statements.



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Independent Auditors' Report

To the Board of Directors of TTY Biopharm Company Limited:

Opinion

We have audited the consolidated financial statements of TTY Biopharm Company Limited and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement 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 material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants Standards on Auditing of 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.

Other Matter

We did not audit the financial statements of PharmaEngine Inc, an associate of the Group, which represented investment in another entity accounted for using the equity method. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for certain equity-accounted investees, is based solely on the report of another auditor. The investment in the investee company constituted 8.70% and 8.97% of consolidated total assets as of December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituted 3.48% and 4.08% of pre-tax net income for the years ended December 31, 2023 and 2022, respectively.

We have audited the financial statements of TTY Biopharm Company Limited as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion with an other matter section, thereon.

Key Audit Matters

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

1. Occurrence of revenue from selling pharmaceuticals and chemical drugs

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

Key audit matters:

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

Auditing procedures performed:

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

2. Inventory valuation

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

Key audit matters:

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

Auditing procedures performed:

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



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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Han, Yi-Lien and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a) and (t))	\$ 2,621,020	27	2,357,324	25	2100	Short-term borrowings (notes 6(k) and (t))	\$ 1,450,000	15	1,370,000	14
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	79,228	1	51,811	1	2130	Contract liabilities-current (note 6(q))	14,234	-	33,126	-
1150	Notes receivable, net (notes 6(c) and (t))	33,441	-	34,694	-	2150	Notes payable (note 6(t))	56,134	1	62,978	1
1170	Accounts receivable, net (notes 6(c) and (t))	1,269,462	13	1,175,906	12	2170	Accounts payable (note 6(t))	238,530	2	226,418	2
1180	Accounts receivable due from related parties, net (notes 6(c), (t) and 7)	40,830	-	16,548	-	2219	Other payables (notes 6(r) and (t))	645,748	7	619,311	6
1200	Other receivables, net (notes 6(t) and 7)	28,809	-	29,676	-	2230	Current tax liabilities	156,965	2	149,519	2
130X	Inventories (notes 6(d) and 9)	1,095,956	11	1,039,100	11	2280	Current lease liabilities (note 6(t))	5,863	-	3,916	-
1410	Prepayments	79,015	1	49,894	1	2300	Other current liabilities	16,271	-	33,308	-
1476	Other current financial assets (notes 6(j) and (t))	116,309	1	275,053	3	2320	Long-term liabilities, current portion (notes 6(l) and (t))	-	-	418,852	4
1470	Other current assets (note 6(j))	6,364	-	5,366	-			2,583,745	27	2,917,428	29
		5,370,434	54	5,035,372	53						
Non-current assets:						Non-current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (t))	194,467	2	193,562	2	2540	Long-term borrowings (notes 6(l) and (t))	400,000	4	9,595	-
1550	Investments accounted for using the equity method, net (note (e))	1,355,738	14	1,301,209	14	2570	Deferred tax liabilities (note (n))	318,745	3	305,443	3
1600	Property, plant and equipment (notes 6(g) and 9)	2,278,114	24	2,426,443	25	2580	Non-current lease liabilities (note 6(t))	3,047	-	3,043	-
1755	Right-of-use assets	8,824	-	6,905	-	2640	Net defined benefit liability, non-current (note 6(m))	27,402	-	40,814	1
1760	Investment property, net (note 6(h))	132,843	1	134,605	1	2645	Guarantee deposits received (note 6(t))	2,428	-	2,431	-
1780	Intangible assets (notes 6(i) and 9)	164,009	2	250,749	3	2670	Other non-current liabilities (note 6(t))	33,400	-	88,600	2
1840	Deferred tax assets (note (n))	48,709	-	47,095	-			785,022	7	449,926	6
1915	Prepayments for business facilities	18,734	-	6,473	-		Total liabilities	3,368,767	34	3,367,354	35
1920	Refundable deposits paid (note 6(t))	47,770	-	29,588	-		Equity attributable to owners of parent (note 6(o)):				
1984	Other non-current financial assets (notes 6(j), (t) and 8)	177,056	2	150,793	2	3100	Share capital	2,486,500	25	2,486,500	26
1990	Other non-current assets (notes 6(j) and 9)	78,211	1	17,841	-	3200	Capital surplus (note 6(e))	316,618	3	312,180	3
		4,504,475	46	4,565,263	47	3310	Legal reserve	1,389,227	14	1,278,935	14
						3320	Special reserve	198,071	2	198,071	2
						3350	Unappropriated retained earnings	1,594,709	16	1,447,515	15
						3400	Other equity interest	(43,785)	-	(64,777)	(1)
							Equity attributable to owners of parent:	5,941,340	60	5,658,424	59
						36XX	Non-controlling interests (notes 6(f) and (o))	564,802	6	574,857	6
							Total equity	6,506,142	66	6,233,281	65
Total assets		\$ 9,874,909	100	9,600,635	100		Total liabilities and equity	\$ 9,874,909	100	9,600,635	100

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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q) and 7)	\$ 5,505,542	100	5,061,606	100
5000	Operating costs (notes 6(d), (i), (m) and 12)	2,218,466	40	2,040,108	40
	Gross profit	3,287,076	60	3,021,498	60
5910	Less: Unrealized profit (loss) from sales	13,490	-	8,544	-
5920	Add: Realized profit (loss) from sales	8,544	-	8,161	-
	Gross profit, net	3,282,130	60	3,021,115	60
6000	Operating expenses (notes 6(i), (m), (r) and 12):				
6100	Selling expenses	1,175,771	21	1,022,855	21
6200	Administrative expenses	425,422	8	413,309	8
6300	Research and development expenses	310,438	6	353,436	7
6450	(Reversal of) expected credit losses (note 6(c))	(1,934)	-	3,558	-
	Total operating expenses	1,909,697	35	1,793,158	36
	Net operating income	1,372,433	25	1,227,957	24
	Non-operating income and expenses (note 6(s)):				
7100	Interest income	80,197	1	31,174	1
7010	Other income	10,783	-	10,780	-
7020	Other gains and losses, net (notes 6(g), (i) and 7)	(139,926)	(3)	45,198	1
7050	Finance costs, net	(35,360)	-	(23,154)	-
7060	Share of profit of associates accounted for using the equity method, net (note 6(e))	131,338	2	116,384	2
7055	Total non-operating income and expenses	47,032	-	180,382	4
	Profit before tax	1,419,465	25	1,408,339	28
7950	Less: Income tax expenses (note 6(n))	300,864	4	305,249	6
	Profit for the period	1,118,601	21	1,103,090	22
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	(Losses) gains on remeasurements of defined benefit plans (note 6(m))	(25,959)	-	8,530	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	37,444	-	(15,262)	-
8320	Share of other comprehensive (loss) income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(3,066)	-	6,731	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	8,419	-	(1)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	354	-	166,891	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note (n))	(1,963)	-	(33,351)	1
	Components of other comprehensive (loss) income that will be reclassified to profit or loss	(1,609)	-	133,540	2
8300	Other comprehensive income	6,810	-	133,539	2
	Total comprehensive income for the period	\$ 1,125,411	21	1,236,629	24
	Profit attributable to:				
8610	Owners of parent	\$ 1,128,509	21	1,094,391	22
8620	Non-controlling interests	(9,908)	-	8,699	-
		\$ 1,118,601	21	1,103,090	22
	Comprehensive income attributable to:				
	Owners of parent	\$ 1,118,594	21	1,236,214	24
	Non-controlling interests	6,817	-	415	-
		\$ 1,125,411	21	1,236,629	24
	Earnings per share, net of tax (note 6(p))				
9750	Basic earnings per share	\$ 4.54		4.40	
9850	Diluted earnings per share	\$ 4.53		4.40	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital	Retained earnings				Total other equity interest					
						Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation					
Balance at January 1, 2022	\$ 2,486,500	311,876	1,198,617	133,709	1,235,223	(216,773)	18,703	(198,070)	5,167,855	599,379	5,767,234
Net income	-	-	-	-	1,094,391	-	-	-	1,094,391	8,699	1,103,090
Other comprehensive income	-	-	-	-	8,530	133,414	(121)	133,293	141,823	(8,284)	133,539
Total comprehensive income	-	-	-	-	1,102,921	133,414	(121)	133,293	1,236,214	415	1,236,629
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	80,318	-	(80,318)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	64,362	(64,362)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(745,949)	-	-	-	(745,949)	-	(745,949)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	66	-	-	-	-	-	-	66	-	66
Other changes in capital surplus	-	93	-	-	-	-	-	-	93	-	93
Changes in ownership interests in subsidiaries	-	145	-	-	-	-	-	-	145	129	274
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(25,066)	(25,066)
Balance at December 31, 2022	2,486,500	312,180	1,278,935	198,071	1,447,515	(83,359)	18,582	(64,777)	5,658,424	574,857	6,233,281
Net income	-	-	-	-	1,128,509	-	-	-	1,128,509	(9,908)	1,118,601
Other comprehensive income	-	-	-	-	(25,959)	(920)	16,964	16,044	(9,915)	16,725	6,810
Total comprehensive income	-	-	-	-	1,102,550	(920)	16,964	16,044	1,118,594	6,817	1,125,411
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	110,292	-	(110,292)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(845,410)	-	-	-	(845,410)	-	(845,410)
Other changes in capital surplus:											
Changes in equity of investments accounted for using the equity method	-	647	-	-	-	-	-	-	647	-	647
Other changes in capital surplus	-	109	-	-	-	-	-	-	109	-	109
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	8,787	-	8,787	8,787	-	8,787
Changes in ownership interests in subsidiaries	-	3,682	-	-	(3,493)	-	-	-	189	(124)	65
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	9,990	9,990
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,839	-	(3,839)	(3,839)	-	-	-
Distribution of dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(26,738)	(26,738)
Balance at December 31, 2023	\$ 2,486,500	316,618	1,389,227	198,071	1,594,709	(75,492)	31,707	(43,785)	5,941,340	564,802	6,506,142

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,419,465	1,408,339
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	154,284	158,613
Amortization expenses	46,615	27,665
(Reversal of) expected credit losses	(1,934)	3,558
Interest expenses	35,360	23,154
Interest income	(80,197)	(31,174)
Dividend income	(6,464)	(6,379)
Shares of profit of investments accounted for using the equity method	(131,338)	(116,384)
Losses on disposal of property, plant and equipment	1,927	3,281
Losses on disposal of investments	8,787	-
Impairment loss on financial assets	26,950	-
Impairment loss on non-financial assets	116,184	734
Unrealized profit from sales	13,490	8,544
Realized profit from sales	(8,544)	(8,161)
Other	4,650	146
Total adjustments to reconcile profit	179,770	63,597
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	1,253	2,952
Accounts receivable	(116,162)	(95,397)
Other receivables	(4,988)	(4,446)
Inventories	(56,752)	(83,950)
Prepayments and other current assets	(29,582)	(6,869)
Total changes in operating assets	(206,231)	(187,710)
Changes in operating liabilities:		
Contract liabilities	(18,892)	(6,643)
Notes payable	(62,044)	(49,458)
Accounts payable	11,949	96,006
Other payable	(28,043)	96,763
Other current liabilities	(17,114)	7,859
Net defined benefit liability	(39,370)	(3,253)
Total changes in operating liabilities	(153,514)	141,274
Total changes in operating assets and liabilities	(359,745)	(46,436)
Total adjustments	(179,975)	17,161
Cash inflow generated from operations	1,239,490	1,425,500
Interest received	86,039	20,126
Dividends received	78,481	91,267
Interest paid	(34,986)	(23,215)
Income taxes paid	(283,711)	(277,919)
Net cash flows from operating activities	1,085,313	1,235,759
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(10,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,121	-
Acquisition of property, plant and equipment	(60,197)	(85,459)
Proceeds from disposal of property, plant and equipment	7,013	9,385
(Increase) decrease in refundable deposits paid	(18,176)	4,259
Acquisition of intangible assets	(21,230)	(43,979)
Decrease in other financial assets	159,430	45,179
Increase in prepayments for business facilities	(18,154)	(6,063)
Increase in other non-current assets	(60,440)	(45,958)
Net cash flows used in investing activities	(2,633)	(133,136)
Cash flows from (used in) financing activities:		
Increase in short-term loans	10,280,000	10,890,000
Decrease in short-term loans	(10,200,000)	(11,231,070)
Proceeds from long-term borrowings	400,000	430,000
Repayments of long-term borrowings	(428,448)	(413,604)
Increase in guarantee deposits received	-	69
Payment of lease liabilities	(5,722)	(7,948)
Cash dividends paid	(845,410)	(745,949)
Dividends unclaimed by shareholders	-	167
Cash dividends paid to non-controlling interests	(26,738)	(25,066)
Change in non-controlling interests	9,990	-
Net cash flows used in financing activities	(816,328)	(1,103,401)
Effect of exchange rate changes on cash and cash equivalents	(2,656)	135,849
Net increase in cash and cash equivalents	263,696	135,071
Cash and cash equivalents at beginning of period	2,357,324	2,222,253
Cash and cash equivalents at end of period	\$ 2,621,020	2,357,324

See accompanying notes to financial statements.

Attachment 5

TTY BIOPHARM COMPANY LIMITED Year 2023 Earnings Distribution Table

Unit: NTD

Item	Amount	Note
Unappropriated retained earnings of previous year	491,813,240	Re-measurement effects of defined benefit plans, changes in ownership equity of subsidiaries, and recognition of gains or losses from the disposal of subsidiary equity instruments measured at fair value through other comprehensive income directly transferred to retained earnings
Less: Year 2023 retained earnings adjustment	(25,613,427)	
Add: Year 2023 net profit after tax for the year	1,128,509,230	
Less: Appropriated as legal capital reserve (10%)	(110,289,580)	
Less: Special reserve	0	
Retained earnings available for distribution as of December 31, 2023	1,484,419,463	
Allocation Items		Cash dividend of NT\$3.50 per share
Cash Dividends to Shareholders	870,274,857	
Unappropriated retained earnings as of December 31, 2023	614,144,606	

Note:

1. Total 248,649,959 outstanding common shares
2. Earnings distribution this time would be paid from earnings for year 2023 as priority.

Chairman of the Board: Chuan Lin

Responsible Management: Sara Hou

Responsible Accountant: Yung-Min Chiang

Attachment 6

TTY BIOPHARM COMPANY LIMITED

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

Before amendment	After amendment	Reason for amendment
Article 4 Operation Procedures for Acquisition or Disposal of Assets: 1. Omitted. 2. Authorization Amounts and Levels: (1) Omitted. (2) For acquisition or disposal of real property, equipment or right-of-use assets, approval from the Board of Directors’ Meeting shall be obtained after acquisition or disposal is made for amount exceeding NTD5 million. As for amounts exceeding NTD10 million, prior approval from the Board of Directors’ Meeting shall be obtained before being executed. (3) Omitted. 3.-6. Omitted.	Article 4 Operation Procedures for Acquisition or Disposal of Assets: 1. Omitted. 2. Authorization Amounts and Levels: (1) Omitted. (2) For acquisition or disposal of real property, equipment or right-of-use assets is made for amount exceeding NTD30 million, prior approval from the Board of Directors’ Meeting shall be obtained before being executed. (3) Omitted. 3.-6. Omitted.	Amendment of article 4.2.(2) was made in accordance with the actual operational needs of the company
Article 8 Related Party Transactions: 1. Omitted. 2. Assessment and Operation Procedures: (1)-(6) Omitted 3. Omitted. Omitted.	Article 8 Related Party Transactions: 1. Omitted. 2. Assessment and Operation Procedures: (1)-(6) Omitted (7) In the event that the company engaged in transactions with related parties as outlined in subparagraph 1, actual transaction details (including actual transaction amounts, terms of the transaction and all the details specified in subparagraph 1) should be submitted to the latest shareholders meeting following the end of the year. 3. Omitted. Omitted.	To strengthen the management of related party transactions, an addition is made to article 8.2.(7), stipulating that significant transactions between related parties shall have their actual transaction details submitted to the latest shareholders meeting following the end of the year.

Before amendment	After amendment	Reason for amendment
Article 15 Supplements: Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company's related rules and requirements. These Procedures were enacted on May 22, 1998. The 1st amendment was made on March 24, 2000. The 2nd amendment was made on May 13, 2002. The 3rd amendment was made on May 19, 2003. The 4th amendment was made on June 21, 2007. The 5th amendment was made on June 22, 2012. The 6th amendment was made on June 24, 2014. The 7th amendment was made on June 16, 2017. The 8th amendment was made on June 25, 2019. The 9th amendment was made on May 26, 2022.	Article 15 Supplements: Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company's related rules and requirements. These Procedures were enacted on May 22, 1998. The 1st amendment was made on March 24, 2000. The 2nd amendment was made on May 13, 2002. The 3rd amendment was made on May 19, 2003. The 4th amendment was made on June 21, 2007. The 5th amendment was made on June 22, 2012. The 6th amendment was made on June 24, 2014. The 7th amendment was made on June 16, 2017. The 8th amendment was made on June 25, 2019. The 9th amendment was made on May 26, 2022. The 10th amendment was made on May 30, 2024.	Adding the date of the latest amendment.

Attachment 7

TTY BIOPHARM COMPANY LIMITED List of Director Candidates (Nominated by Board of Directors)

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (shares)
Director	Lin, Chuan	Male	<p><u>Education</u> Ph.D., Economics, University of Illinois at Urbana-Champaign, USA</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Premier, Executive Yuan, R.O.C. • CEO, New Frontier Foundation • Chairman, Vanguard International Semiconductor Co. • Minister, Ministry of Finance, Executive Yuan, R.O.C. • Minister, Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. • Director General, Department of Finance, Taipei City Government • Professor, Department of Public Finance, National ChengChi University • Researcher, Chung-Hua Institution for Economic Research <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Chairman, TTY Biopharm Co., Ltd. • Chairman, TSH Biopharm Co., Ltd. • Independent Director, Pegatron Corporation 	12,000
Director	Chang, Wen-Hwa	Female	<p><u>Education</u> MBA, Manmos College Bachelor, Department of Accounting, Soochow University</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Director, TSH Biopharm Company Limited • Director, Chuang Yi Biotech Co., Ltd. • Director, PharmaEngine, Inc. • Director, Arich Enterprise Co., Ltd. • Vice General Manager of Operations, Arich Enterprise Co., Ltd. • CFO, Arich Enterprise Co., Ltd. 	4,409,800

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (shares)
			<ul style="list-style-type: none"> Supervisor, EnhanceX Inc. <p><u>Current Position</u></p> <ul style="list-style-type: none"> Vice Chairman, TTY Biopharm Co., Ltd. Director, Arich Investment Company Limited Director, XUDONG HAIPU INTERNATIONAL CO., LTD. Director, American Taiwan Biopharma Philippines Inc. Director, WorldCo International Ltd. Director, TTY Biopharm Korea Co., Ltd. Director, TTY Biopharm Mexico S.A DE C.V. 	
Director	Dawan Technology Company Limited. Representative: Carl Hsiao	Male	<p><u>Education</u></p> <p>PharmD., University of the Pacific Thomas J Long School of Pharmacy MBA, University of the Pacific Eberhardt School of Business</p> <p><u>Experience</u></p> <p>Pharmacist, CVS Health Pharmacy</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> Director, TTY Biopharm Co., Ltd. Director, TSH Biopharm Company Limited Director, American Taiwan Biopharm Co., Ltd. Director, Chuang Yi Biotech Co., Ltd. Director, Dawan Technology Co., Ltd. 	23,526,732

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (shares)
Director	Yang, Tze-Kaing	Male	<p><u>Education</u> Ph.D of Business Administration, National Chengchi University MBA of University of Illinois at Urbana-Champaign</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Consultant, Executive Yuan, R.O.C. • Deputy Minister, Ministry of Finance, R.O.C. • Executive Secretary, National Development Fund, Executive Yuan • Managing Director and Chairman, Bank of Taiwan • General Manager, China Development Industrial Bank <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Director, TTY Biopharm Co., Ltd. • Chairmen, Yangtze Associates • Director and General Manager, Huiyang Private Equity Fund Co., Ltd. • Director, Chien Kuo Construction Co., Ltd. • Director, Airiti Inc. • Director, Hon Yang Healthcare • Director, Pegatron Corporation • Director, Asustek Computer Inc. • Director, Huacheng Capital Co., Ltd. • Director, Huicheng Capital Co., Ltd. • Supervisor, Happy Read Publication Company Limited • Chairman, Financial Literacy & Education Association 	0

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (shares)
Director	Ted Hsu	Male	<p><u>Education</u> Executive Master of Business Administration(EMBA), National Chiao Tung University</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Vice Chairman and Deputy CEO, Pegatron Corporation • Director and Deputy General Manager, ASUSTEK Computer Inc. <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Vice Chairman, ASUSTEK Computer Inc. • Chairman, ASMedia Technology Inc. • Chairman, EBIZPRISE Inc. • Director, Pegatron Corporation • Director, EUSOL BIOTECH CO.,LTD. • Director, iMozen Group Inc. • Director, Medus Technology Inc. • Director, HUASYN BIOMEDICAL Co., Ltd. • Director, Xiangyong Biotech Management Co., Ltd. • Director, Hongwei Investment Co., Ltd. • Director, Buddhist Tzu Chi Medical Foundation 	0
Director	Liao, Ying-Ying	Female	<p><u>Education</u> MBA, University of Missouri, USA</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Director, cnYES.com Company Limited • Director, Evenstar Capital Management Limited • Senior Assist Vice President, Fubon Securities Co. Ltd. • Manager, Fubon Securities Co. Ltd. • Supervisor, ECOVE Environment Corp. • Director, Anuenue Asset Management Limited <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Director, TTY Biopharm Co., Ltd. • Supervisor, cnYES.com Company Limited • Independent Director, Acer Gaming Inc. • Director, TA TUNG CHINAWARE CO., LTD. 	0

TTY BIOPHARM COMPANY LIMITED

List of Independent Director Candidates

(Nominated by Board of Directors)

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (Shares)	Reasons for Nomination of Independent Directors for a Term of Three Terms
Independent Director	Hsueh, Ming-Ling	Male	<p><u>Education</u> MS., Graduate Institute of Accounting, Soochow University MBA, Bloomsburg University, Pennsylvania, USA</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> Chairman, PricewaterhouseCoopers Taiwan Adjunct Associate Professor, College of Technology Management, National Tsing Hua University Adjunct Professor, School of Management, National Taiwan University of Science and Technology Member of the Committee in charge of the examination affairs and qualification screening for professional and technologies, Examination Yuan Director, Corporate Governance Association in Taiwan <p><u>Current Position</u></p> <ul style="list-style-type: none"> Independent Director, TTY Biopharm Co., Ltd. Independent Director, Lite-On Technology Corp. Independent Director, Walsin Lihwa Corporation Independent Director, Yuanta Financial Holdings and Yuanta Commercial Bank Director, Tung Hua Book Co., Ltd. 	0	【Note】

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (Shares)	Reasons for Nomination of Independent Directors for a Term of Three Terms
Independent Director	Cheng ,Ann-Li	Male	<p><u>Education</u> National Taiwan University College of Medicine PhD, National Taiwan University Institute of Clinical Medicine</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Professor and Attending Physician, Department of Internal Medicine, National Taiwan University Hospital • Director, Department of Oncology, National Taiwan University Hospital • Vice President, National Taiwan University Hospital • Director, Cancer Center Hospital Affiliated to the Medical College • Honorary President, Cancer Clinic Branch of National Taiwan University Hospital • Distinguished Professor of Internal Medicine, National Taiwan University School of Medicine • Researcher, Academia Sinica Cancer Medicine • Researcher, University of Wisconsin Cancer Research and Clinical Trials <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Lecture, National Taiwan University School of Internal Medicine 	0	Not Applicable

Category	Name	Gender	Major Education, Current Position and Experience	Shareholding (Shares)	Reasons for Nomination of Independent Directors for a Term of Three Terms
Independent Director	Chang, Ming-Daw	Male	<p><u>Education</u> MS., Graduate Institute of Law, Chinese Culture University Bachelor of Laws, Soochow University</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Chairman, Chang Hwa Commercial Bank, Ltd. • GM, Bank of Taiwan • Director, Banking Bureau, Financial Supervisory Commission, Executive Yuan • Independent Director, Chuang Yi Biotech Co., Ltd. <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Chairman, Bank of Panhsin • Independent Director, PharmaEngine, Inc. 	0	Not Applicable

【Note】 Reasons for nominating Ming-Ling Hsueh as an independent director for three terms:

Independent Director Ming-Ling Hsueh specializes in corporate governance, operational practices, financial information analysis and utilization, and possesses extensive experience in financial accounting, risk management, and corporate governance. The Board of Directors of this company intends to continue leveraging Mr. Hsueh's professional expertise as an independent director to provide valuable insights into the company's operational management and oversee its operations. Additionally, the Board believes that Mr. Ming-Ling Hsueh maintains the necessary independence in judgment and execution of the duties of an independent director and has not been involved in any relationships that could potentially compromise his ability to make unbiased judgments in the best interests of the company. Therefore, we propose nominating him for reelection as an independent director of this company.

Attachment 8

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

Title	Name	Concurrent positions at other companies
Director	Lin, Chuan	<ul style="list-style-type: none"> Chairman, TSH Biopharm Co., Ltd. Independent Director, Pegatron Corporation
Director	Chang, Wen-Hwa	<ul style="list-style-type: none"> Director, American Taiwan Biopharma Philippines Inc.
Director	Dawan Technology Company Limited. Representative: Carl Hsiao	<ul style="list-style-type: none"> Director, TSH Biopharm Company Limited Director, American Taiwan Biopharm Co., Ltd. Director, Chuang Yi Biotech Co., Ltd.
Director	Yang, Tze-Kaing	<ul style="list-style-type: none"> Director, Hon Yang Healthcare Director, Pegatron Corporation Director, Asustek Computer Inc.
Director	Ted Hsu	<ul style="list-style-type: none"> Vice Chairman, ASUSTEK Computer Inc. Director, Pegatron Corporation Director, EUSOL BIOTECH CO.,LTD. Director, HUASYN BIOMEDICAL Co., Ltd.
Independent Director	Hsueh, Ming-Ling	<ul style="list-style-type: none"> Independent Director, Lite-On Technology Corp.
Independent Director	Chang, Ming-Daw	<ul style="list-style-type: none"> Independent Director, PharmaEngine, Inc.

X. Appendices

Appendices 1

TTY BIOPHARM COMPANY LIMITED

Procedures for Acquisition or Disposal of Assets

(Prior to the amendment of year 2024 Annual General Shareholders' Meeting)

Article 1 Legal Basis:

These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.

Article 2 Scope of Assets:

The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights (including drug permit license), and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets: Related matters of acquisition and disposal of such assets shall be processed in accordance with these Procedures hereto.

Article 3 Definition of Terms:

Terms used in these Procedures are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed

through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 3 of the Company Act.

3. Related party or subsidiary: As defined in the Procedures Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Procedures Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Operation Procedures for Acquisition or Disposal of Assets:

1. The Company's "Internal Approval Authority Guidelines" shall prepare asset acquisition or disposal approval authority in accordance with authorized amounts and levels prescribed in these Handling Procedures hereto. Acquisition or disposal of various assets shall only be conducted after being approved in accordance with "Internal Approval Authority Guidelines."
2. Authorization Amounts and Levels:
 - (1) Acquisition or disposal of long term equities investment shall be submitted to the Board of Directors' Meeting for approval. Contents for other securities and investment amount limits shall be submitted to the Board of Directors' Meeting for approval before being executed by the Board Director within approved limits.
 - (2) For acquisition or disposal of real property, equipment or right-of-use assets, approval from the Board of Directors' Meeting shall be obtained after acquisition or disposal is made for amount exceeding NTD5 million. As for amounts exceeding NTD10 million, prior approval from

the Board of Directors' Meeting shall be obtained before being executed.

- (3) In principle, the Company will not be engaged in acquisition or disposal of membership card or financial institution's claim trading. In the event of necessity of such trading from business needs, such trading will be submitted to the Board of Directors' Meeting for approval before related operation procedures are drafted.

3. Assessment, Operation Procedures and Implementation Unit:

- (1) For acquisition or disposal of long term equities investment, supervisors of related departments shall form an investment assessment team to conduct feasibility assessment. Acquisition or disposal of other securities shall be assessed by financial and accounting units. Financial and accounting units shall be responsible for execution after aforementioned investments have been approved in accordance with approval authority.
 - (2) With respect to acquisition of real property and equipment or right-of-use assets, demanding unit shall first prepare a capital expenditure plan and feasibility assessment, compile capital expenditure budget, and submit for approval in accordance with approval authority before executing accordingly. As for disposal of real property and equipment, utilizing unit shall fill in application form or submit for project approval, explain disposal reason and method, and forward to administration units for assessment. Disposal shall be proceeded accordingly in accordance with approval obtained.
 - (3) With respect to intangible asset or right-of-use assets, feasibility assessment shall be conducted by intellectual property units which shall then submit for approval in accordance with approval authority. Intellectual property units shall be responsible for execution after approval is obtained.
4. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee.
5. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
6. Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the board of directors for a resolution, and shall be subject to *mutatis mutandis* application of Article 14.4 and 14.5. The so-called major asset transaction shall mean and refer to transaction amount reaches 20 percent of the Company's paid-in capital, 10% of total asset, or exceeds NTD300 million.

Article 5 Price determination method and reference basis:

1. For the acquisition or disposal of real estate or its right-of-use assets, announced present values, assessed values, or actual transaction prices of

adjacent real estate properties shall serve as the main reference for the determination of transaction conditions and prices.

2. For the acquisition or disposal of equipment or its right-of use assets, price inquiries, comparison, negotiations, or invitation to tender shall be conducted by competent units.
3. The prices for marketable securities traded on securities exchanges and OTC markets shall be determined in accordance with market transaction values; where marketable securities are not traded on securities exchanges and OTC markets, investment assessment team shall comply with Paragraph 2 of Article 6 hereto and assess reasonable prices which shall serve as references for price negotiation. Price will then be determined through both parties' negotiation.
4. For the acquisition or disposal of intangibles or their right-of-use assets, prices shall be determined in consideration of useful life and impact on the company's technologies and services with reference to international or market conventions.

Article 6 Acquisition of Expert Report:

1. In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be

issued by the original professional appraiser.

2. Where the Company acquires or disposes of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
3. Where the Company acquires or disposes of intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government institution, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
4. The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Article 11.1.(2) 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
5. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
 - (1) May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 - (2) May not be a related party or de facto related party of any party to the transaction.
 - (3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
6. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline rules of its association and the following:
 - (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - (2) When executing, they shall appropriately plan and execute adequate

working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

- (3) They shall undertake an item-by-item evaluation of the adequacy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 - (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and adequate, and that they have complied with applicable laws and regulations.
7. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 7 The Company and its subsidiaries may acquire non-business purpose real property, right-of-use assets or securities with total amount and limits for respective securities as follows:

1. Total amount for the Company's purchase of non-business real property, right-of-use assets or securities shall not exceed 150% of the Company's paid-in capital or 100% of parent company's owner's equities from the latest financial statement, whichever is higher. Investment in individual securities shall not exceed 100% of the Company's paid-in capital. Total amount from the holding of short term investment and undisposed idle asset or real property shall not exceed the 70% of parent company's owner's equities from the Company's latest financial statement.
2. Total amount for respective subsidiary's purchase of non-business real property, right-of-use assets or securities shall not exceed 150% of respective subsidiary's paid-in capital, or 100% of parent company's owner's equities from the latest financial statement, whichever is higher. Investment in individual securities shall not exceed 100% of the respective company's paid-in capital. Total amount from the holding of short term investment and undisposed idle asset or real property shall not exceed the 70% of parent company's owner's equities from respective company's latest financial statement.

Article 8 Related Party Transactions:

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6-4 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
2. Assessment and Operation Procedures:
 - (1) When the Company intends to acquire or dispose of real property or right-

of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE), the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and board of directors.

- (a) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (b) The reason for choosing the related party as a trading counterparty.
 - (c) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.
 - (d) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
 - (e) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (f) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (g) Restrictive covenants and other important stipulations associated with the transaction.
- (2) With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 4.2 and 4.3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:
- (a) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - (b) Acquisition or disposal of real property right-of-use assets held for business use.
- (3) When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- (4) The matters for which paragraph 1 requires review by the Audit Committee shall first be approved by more than half of all Audit Committee members

and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 14.4 and 14.5.

- (5) In the event that the Company or a subsidiary of non-domestically listed company is engaged in transaction prescribed in subparagraph 1 and transaction amount reaching more than 10% of the Company's total assets, the Company can only enter transaction agreement and proceed with payments after materials prescribed in respective items in subparagraph 1 are submitted to Shareholders' Meeting for approval. However, this shall not apply to transactions between the Company and subsidiaries, or between subsidiaries.
- (6) Calculation of transaction amount prescribed in subparagraph 1 and aforementioned subparagraph shall be conducted in accordance with subparagraph 2, paragraph 1 of Article 11. The so-called "within one year" shall mean and refer to one year counting back based on the date of occurrence of fact for this transaction, excluding those which have already been submitted to Audit Committee, Board of Directors and Annual General Shareholders' Meeting for approval in accordance with the processing procedures hereto.

3. Reasonableness evaluation of the transaction costs

- (1) The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (a) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (b) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
- (2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (3) The Company that acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph preceding article, and the preceding three paragraphs do not apply:
 - (a) The related party acquired the real property or right-of-use assets thereof

through inheritance or as a gift.

- (b) More than 5 years will have elapsed from the time the related party or right-of-use assets thereof signed the contract to obtain the real property to the signing date for the current transaction.
 - (c) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (d) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (5) Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with Article 8.1 to 8.4 and 8.7 to 8.8 are uniformly lower than the transaction price, the following steps shall be taken:
- (a) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - (b) Independent director members of the Audit Committee shall comply with Article 218 of the Company Act.
 - (c) Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (6) The Company has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- (7) When the Company obtains real property or right-of-use assets from a related party, it shall also comply with the preceding 2 paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (a) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (i) Where undeveloped land is appraised in accordance with the means

in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (b) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- (8) Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- 4. For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by the Company shall be used.

Article 9 Handling Procedures for Acquisition or Disposal of Derivative Products:

The Company has prepared separate derivative product transaction handling procedures with which shall be complied during handling of derivative products acquisition or disposal.

Article 10 Handling Procedures for Merger, Demerger, Purchase and Transfer of Shares:

- 1. When conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. Nevertheless, obtainment of aforementioned expert's rationality comments may be waived in the event of the Company's merger with a subsidiary of which 100% of shares issued or total capital amount are directly or indirectly held by the Company, or merger between subsidiaries of which 100% of shares issued or total capital amount are directly or indirectly held by the Company. When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a public report to shareholders detailing

important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

2. When participating in a merger, demerger, or acquisition, the Company shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
3. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
4. When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
5. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall

also record the following:

- (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the shareexchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
6. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
 7. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 2, Article 3, Article 6 and Article 8 and Article 10.
 8. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:
 - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
 9. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report the

information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the preceding 2 paragraphs.

Article 11 Public Announcement Procedures:

1. Matters for the Company's Public Announcement:

- (1) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

- (a) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).
- (b) Merger, demerger, acquisition, or transfer of shares.
- (c) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
- (d) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.
- (e) Where an asset transaction other than any of those referred to in the preceding four subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (i) Trading of domestic government bonds or international government bonds which credit rating is not lower than domestic government bonds.
 - (ii) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).

- (2) The amount of transactions above shall be calculated as follows:

- (a) The amount of any individual transaction.
- (b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within

the preceding year.

- (c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
- (d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- (3) "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.
- 2. Information required to be publicly announced and reported - subsidiary
 - (1) For a subsidiary which is not a domestic public company and acquisition or disposal of asset meeting mandatory announcement or report standards prescribed in these Procedures, matters of announcement or report shall be conducted by parent company.
 - (2) "Meeting twenty percent of company's paid-in capital or ten percent of total asset" prescribed in subsidiary company's announcement & report standards shall be based on the Company's paid-in capital or total asset.
- 3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.
- 4. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days after becoming aware of that fact.
- 5. Where the Company acquires or disposes of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 12 Control Procedures for Subsidiaries' Acquisition or Disposal of Assets:

- 1. Subsidiaries hereto shall stipulate asset acquisition or disposal procedures in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
- 2. In the event that the Company's subsidiary is not a domestic public company and public announcement on asset acquisition or disposal shall be made in accordance with related regulations, the Company shall make public

announcement hereto accordingly.

Article 13 Violation Punishment for Manager and Responsible Person:

In the event of the Company's manager and responsible person's violation of handling procedures hereto, performance review shall be conducted in accordance with the Company's employee manual and punishment shall be imposed accordingly depending on the seriousness of situations.

Article 14 Enforcement and Amendment:

1. After the procedures have been approved by the Audit Committee and then by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee.
2. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
3. When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all Audit Committee members and submitted to the board of directors for a resolution.
4. If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.
5. The terms "all Audit Committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 15 Supplements:

Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company's related rules and requirements.

These Procedures were enacted on May 22, 1998.

The 1st amendment was made on March 24, 2000.

The 2nd amendment was made on May 13, 2002.

The 3rd amendment was made on May 19, 2003.

The 4th amendment was made on June 21, 2007.

The 5th amendment was made on June 22, 2012.

The 6th amendment was made on June 24, 2014.

The 7th amendment was made on June 16, 2017.

The 8th amendment was made on June 25, 2019.

The 9th amendment was made on May 26, 2022.

Appendices 2

TTY BIOPHARM COMPANY LIMITED **Regulations for Election of Directors**

Revised date: 2021.06.09

- Article 1 : Election of directors shall be acted upon in accordance with these regulations.
- Article 2 : The Company's directors shall be elected by adopting the candidate nomination system. The shareholders shall elect the directors from the nominees listed of director candidates.
- Article 3 : Election of directors shall proceed according to cumulative voting principles. For voters' registration, shareholder attendee card numbers may be substituted for voters' names.
- Article 4 : In the election for the directors, each common share is entitled to the number of voting rights equivalent to the numbers of directors to be elected. Votes may be cast for only one candidate or a few candidates.
- Article 5 : In the election of directors of the Company, votes of independent directors and non-independent directors elected shall be calculated separately. Candidates who acquire more shares should win the seats of directors in numbers of received votes order. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.
- Article 6 : The board of directors shall prepare election ballots of the number equal to the number of the director(s) that shall be elected, bearing the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.
- Article 7 : Before voting commences, the chairperson shall appoint ballot counter and scrutinizer who is shareholder to record and check the ballots.
- Article 8 : The ballot box shall be set up by the Board of Directors and such box shall be checked by scrutinizer in public before the voting.
- Article 9 : The voter must fill in the candidate's name or shareholder's account name in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name alone; or fill in both the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.
- Article 10 : A ballot is invalid under any of the circumstances listed below.
1. A ballot not prepared by meeting convener.
 2. The blank ballot was cast in the ballot box.
 3. Illegible handwriting or being erased or altered.
 4. If the write-in candidate written on the ballot is inconsistent with the nomination list.
 5. The number of write-in candidates is two or more than two candidate.
 6. Other words or marks are written in addition to the candidate name or shareholder account name.
- Article 11 : The ballot box should be opened by scrutinizer at the spot and calculated by ballot counter right after the vote casting.
- Article 12 : The ballots shall be counted immediately under the supervision of the scrutinizer(s). The results of election, including the list of elected directors and unelected directors, and their corresponding received votes, shall be announced by the Chairman at the spot.

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

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

Appendices 3

TTY BIOPHARM COMPANY LIMITED

Articles of Incorporation

Chapter 1 **General Provisions**

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

Article 2 Business areas of the Company are as follows:

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

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

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

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

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

Chapter 2 **Shares**

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

Article 8 It shall not be required to print stocks for shares issued by the Company, but shares shall be registered upon negotiation with centralized securities depository enterprises.

- Article 9 Transfer, inheritance, grants, pledge, loss, or other stock related services shall be handled pursuant to the Regulations Governing the Administration of Stock Affairs by Public Companies and other relevant laws and regulations.
- Article 10 Change to record in the shareholders' list would be ceased since 60 days prior to annual general shareholders' meeting, 30 days prior to extraordinary general meeting or 5 days prior record date which decided by the company to distribute dividend, bonus or other benefit.
- Chapter 3 *Shareholders Meeting***
- Article 11 Annual Shareholders Meetings shall be convened at least once a year, by the board of directors within 6 months upon the end of the accounting year. Extraordinary Shareholders Meetings may be convened when deemed necessary in accordance with relevant laws.
- Shareholders' meeting can be held by means of virtual meeting or other methods promulgated by the central competent authority.
- Adoption of virtual meeting for shareholders' meeting shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.
- Article 12 Shareholders shall be entitled to one vote per share unless relevant laws stipulate otherwise.
- Article 13 Where shareholders are for any reason unable to personally attend shareholders meetings, they may assign a proxy by presenting a power of attorney printed and issued by the Company. Relevant matters shall be handled in accordance with the regulations set forth in Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- Article 14 Board resolutions require the attendance of shareholders representing a majority of the issued voting shares unless relevant laws stipulate otherwise as well as the approval of the majority of the voting rights represented at the meeting.
- Article 15 Resolution items of the shareholders meeting shall be compiled into meeting minutes with the affixed signature and seal of the chairperson. These minutes shall be distributed or made known to the shareholders per public notice within 20 days after the meeting. The meeting minutes shall specify the date, location, name of chair, resolution methods, main agenda items, and results. The minutes shall be preserved permanently. The shareholder attendance book and the powers of attorney for proxies shall be preserved for a minimum of one year. Where litigation is initiated by shareholders pursuant to Article 189 of the Company Act, said documents shall be preserved until the conclusion of litigation.
- Chapter 4 *Directors***
- Article 16 The Company shall appoint 7 to 11 board directors. The number of directors elected shall be determined in a board meeting. And a candidate nomination system shall be adapted and the shareholders meeting shall elect directors from the list of candidates. They shall serve for a term of three years. And They may serve consecutive terms if reelected.
- At least of the aforementioned 7 to 11 directors and 1/3 of the aforementioned quota

shall be independent directors. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters to comply with shall be based on relevant regulations of the authorities in charge of securities.

Article 17 When terms of directors expire prior to elections, terms may be extended until the newly elected directors assume office. The total number of inscribed stocks held by the directors of the Company shall conform to the standards prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies announced by the competent authority.

Article 18 When director vacancies account for 1/3, the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors shall serve for the remainder of the original terms.

Article 19 Board meetings shall be convened annually.
Directors shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies.

Directors shall be notified of scheduled meetings in writing, by fax, or by e-mail.

Article 20 The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors.

The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company.

Article 21 The board is composed of directors who shall elect a chairperson and vice chairperson from among their ranks. The chairperson and vice chairperson shall be elected by a majority of the board directors in attendance with an attendance rate of at least 2/3.

Article 22 Where the chairperson is on leave or for any reason unable to exercise his/her powers, an acting chairperson shall be appointed pursuant to the regulations set forth in Article 208 of the Company Act.

Article 23 Board directors shall personally attend board meetings. The assignment of proxies shall conform to the regulations set forth in Article 205 of the Company Act. Where board meetings are conducted by video conference, participation in the conference shall be viewed as personal attendance.

Article 24 All business policies and key items of the Company shall be handled in accordance with board resolutions. All board resolutions require the attendance of a majority of board directors and approval by a majority of the directors in attendance unless relevant regulations set forth in the Company Act stipulate otherwise.

Article 25 The Company shall arrange liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws.

Chapter 5 *Managers*

Article 26 The Company shall appoint managers. The appointment, dismissal, and remuneration thereof shall be handled pursuant to Article 29 of the Company Act.

Chapter 6 *Accounting*

Article 27 The accounting year runs from January 1 to December 31. Accounts shall be settled

at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which These documents and the review report shall be submitted to the annual general shareholders' meeting for ratification in accordance with relevant laws.

甲、 Business report.

乙、 Financial statement.

丙、 Surplus allocation or loss make-up proposal.

Article 28 Where the Company earns annual profits, 0.5 percent to 10 percent shall be allocated as employee compensations and a maximum of 2 percent shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.

Employee remuneration prescribed in the preceding paragraph may be distributed in the form of shares or cash. Terms and distribution measures are hereby authorized to the Board of Directors for decision. Director's remuneration shall only be distributed in the form of cash.

Article 29 The Company's earnings, if any, at the end of fiscal year, shall pay tax first and recover accumulated losses before contributing 10% for legal reserve. However, this shall not be applied if legal reserve hereto has already reached the amount of share capital. After residual amount from aforementioned calculation is added to unappropriated earnings from previous period, a contribution or reversal to special reserved shall then be conducted in accordance with regulations or competent authority's requirements. At the end of each fiscal year, the Board of Directors will propose an earnings distribution based on considerations of the Company's profits, capital and financial structure, future business needs, accumulated earnings and legal reserve, market competition conditions as well as shareholders' interests. The proposal hereto shall be submitted to Annual General Shareholders' Meeting for resolution before being executed accordingly.

Contribution of legal reserve prescribed in the preceding paragraph shall be based on "after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings."

Article 30 The Company adopts principle of conservatism in its distribution of dividend. In the event of surplus from the Company's fiscal account, a contribution of not lower than 70% of the balance amount after tax payment, accumulated loss recovery, contribution of legal reserve and contribution or reversal of special earnings reserve as required by laws shall be made to serve as shareholder dividend in accordance with requirements of Article 29. This can be conducted in cash or stocks. Percentage for cash dividend distribution shall not lower than 70% of the total dividend amount. Based on the Company's principles of stability for financial structure and dividend balance, the Company may distribute all or part of reserve or retained earnings from previous period in accordance with laws or competent authority's requirements in the event that there is no surplus for distribution in current period, or there is surplus but surplus amount is obviously lower than the Company's surplus actually distributed in the previous year. In the event of disposal of real estate, equity investments or intangible assets in the current year, all or a portion of difference between disposal amount and acquisition cost, or income received from litigation or commercial

dispute, can be retained accordingly. Restrictions on distribution percentage prescribed in paragraph 1 of this article shall not apply.

In the event that the Company distributes all or a portion of dividend, bonus or legal reserve or capital reserve in cash, the Board of Directors Meeting is hereby authorized to execute this after two-thirds of directors attend Board of Directors Meeting and consent from half of attending directors is obtained, and the Annual General Shareholders' Meeting shall be reported accordingly.

- Article 31 The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards.

Chapter 7 ***Supplementary provisions***

- Article 32 The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors.

- Article 33 Matters not specifically covered in these articles of Incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws.

- Article 34 These articles of incorporation were formulated on June 23, 1960.
They were amended for the first time on June 17, 1966.
They were amended for the second time on June 17, 1967.
They were amended for the third time on January 22, 1968.
They were amended for the fourth time on September 20, 1969.
They were amended for the fifth time on September 11, 1978.
They were amended for the sixth time on September 30, 1980.
They were amended for the seventh time on November 25, 1982.
They were amended for the eighth time on March 28, 1986.
They were amended for the ninth time on February 2, 1989.
They were amended for the tenth time on May 10, 1990.
They were amended for the eleventh time on October 12, 1991.
They were amended for the twelfth time on December 2, 1993.
They were amended for the thirteenth time on July 24, 1995.
They were amended for the fourteenth time on July 25, 1997.
They were amended for the fifteenth time on October 7, 1997.
They were amended for the sixteenth time on November 27, 1997.
They were amended for the seventeenth time on May 22, 1998.
They were amended for the eighteenth time on June 25, 1999.
They were amended for the nineteenth time on March 24, 2000.
They were amended for the twentieth time on December 22, 2000.
They were amended for the twenty-first time on June 8, 2001.
They were amended for the twenty-second time on June 8, 2001.
They were amended for the twenty-third time on May 13, 2002.
They were amended for the twenty-fourth time on May 13, 2002.
They were amended for the twenty-fifth time on May 19, 2003.
They were amended for the twenty-sixth time on May 19, 2003.

They were amended for the twenty-seventh time on June 1, 2004.
They were amended for the twenty-eighth time on June 1, 2004.
They were amended for the twenty-ninth time on June 10, 2005.
They were amended for the thirtieth time on June 14, 2006.
They were amended for the thirty-first time on June 19, 2009.
They were amended for the thirty-second time on June 25, 2010.
They were amended for the thirty-third time on June 22, 2012.
They were amended for the thirty-fourth time on June 25, 2013.
They were amended for the thirty-fifth time on June 16, 2015.
They were amended for the thirty-sixteenth time on June 24, 2016.
They were amended for the thirty- seventh time on June 16, 2017.
They were amended for the thirty-eight time on November 22, 2018.
They were amended for the thirty-nine time on June 12, 2020.
They were amended for the forty time on May 26, 2022.
They were amended for the forty-first time on May 31, 2023.

TTY BIOPHARM COMPANY LIMITED

CHAIRMAN OF THE BOARD: CHUAN LIN

Appendices 4

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

1. Shareholders Meetings of the Company shall be handled in accordance with these rules unless regulations set forth in relevant laws stipulate otherwise.
2. Shareholders Meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. In the event of a virtual shareholders meeting, shareholders intend to attend the meeting online shall register to the Company two days before the meeting date.
3. Attendance and voting rights at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated based on the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
The time during which shareholder acceptance registration of the Company's shareholder meeting should be 30 minutes prior to the meeting commences. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
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.
The restrictions on the venue of the meeting shall not apply but the chair and secretary shall be in the same location within the country when the Company convenes a virtual-only shareholders meeting.
5. Where a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise his/her powers, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise his/her powers, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. Where a shareholders' meeting is convened by a person with the power to convene other than the directors, the convener shall serve as chair.
6. The Company may dispatch its attorneys, certified public accountants, or related persons to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The shareholders meeting proceedings shall be recorded audio and video continuously and uninterruptedly and the recorded materials shall be retained for at least one year.
When the Company holds shareholders' meeting online, the Company shall keep records of shareholder registration, sign-in, check-in, questioned raised, vote cast, and results of the votes counted by the Company. In addition, the proceedings from beginning to ends shall be audio and video recorded continuously and uninterruptedly.
The aforementioned information, audio and video recording shall be properly kept by the company during the entirety of its existence, and copies of the audio and video recording shall be provided to and

kept by the entity engaged to handle video conferencing matters.

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.

In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Each proposal (including extraordinary motion and amendment to original proposal) shall be voted by shareholders individually. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the regulations set forth in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting start until the chair declaring the meeting adjourned. There is no more than two questions raised on any single proposal and 200 words is capped per question.
12. When a juristic person is commissioned to attend a shareholders meeting as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote given sufficient time for shareholders to cast its ballot.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation.
Counting operation for voting or election resolutions shall be conducted in an open area inside the venue of shareholders' meeting. Voting results, which include weights for calculation, should be announced on the spot upon completion of vote counting and records shall be prepared accordingly.
16. When a meeting is in progress, the chair may order a recess based on time considerations.
If a force majeure event occurs, the chair may rule the meeting to temporarily suspend and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for use and not all of the items (including extraordinary motions) on the meeting agenda have been concluded, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
In the event of a virtual shareholders meeting, before the chair announces the adjournment of the meeting, the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure and the obstruction lasts for more than 30 minutes, the meeting shall be postponed or resumed on another date within five days, in which case Article 182 of the Company Law shall not be applicable.
In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued due to aforementioned events, if the total number of attending shares after deducting the number of shares represented by shareholders attending the meeting online, has reached the quorum for the shareholders meeting, the shareholders meeting shall continue, and the postponement or resumption thereof in accordance with aforementioned regulations are not required.
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.
The vote counting or election shall be conducted in public at the place of the shareholder meeting, and after the vote counting is completed, the voting results shall be announced on the spot, including the counting weights, and shall be recorded.
When the Company convenes a virtual shareholders meeting, after the chair declares the meeting start, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

Appendices 5

TTY BIOPHARM COMPANY LIMITED Shareholdings of Directors

Date: April 01, 2024

Title	Name	Shares held in share register
Chairman	CHUAN LIN	120,000
Vice Chairman	WEN-HWA CHANG	4,409,800
Director	Dawan Technology Company Limited. Representative: CARL HSIAO	23,526,732
Director	TZE-KAING YANG	—
Director	HSIU-CHI CHANG	1,942,686
Director	YING-YING LIAO	—
Independent Director	DUEI TSAI	—
Independent Director	MING-LING HSUEH	—
Independent Director	TIEN-FU LIN	—

Note:

1. 248,649,959 Common Shares issued on April 01, 2024.
2. Statutory minimum shareholding requirement for all directors is 12,000,000 shares and Shares held in share register is 29,999,218 shares.