

Handbook for the 2024 Annual Meeting of Shareholders 【Translation】

Meeting Time: May 24, 2024

Meeting Venue: Conference Room II

11F, No. 350, Sung Chiang Road, Taipei, 104, Taiwan,
R.O.C. (Importers and Exporters Association of Taipei)

Type of Meeting: Physical Shareholders' Meeting

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail.

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I. Meeting Agenda

Agenda of 2024 Annual Meeting of Shareholders

Type of Meeting: Physical Shareholders' Meeting

Meeting Time: 9:00 AM, May 24, 2024 (Friday)

Meeting Venue: Conference Room II

11F, No. 350, Sung Chiang Road, Taipei, 104, Taiwan, R.O.C.

(Importers and Exporters Association of Taipei)

Call the Meeting to Order (announcement of attending shares)

Chairperson Remarks

Report Items

1. 2023 Business Report
2. Review Report on the 2023 Financial Statements of Audit Committee
3. 2023 Employees' and Directors' Remuneration
4. 2023 Remuneration Paid to Directors and Independent Directors

Ratification Items

1. Ratification of the 2023 Business Report and Financial Statements
2. Ratification of 2023 Profit Distribution

Discussion Items

1. Amendment to the Company's "Procedures for Derivatives Transactions"

Extempore Motions

Meeting Adjourned

II. Report Items

Report No.1

2023 Business Report

Description:

2023 Business Report is attached herein as Appendix 1 (please refer to page 14-16).

Report No.2

Review Report on the 2023 Financial Statements of Audit Committee

Description:

(1) The 2023 Business Report, Financial Statements and Profit Distribution Table have been reviewed and examined by the Audit Committee.

(2) The 2023 Review Report of the Audit Committee is attached herein as Appendix 2 (please refer to page 17).

Report No.3

2023 Employees' and Directors' Remuneration

Description:

The Company earned profits (profits before tax before remuneration of employees and of directors) as NT\$352,034,921 for year 2023. Pursuant to the regulations set forth in Article 25 of the Articles of Incorporation, NT\$7,040,698, 2% and NT\$7,020,000, 1.99% of the earnings shall be allocated as Employees and Directors remuneration respectively, and the total amount will be distributed in cash.

Report No.4

2023 Remuneration Paid to Directors and Independent Directors

Description:

- (1) The remuneration to distribute to the directors is based on the results of 2023 performance evaluation of Board of Directors. The 2023 Directors' Remuneration is attached herein as Appendix 3 (please refer to page 18-19)
- (2) Relevancy of operating performance, responsibilities, future risks, and time invested:
 1. Directors: It is divided into business expenses and surplus distributions. Both categories are referring to Articles of Incorporation and "Salary Policy, System, Standards and Structure".
 2. Chairman: It is divided into business expenses, salary, and surplus distributions. All categories are referring to Articles of Incorporation and "Salary Policy, System, Standards and Structure".
 3. Independent Directors: It is divided into business expenses and salary. Both categories are referring to Articles of Incorporation and "Salary Policy, System, Standards and Structure". However, Independent directors no longer participate in the annual earnings distribution.
 4. Compensations of the Company Directors (including Independent Directors) are processed in line with the Company's Articles of Incorporation. The compensations are distributed after the Remuneration Committee takes the Company's operating performance of the year and evaluate results in accordance with the Board Performance Evaluation into consideration and submits reasonable compensations for Directors (including Independent Directors) to the Board of Directors for approval.
 5. Remuneration of the Company's Directors and Independent Directors is based on the Company's overall performance in the market position, industry salary standard, growth cycle, and internal equity, which has a high degree of relevance to the Company's operating performance, responsibility, risks, and time invested.

III. Ratification Items

Case No. 1 Proposed by the Board of Directors

Proposal:

Ratification of the 2023 Business Report and Financial Statements

Description:

- (1) The 2023 Business Report and Financial Statements of the Company have been approved by the Board of Directors. The Financial Statements have been audited and examined by the independent auditors, Yu, Shu-Fen and Liang Hua-Ling of PricewaterhouseCoopers, and an unqualified audit report has also been issued by the independent auditors.
- (2) The foresaid Business Report and Financial Statements have also been examined by the Audit Committee.
- (3) The 2023 Business Report and Financial Statements are attached herein as Appendix 1 and Appendix 4, pages 14-16 and 20-28.

Resolution:

Case No. 2 Proposed by the Board of Directors

Proposal:

Ratification of 2023 Profit Distribution

Description:

- (1) The Company proposed to distribute the profit, NT\$215,444,460 from unappropriated retained earnings in 2023. Each common shareholder will be entitled to receive cash dividends of NT\$1.5 per share. All cash dividends are rounded down to the nearest dollar after discounting any cents. The remaining total that is less than one dollar will be treated as the other revenue of the Company. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors shall be authorized to resolve the ex-dividend date, distribution date, and other relevant issues.
- (2) After 2023 net profits disposition, if the Company repurchases the shares, transfers, converses, or cancels the treasury shares, converses the employee stock option certificate into common stock, or other legal changes, the number of shares outstanding in circulation will be affected, it is proposed that the Board of Directors shall be authorized to adjust the cash dividend rate.
- (3) Please refer to the 2023 Profit Distribution Table as follows:

PharmaEngine, Inc.
PROFIT DISTRIBUTION TABLE in 2023

Unit: NTD

Items	Amount	Note
Unappropriated retained earnings of previous years	348,790,236	
Add: net profit after tax	274,649,977	
Less: 10% Statutory reserves	(27,464,998)	
Distributable net profits:	595,975,215	
Distributable items:		
Dividend to shareholders (cash)	(215,444,460)	Cash dividend 1.5 per share
Unappropriated retained earnings as of December 31, 2023	380,530,755	

Resolution:

IV. Discussion Items

Proposed by the Board of Directors

Proposal:

Amendments to the Company's "Procedures for Derivatives Transactions"

Description:

- (1) Amended in accordance with the needs of business operations.
- (2) The Company's "Procedures for Derivatives Transactions" original and amended policies are as follows:

Amended	Original	Description
<p>I. Trading Principles (Previous sentences omitted) Hedge trade with amounts equal to or below ten million US dollars (inclusive) shall be submitted for approval from the chairperson of the board and retrospectively recognized at the nearest board of directors meeting. For amounts exceeding ten million US dollars, approval must be obtained from <u>more than 1/2 of the Audit Committee members</u>, and approval from the board of directors before proceeding. Moreover, the Company does not engage in non-hedging trades.</p>	<p>I. Trading Principles (Previous sentences omitted) Hedge trade with amounts equal to or below ten million US dollars (inclusive) shall be submitted for approval from the chairperson of the board and retrospectively recognized at the nearest board of directors meeting. For amounts exceeding ten million US dollars, approval must be obtained from the board of directors before proceeding. Moreover, the Company does not engage in non-hedging trades.</p>	<p>Minor amendment. Adding the approval of Audit Committee into the procedure.</p>
<p>II. Division of Powers and Responsibilities (1) Financial unit</p>	<p>II. Division of Powers and Responsibilities (1) Financial unit</p>	

Amended	Original	Description												
<p>1. The financial unit shall be in charge of the operation of the aforementioned derivatives trading, collect market information on derivatives, assess trends and risks, and be familiar with various derivatives and operation techniques.</p> <p>2. Periodic evaluation.</p> <p>(2) Accounting unit</p> <p>1. Providing information on risk exposure positions.</p> <p>2. Bookkeeping and preparation of financial statements based on <u>International Financial Reporting Standards (IFRS)</u>.</p> <p>3. Evaluation, supervision, and control of transaction risks.</p> <p>4. <u>Periodic announcement and declaration.</u></p>	<p>1. The financial unit shall be in charge of the operation of the aforementioned derivatives trading, collect market information on derivatives, assess trends and risks, and be familiar with various derivatives and operation techniques.</p> <p>2. Periodic evaluation.</p> <p>3. <u>Periodic announcement and declaration.</u></p> <p>(2) Accounting unit</p> <p>1. Providing information on risk exposure positions.</p> <p>2. Bookkeeping and preparation of financial statements based on <u>generally accepted accounting principles</u>.</p> <p>3. Evaluation, supervision, and control of transaction risks.</p>	<p>Minor amendments.</p>												
<p>VI. Operational Procedures</p> <p>(1) Authorization limit and level:</p> <table border="1" data-bbox="152 1038 913 1238"> <thead> <tr> <th data-bbox="152 1038 459 1137">Level</th> <th data-bbox="459 1038 913 1137">Net Accumulated Trading Volume of Hedge Trade</th> </tr> </thead> <tbody> <tr> <td data-bbox="152 1137 459 1187">Board of Directors</td> <td data-bbox="459 1137 913 1187"><u>More than</u> US\$10 million</td> </tr> <tr> <td data-bbox="152 1187 459 1238">Chairperson</td> <td data-bbox="459 1187 913 1238">US\$10 million (inclusive)</td> </tr> </tbody> </table> <p>(2) Executing unit:</p> <p>Derivatives trading is conducted by the <u>Finance & Accounting Department</u>, and all transactions should be</p>	Level	Net Accumulated Trading Volume of Hedge Trade	Board of Directors	<u>More than</u> US\$10 million	Chairperson	US\$10 million (inclusive)	<p>VI. Operational Procedures</p> <p>(1) Authorization limit and level:</p> <table border="1" data-bbox="913 1038 1675 1238"> <thead> <tr> <th data-bbox="913 1038 1220 1137">Level</th> <th data-bbox="1220 1038 1675 1137">Net Accumulated Trading Volume of Hedge Trade</th> </tr> </thead> <tbody> <tr> <td data-bbox="913 1137 1220 1187">Board of Directors</td> <td data-bbox="1220 1137 1675 1187">US\$10 million <u>or more</u></td> </tr> <tr> <td data-bbox="913 1187 1220 1238">Chairperson</td> <td data-bbox="1220 1187 1675 1238">US\$10 million (inclusive)</td> </tr> </tbody> </table> <p>(2) Executing unit:</p> <p>Derivatives trading is conducted by the <u>Finance and Administration Department</u>, and all transactions should be</p>	Level	Net Accumulated Trading Volume of Hedge Trade	Board of Directors	US\$10 million <u>or more</u>	Chairperson	US\$10 million (inclusive)	<p>Minor amendments.</p>
Level	Net Accumulated Trading Volume of Hedge Trade													
Board of Directors	<u>More than</u> US\$10 million													
Chairperson	US\$10 million (inclusive)													
Level	Net Accumulated Trading Volume of Hedge Trade													
Board of Directors	US\$10 million <u>or more</u>													
Chairperson	US\$10 million (inclusive)													

Amended		Original		Description
carried out in accordance with the above-mentioned authorization limits.		carried out in accordance with the above-mentioned authorization limits.		
VII. Workflow		VII. Workflow		Minor amendments.
	Responsible Department		Responsible Department	
(1) Omitted.	Financial unit	(1) Omitted.	Financial unit	
(2) Once the transaction is completed, pass to the delivery personnel and the <u>financial institution</u> to verify the accuracy of the <u>transaction confirmation letter</u> , and then notify the accounting unit.	Financial unit	(2) Once the transaction is completed, pass to the delivery personnel and the <u>bank</u> to verify the accuracy of the <u>forward foreign exchange transaction contract</u> , and then notify the accounting unit.	Financial unit	
(3) The confirming personnel review the above transaction documents and reconcile them monthly based on the <u>evaluation report</u> provided by the <u>financial institution</u> .	Accounting unit	(3) The confirming personnel review the above transaction documents and reconcile them monthly based on the <u>forward foreign exchange undelivered statement</u> provided by the <u>financial unit</u> .	Accounting unit	
(4) Omitted.	Financial unit	(4) Omitted.	Financial unit	
(5) Omitted.	Accounting unit	(5) Omitted.	Accounting unit	
(6) Compile the “ <u>Derivative Product Trading Logbook</u> ” monthly for review by the accounting unit.	Financial unit	(6) Compile the “ <u>Derivative Financial Product Trading Logbook</u> ” monthly for review by the accounting unit.	Financial unit	
(7) Announcement in accordance with	Accounting unit	(7) Announcement in accordance with	Accounting unit	

Amended		Original		Description
the reporting regulations of the competent authority.		the reporting regulations of the <u>Financial Supervisory Commission.</u>		
<p>VIII. Risk Management Measures</p> <p>(1) Credit risk management</p> <p>Due to the mark's susceptibility to various factors, which can lead to operational risk in <u>derivative product transactions</u>, <u>credit</u> risk management shall be conducted based on the following principles:</p> <p>(Omitting the following paragraphs)</p>		<p>VIII. Risk Management Measures</p> <p>(1) Credit risk management</p> <p>Due to the market's susceptibility to various factors, which can lead to operational risks in <u>derivatives financial product transactions</u>, <u>market</u> risk management shall be conducted based on the following principles:</p> <p>(Omitting the following paragraphs)</p>		Minor amendments.
<p>X. Principles of the board of directors' supervision and management, and handling of abnormal situations</p> <p>The board of directors shall appoint senior management personnel to monitor and control the risks of derivatives trading at all times. The principles of management and handling of abnormal situations are as follow:</p> <p>(1) Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the <u>Operation Procedures.</u></p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel</p>		<p>X. Principles of the board of directors' supervision and management, and handling of abnormal situations</p> <p>The board of directors shall appoint senior management personnel to monitor and control the risks of derivatives trading at all times. The principles of management and handling of abnormal situations are as follow:</p> <p>(1) Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the <u>Processing Procedures.</u></p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel</p>		Minor amendments.

Amended	Original	Description
to handle derivatives trading in accordance with the <u>Operation Procedures</u> .	to handle derivatives trading in accordance with the <u>Processing Procedures</u> .	
<p>XI. Establish a logbook</p> <p>The Company engaging in derivatives trading shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under <u>Article 9 and 10 (Paragraphs 1 and 3)</u> shall be recorded in detail in the logbook.</p>	<p>XI. Establish a logbook</p> <p>The Company engaging in derivatives trading shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under <u>Article 9 and Paragraphs 1 and 3 of Article 10</u> shall be recorded in detail in the logbook.</p>	Minor amendments.
<p>XII. Announcing and reporting information</p> <p>(1) Omitted.</p> <p>(2) The Company’s losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the <u>Operation Procedures</u> adopted by the Company.....</p>	<p>XII. Announcing and reporting information</p> <p>(1) Omitted.</p> <p>(2) The Company’s losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the <u>Processing Procedures</u> adopted by the Company.....</p>	Minor amendments.
<p>XIII. Internal audit</p> <p>(1) Internal audit personnel shall periodically determine the suitability of internal controls on derivatives trading and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the <u>operational</u> procedures for engaging in derivatives trading, analyze trading cycle, and prepare an audit report. If any material violation is discovered, <u>the Audit Committee</u> shall be notified in writing.</p>	<p>XIII. Internal audit</p> <p>(1) Internal audit personnel shall periodically determine the suitability of internal controls on derivatives trading and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the <u>processing</u> procedures for engaging in derivatives trading, analyze trading cycle, and prepare an audit report. If any material violation is discovered, <u>independent directors</u> shall be notified in writing.</p>	Minor amendments.

Amended	Original	Description
<p>(2) Internal audit personnel shall, prior to the end of February of the following year, enter relevant declarations related to the implementation of the annual audit plan in conjunction with the internal audit report on the designated website of the competent authority. Moreover, they shall <u>submit the status of improvement for abnormal matters to the competent authority for review</u> no later than the end of May of the following year.</p>	<p>(2) Internal audit personnel shall, prior to the end of February of the following year, enter relevant declarations related to the implementation of the annual audit plan in conjunction with the internal audit report on the designated website of the competent authority. Moreover, they shall <u>enter the status of improvement for abnormal matters on the website designated by the Securities and Futures Bureau</u> no later than the end of May of the following year.</p>	
<p><u>XIV. Take Effect and Amendments</u> (1) <u>The Operation Procedures should be implemented after obtaining the approval of more than half of all audit committee members and receiving approval through a resolution of the board of directors and be approved by the shareholders' meeting before implementation. Any amendments to the Procedures should also follow the same process. If there are directors who express objections and have documented or written statements, the Company shall submit information on their objections to the audit committee. The Company follows the regulations and submits the Operational Procedures for discussion by the board of directors, each independent director's opinion shall be taken into full consideration. Independent directors' opinions expressing assent or dissent and the</u></p>	<p><u>New article</u></p>	<p>Adding the procedure for the Procedure to take effect and revise and add formulation and amendment dates.</p>

Amended	Original	Description
<p><u>reasons for it shall be included in the minutes of the meeting.</u></p> <p><u>(2) If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the decision may be made by approval by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting. The term “all audit committee members” in the preceding paragraph and the term “all directors” in this paragraph shall be counted as the actual number of persons currently holding those positions.</u></p> <p><u>The Operation Procedures were formulated on December 24, 2020 (Board of Directors approval date)</u></p> <p><u>First revised on July 27, 2023 (Board of Directors approval date)</u></p> <p><u>Shareholders’ meeting approval date: May 24, 2024</u></p>		

Resolution:

V. Extempore Motions

VI. Meeting Adjourned

VII. Appendices

Appendix 1

PharmaEngine, Inc.

2023 Business Report

PharmaEngine greatly appreciates your strong support over the years. In the past year, the world emerged from the COVID-19 pandemic with social and economic activities regaining momentum once more. However, the world economy recovery has been experiencing turbulences such as the significant fluctuations of major Asian currencies to the US Dollar, the sharp increase of inflation, and the rising intensity of geopolitical conflicts. Facing these uncertainties, PharmaEngine continues to demonstrate a high degree of resilience and innovative strength using the “Virtual Pharmaceutical Company Business Model” to achieve growth by expanding our research and development of new oncology drugs to provide a steady supply of medical treatments and. Our social responsibility is to build a strong management and R&D team to expand and extend our pipeline and business horizon. Our vision is to become the most professional and innovative new drug development company that specializes on oncology therapies in Asia. The following is an overview of our performance in 2023 and business plans in 2024.

【Business Strategy】

The core of PharmaEngine's operation revolves around the development of new drugs, focusing on the operation strategy of Virtual Pharmaceutical Company to develop new drugs, to achieve a light asset structure, to reduce new drug development related risks, and to accelerate product development and launch. Our aim is to achieve a mutually beneficial and win-win situation with partners.

【Operation Overview】

PharmaEngine has the following projects:

ONIVYDE[®] is a novel, stable encapsulated form of the marketed chemotherapy drug irinotecan in a long-circulating nanoliposome for the treatment of patients with metastatic adenocarcinoma of the pancreas who have been previously treated with gemcitabine-based therapy. Our aim is to support patients around the world, therefore, ONIVYDE[®] has received marketing approval and reimbursement in many countries, including Taiwan, US, EU, South Korea, Singapore, Japan, and China.

To expand indications, in first-quarter 2024, the ONIVYDE[®] regimen (NALIRIFOX) for 1L PDAC has received sNDA approvals from the US, Australia, and Taiwan, and received positive opinion from Committee for Medical Products for Human Use (CHMP) of the European Medicines Agency (EMA).

We continue to develop our new drug pipeline. PEP07 targets the DNA Damage Response (DDR) pathway for hematologic cancers such as Acute Myeloid Leukemia (AML) and Mantle Cell Lymphoma (MCL) and solid tumors. In 2023, PharmaEngine has been conducting PEP07 Phase 1 clinical trials for hematologic cancers in Australia and in Taiwan. For solid tumors, PharmaEngine received the approval from TFDA for PEP07 Phase 1 clinical trial for solid tumors in September 2023 and Phase 1 clinical trial is scheduled to begin in the first half of 2024.

【Operational Performance】

The Revenue of PharmaEngine in 2023 was NT\$767,669 thousand dollars. The Cost, including operating cost and expenses, was NT\$490,486 thousand dollars. The Operating Net Income was NT\$277,183 thousand dollars. The Net Non-operating Gains was NT\$60,791 thousand dollars. The Income before Tax was NT\$337,974 thousand dollars. The Net Income after Tax was NT\$274,650 thousand dollars.

【Status of Budget Implementation】

In 2023, PharmaEngine generated NT\$767,669 thousand dollars in revenue, accounting for 119.26% of the budget target, which included (1) US\$13,705 thousand dollars (approx. NT\$426,652 thousand dollars) royalties for the sales of ONIVYDE[®] in Europe and Asia regions and US\$2,000 thousand dollars (approx. NT\$62,470 thousand dollars) of sublicense revenue, and (2) NT\$278,547 thousand dollars for the sales of ONIVYDE[®] in Taiwan. For the Income before Tax in 2023, PharmaEngine generated NT\$337,974 thousand dollars, which accounts for 249.92% of the budget target.

【Analysis of Profitability】

In 2023, the Net Income was NT\$274,650 thousand dollars with the Net Profit Margin 35.77%, the Return on Assets rate 6.94%, and the Return on Equity 7.10%. Generally speaking, the profitability was good.

【Status of Research and Development】

For our commercial product, ONIVYDE[®], PharmaEngine continues to manage the product life cycle, expand markets and application through our international partners.

In November 2022, PharmaEngine's partner, IPSEN, announced the ONIVYDE[®] regimen (NALIRIFOX) demonstrated statistically significant improvement in overall survival in first-line treatment of patients with pancreatic ductal adenocarcinoma in Phase 3 clinical trial. On July 2023, Europe's European Medicines Agency (EMA) accepted the application for Type-II Variation of ONIVYDE[®] (similar to sNDA), for this, PharmaEngine received US\$2 million of sublicense revenue. In first-quarter 2024, the ONIVYDE[®] regimen (NALIRIFOX) for 1L PDAC has received sNDA approvals from the US, Australia, and Taiwan, and received positive opinion from Committee for Medical Products for Human Use (CHMP) of the European Medicines Agency (EMA).

PEP07, PharmaEngine's new product under development, demonstrated great potential and advancements in 2023. PEP07 is a potential best-in-class CHK1 inhibitor that has characteristics of high selectivity, high potency, and brain penetrating compared to its competitors. PharmaEngine licensed PEP07 from Sentinel Oncology in September 2022 and received approvals for Phase 1 clinical trial for hematologic cancers from competent authorities in Australia and Taiwan in 2023. In August of the same year, the first patient in the Phase 1 clinical trial for hematologic cancers received the first dosage. As for solid tumor cancers, PharmaEngine received approval from TFDA for PEP07 Phase I clinical trial for solid tumor cancers in September 2023 and Phase 1 clinical trial is scheduled to begin in the first half of 2024.

For other projects on the pipeline (PEP08, PEP09, and PEP10), we continued to adopt dynamic R&D methods such as combining AI, recruit professionals to strengthen our new drug R&D capabilities, and actively pursue partnerships through various channels to maximize R&D efficiency. In the best-case scenario for the aforementioned projects, we hope to further improve our operation excellence to simultaneously make headways and provide support for the advancements of in-house R&D projects.

Once again, we deeply appreciate our shareholders for your ongoing support in a macroeconomy with numerous uncertainties and along the long road of new drug development. To maximize the value of the Company for the benefit of our stakeholders, PharmaEngine will continue to practice the highly resilient business model, to stride steadily, and to devote ourselves in the field of oncology.

Appendix 2

The Review Report of Audit Committee

To Shareholders of PharmaEngine, Inc.

The 2023 Business Report, Financial Statements, and proposal for Distribution of Profits have been proposed by the Board of Directors. The foresaid Financial Statements have been audited and the unqualified audit report has been issued by the independent auditors, Yu, Shu-Fen and Liang Hua-Ling of PricewaterhouseCoopers.

The Business Report, Financial Statements, and proposal for Distribution of Profit have been reviewed by the Audit Committee and were deemed to be acceptable. Therefore, the Audit Committee hereby issues this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

PharmaEngine, Inc.

The Chair of Audit Committee

Ming-Daw Chang

February 29, 2024

Appendix 3

2023 Directors' Remuneration Table

Remuneration Paid to Directors and Independent Directors

Unit: NTS thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary						
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)										
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock		Cash	Stock	The company	Companies in the consolidated financial statements		
Chairman	Legal Representative: Jan-Yau Hsu	4,500	4,500	0	0	0	0	24	24	4,524	4,524	1.65	1.65	0	0	0	0	0	0	0	0	4,524	4,524	1.65	1.65	None
	TTY Biopharm Co., Ltd.	0	0	0	0	1,170	1,170	0	0	1,170	1,170	0.43	0.43	0	0	0	0	0	0	0	0	1,170	1,170	0.43	0.43	
Director	Legal Representative: Rui-wen Wu	0	0	0	0	0	0	84	84	84	84	0.03	0.03	0	0	0	0	0	0	0	0	84	84	0.03	0.03	None
	TTY Biopharm Co., Ltd.	0	0	0	0	1,170	1,170	0	0	1,170	1,170	0.43	0.43	0	0	0	0	0	0	0	0	1,170	1,170	0.43	0.43	
Director	Legal Representative: Wen-Hung Hsu	0	0	0	0	0	0	84	84	84	84	0.03	0.03	0	0	0	0	0	0	0	0	84	84	0.03	0.03	None
	TTY Biopharm Co., Ltd.	0	0	0	0	1,170	1,170	0	0	1,170	1,170	0.43	0.43	0	0	0	0	0	0	0	0	1,170	1,170	0.43	0.43	

Director	Legal Representative: Ming-Shiang Wu	0	0	0	0	0	0	84	84	84 0.03	84 0.03	0	0	0	0	0	0	0	0	84 0.03	84 0.03	None
	National Development Fund, Executive Yuan	0	0	0	0	1,170	1,170	0	0	1,170 0.43	1,170 0.43	0	0	0	0	0	0	0	0	1,170 0.43	1,170 0.43	
Director	Legal Representative: Yi-Hui Lin	0	0	0	0	0	0	60	60	60 0.02	60 0.02	0	0	0	0	0	0	0	0	60 0.02	60 0.02	None
	National Development Fund, Executive Yuan	0	0	0	0	1,170	1,170	24	24	1,194 0.43	1,194 0.43	0	0	0	0	0	0	0	0	1,194 0.43	1,194 0.43	
Director	Ming-Feng Hou	0	0	0	0	1,170	1,170	86	86	1,256 0.46	1,256 0.46	0	0	0	0	0	0	0	0	1,256 0.46	1,256 0.46	None
Independent Director	Chih-Li Wang	1,560	1,560	0	0	0	0	120	120	1,680 0.61	1,680 0.61	0	0	0	0	0	0	0	0	1,680 0.61	1,680 0.61	None
Independent Director	Ming-Daw Chang	1,560	1,560	0	0	0	0	120	120	1,680 0.61	1,680 0.61	0	0	0	0	0	0	0	0	1,680 0.61	1,680 0.61	None
Independent Director	Chien-Huang Lin	1,560	1,560	0	0	0	0	120	120	1,680 0.61	1,680 0.61	0	0	0	0	0	0	0	0	1,680 0.61	1,680 0.61	None

Appendix 4

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of PharmaEngine, Inc.

Opinion

We have audited the accompanying balance sheets of PharmaEngine, Inc. (the “Company”) as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

Accuracy of licensing revenue recognition

Description

The Company is mainly engaged in technology out-licensing. The licensing revenue amounted to NT\$489,122 thousand, constituting 64% of total operating revenue for the year ended December 31, 2023. Refer to Note 4(20) for the accounting policy on licensing revenue recognition and Note 6(14) for the details of royalty revenue. The Company recognizes revenue in accordance with the terms and conditions specified in each license contract. As the amount of revenue is significant, we considered the accuracy of licensing revenue recognition a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtaining management's policy on licensing revenue, and confirming whether the recognition of licensing revenue has complied with the internal control procedure.
2. Checking the contents of license contract, and confirming whether management's judgment on revenue recognition is in accordance with the terms of the contract and related accounting standards.
3. Confirming whether the recognition of revenue has proper supporting documents.

Existence of cash in banks

Description

The balance of cash and cash equivalents amounted to NT\$875,617 thousand, constituting 22% of total assets at December 31, 2023. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. As of December 31, 2023, time deposits that did not meet the definition of cash equivalents amounted to NT\$2,752,443 thousand, constituting 70% of total assets and were classified as financial assets at amortised cost. Given that cash in banks comprise a significant percentage of total assets, we considered the existence of cash in banks a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Confirming the special agreement on bank accounts with financial institutions including existence, rights and obligations.

2. Verifying whether the contact information of the bank is true and correct.
3. Obtaining bank reconciliation at end of period and checking unusual adjustments, and reviewing their nature and the reason that the unusual adjustments occurred in order to check the reasonableness of the reconciliation.
4. Inspecting the source documents of significant cash receipts and payments to verify whether the transactions are for business needs.
5. Conducting physical inspection of certificates of deposit.
6. Confirming whether the classification of time deposits is in compliance with the policy described in Note 4(5) or Note 4(7).

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

Yu, Shu-Fen

Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan
February 29, 2024

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PHARMAENGINE, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 875,617	22	\$ 1,768,859	45
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	55,591	1
1136	Current financial assets at amortised cost	6(3)	2,752,443	70	1,836,840	46
1140	Current contract assets	6(14)	108,606	3	91,424	2
1170	Accounts receivable, net	6(4)	65,566	2	68,914	2
1200	Other receivables		11,011	-	6,752	-
1220	Current tax assets	6(14)	86,400	2	56,756	2
130X	Inventories	6(5)	15,901	-	34,375	1
1410	Prepayments		7,476	-	6,573	-
11XX	Total current assets		<u>3,923,020</u>	<u>99</u>	<u>3,926,084</u>	<u>99</u>
Non-current assets						
1600	Property, plant and equipment, net	6(6)	3,355	-	3,586	-
1755	Right-of-use assets	6(7)	14,674	1	22,330	1
1780	Intangible assets		1,884	-	2,510	-
1840	Deferred income tax assets	6(22)	8,002	-	9,537	-
1900	Other non-current assets		2,984	-	2,495	-
15XX	Total non-current assets		<u>30,899</u>	<u>1</u>	<u>40,458</u>	<u>1</u>
1XXX	Total assets		<u>\$ 3,953,919</u>	<u>100</u>	<u>\$ 3,966,542</u>	<u>100</u>
Liabilities and Equity						
Current liabilities						
2200	Other payables	6(8)	\$ 75,321	2	\$ 69,942	2
2280	Current lease liabilities		7,666	-	7,537	-
2300	Other current liabilities		876	-	1,258	-
21XX	Total current liabilities		<u>83,863</u>	<u>2</u>	<u>78,737</u>	<u>2</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(22)	-	-	919	-
2580	Non-current lease liabilities		7,143	-	14,809	-
25XX	Total non-current liabilities		<u>7,143</u>	<u>-</u>	<u>15,728</u>	<u>-</u>
2XXX	Total liabilities		<u>91,006</u>	<u>2</u>	<u>94,465</u>	<u>2</u>
Equity						
Share capital						
3110	Common stock	6(11)	1,456,788	37	1,456,868	37
3170	Share capital awaiting retirement		(6)	-	-	-
Capital surplus						
3200	Capital surplus	6(12)	1,616,011	40	1,616,734	40
Retained earnings						
3310	Legal reserve	6(13)	301,870	8	279,652	7
3350	Unappropriated retained earnings		623,440	16	658,202	17
Other equity interest						
3400	Other equity interest		(1,780)	-	(5,969)	-
3500	Treasury stocks	6(11)	(133,410)	(3)	(133,410)	(3)
3XXX	Total equity		<u>3,862,913</u>	<u>98</u>	<u>3,872,077</u>	<u>98</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 3,953,919</u>	<u>100</u>	<u>\$ 3,966,542</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

PHARMAENGINE, INC.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)

Years ended December 31,

	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(14)	\$ 767,669	100	\$ 654,383	100
5000	Operating costs	6(5)(15)	(48,697)	(6)	(49,699)	(8)
5900	Gross profit		<u>718,972</u>	<u>94</u>	<u>604,684</u>	<u>92</u>
	Operating expenses	6(20)(21) and 9				
6100	Selling expenses		(38,538)	(5)	(45,104)	(7)
6200	General and administrative expenses		(92,971)	(12)	(94,953)	(14)
6300	Research and development expenses		(310,281)	(41)	(181,881)	(28)
6450	Expected credit impairment gain (loss)	12(2)	<u>1</u>	<u>-</u>	<u>(7)</u>	<u>-</u>
6000	Total operating expenses		<u>(441,789)</u>	<u>(58)</u>	<u>(321,945)</u>	<u>(49)</u>
6900	Operating profit		<u>277,183</u>	<u>36</u>	<u>282,739</u>	<u>43</u>
	Non-operating income and expenses					
7100	Interest income	6(16)	54,320	7	25,569	4
7010	Other income	6(17)	3,386	1	29,975	5
7020	Other gains and losses	6(2)(18)	3,395	-	54,259	8
7050	Finance costs	6(7)(19)	(310)	-	(77)	-
7000	Total non-operating income and expenses		<u>60,791</u>	<u>8</u>	<u>109,726</u>	<u>17</u>
7900	Profit before income tax		<u>337,974</u>	<u>44</u>	<u>392,465</u>	<u>60</u>
7950	Income tax expense	6(22)	(63,324)	(8)	(73,682)	(11)
8200	Profit for the year		<u>\$ 274,650</u>	<u>36</u>	<u>\$ 318,783</u>	<u>49</u>
8500	Total comprehensive income for the year		<u>\$ 274,650</u>	<u>36</u>	<u>\$ 318,783</u>	<u>49</u>
	Earnings per share (in dollars)	6(23)				
9750	Basic earnings per share		<u>\$ 1.91</u>		<u>\$ 2.22</u>	
9850	Diluted earnings per share		<u>\$ 1.91</u>		<u>\$ 2.22</u>	

The accompanying notes are an integral part of these financial statements.

PHARMAENGINE, INC.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Capital		Capital Reserves			Retained Earnings		Other Equity Interest	Treasury stocks	Total equity
		Common stock	Share capital awaiting retirement	Additional paid-in capital	Employee stock warrants	Employee restricted stock	Legal reserve	Unappropriated retained earnings	Unearned compensation		
Year ended December 31, 2022											
Balance at January 1, 2022		\$ 1,465,968	\$ -	\$ 1,559,003	\$ 60,930	\$ -	\$ 237,049	\$ 863,929	\$ -	(\$ 248,241)	\$ 3,938,638
Profit after income tax for the year ended December 31, 2022		-	-	-	-	-	-	318,783	-	-	318,783
Total comprehensive income		-	-	-	-	-	-	318,783	-	-	318,783
Retirement of treasury stocks		(10,000)	-	(10,635)	-	-	-	(94,196)	-	114,831	-
Employee stock options expired		-	-	22,163	(22,163)	-	-	-	-	-	-
Issuance of employee restricted stocks	6(10)	900	-	-	-	7,436	-	-	(8,336)	-	-
Compensation cost of employee restricted stocks	6(10)	-	-	-	-	-	-	-	2,367	-	2,367
Appropriations and distribution of 2021 retained earnings	6(13)										
Legal reserve		-	-	-	-	-	42,603	(42,603)	-	-	-
Cash dividends distributed to shareholders		-	-	-	-	-	-	(387,711)	-	-	(387,711)
Balance at December 31, 2022		\$ 1,456,868	\$ -	\$ 1,570,531	\$ 38,767	\$ 7,436	\$ 279,652	\$ 658,202	(\$ 5,969)	(\$ 133,410)	\$ 3,872,077
Year ended December 31, 2023											
Balance at January 1, 2023		\$ 1,456,868	\$ -	\$ 1,570,531	\$ 38,767	\$ 7,436	\$ 279,652	\$ 658,202	(\$ 5,969)	(\$ 133,410)	\$ 3,872,077
Profit after income tax for the year ended December 31, 2023		-	-	-	-	-	-	274,650	-	-	274,650
Total comprehensive income		-	-	-	-	-	-	274,650	-	-	274,650
Employee stock options expired		-	-	17,851	(17,851)	-	-	-	-	-	-
Compensation cost of employee restricted stocks	6(10)	-	-	-	-	-	-	-	3,380	-	3,380
Forfeited employee restricted shares pending for retirement due to resignation of employees		(80)	80	-	-	-	-	-	-	-	-
Capital adjustment due to resignation of employee – forfeited restricted stocks		-	(86)	-	-	(723)	-	-	809	-	-
Lifting of the restrictions on the new restricted employee shares		-	-	1,665	-	(1,665)	-	-	-	-	-
Appropriations and distribution of 2022 retained earnings	6(13)										
Legal reserve		-	-	-	-	-	22,218	(22,218)	-	-	-
Cash dividends distributed to shareholders		-	-	-	-	-	-	(287,194)	-	-	(287,194)
Balance at December 31, 2023		\$ 1,456,788	(\$ 6)	\$ 1,590,047	\$ 20,916	\$ 5,048	\$ 301,870	\$ 623,440	(\$ 1,780)	(\$ 133,410)	\$ 3,862,913

The accompanying notes are an integral part of these financial statements.

PHARMAENGINE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2023	2022
<u>Cash flows from operating activities</u>			
Profit before income tax for the year		\$ 337,974	\$ 392,465
Adjustments to reconcile net profit to net cash provided by operating activities:			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(1)	7
Depreciation	6(6)(7)(20)	8,396	8,172
Amortization	6(20)	626	439
Amortization of compensation cost of share-based payments	6(10)	3,380	2,367
Interest income	6(16)	(54,320)	(25,569)
Interest expense	6(19)	310	77
Gain on lease modification	6(7)(18)	-	(4)
Net gain on financial assets at fair value through profit or loss	6(2)(18)	(5,529)	(45,455)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Current contract assets		(17,182)	22,368
Accounts receivable, net		3,349	(22,236)
Other receivables		27	3,563
Inventories		18,474	(28,943)
Prepayments		(903)	(342)
Other current assets		-	76
Net changes in liabilities relating to operating activities			
Other payables		5,379	(2,052)
Other current liabilities		(382)	58
Cash provided by operations		299,598	304,991
Interest received		50,034	21,522
Income taxes refund		-	16,436
Income taxes paid		(92,352)	(140,859)
Interest paid		(310)	(77)
Net cash provided by operating activities		<u>256,970</u>	<u>202,013</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through profit or loss	6(2)	-	(85,000)
Proceeds from disposal of financial assets at fair value through profit or loss	6(2)	61,120	74,864
Increase in current financial assets at amortized cost	6(3)	(1,734,699)	(226,840)
Decrease in current financial assets at amortized cost	6(3)	819,096	53,000
Acquisition of property, plant and equipment	6(24)	(412)	(3,442)
Increase in intangible assets	6(24)	-	(502)
(Increase) decrease in refundable deposits (shown as 'other non-current assets')		(40)	5
Increase in other non-current assets		(546)	(200)
Net cash used in investing activities		<u>(855,481)</u>	<u>(188,115)</u>
<u>Cash flows from financing activities</u>			
Payments of lease liability	6(25)	(7,537)	(7,996)
Cash dividends paid	6(13)	(287,194)	(387,711)
Net cash used in financing activities		<u>(294,731)</u>	<u>(395,707)</u>
Net decrease in cash and cash equivalents		(893,242)	(381,809)
Cash and cash equivalents at beginning of year		1,786,859	2,150,668
Cash and cash equivalents at end of year		<u>\$ 875,617</u>	<u>\$ 1,768,859</u>

The accompanying notes are an integral part of these financial statements.

Appendix 5

Derivatives Trading Operation Procedures

(before the amendment of this shareholders' meeting)

December 24, 2020

I. Trading Principles

When engaging in derivatives trading, the Company shall prioritize risk hedging as the main objective. The selection of trading commodities shall primarily focus on avoiding risks generated from the Company's business operations. The currencies held must align with the actual foreign currency requirements arising from the Company's import and export transactions, and the overall internal positions (referring to foreign currency income and expenses) within the Company shall be naturally offset to reduce its overall foreign exchange risk and save foreign exchange operation costs. Hedge trade with amounts equal to or below ten million US dollars (inclusive) shall be submitted for approval from the chairperson of the board and retrospectively recognized at the nearest board of directors meeting. For amounts exceeding ten million US dollars, approval must be obtained from the board of directors before proceeding. Moreover, the Company does not engage in non-hedging trades.

II. Division of Powers and Responsibilities

(1) Financial unit

1. The financial unit shall be in charge of the operation of the aforementioned derivatives trading, collect market information on derivatives, assess trends and risks, and be familiar with various derivatives and operation techniques.
2. Periodic evaluation.
3. Periodic announcement and declaration.

(2) Accounting unit

1. Providing information on risk exposure positions.
2. Bookkeeping and preparation of financial statements based on generally accepted accounting principles.
3. Evaluation, supervision, and control of transaction risks.

III. Essentials of Performance Evaluation

The financial unit shall, on each contract's expiration trading day after the market close, use the realized net profit and loss positions as a basis for performance evaluation. It will then compare the gain and loss performance against the set trading objectives and conduct regular reviews.

IV. Total Transaction Contract Amount

The amount of hedge trades shall not exceed ten million US dollars. For amounts exceeding ten million US dollars, approval shall be obtained from the board of directors before proceeding.

V. Loss Limit

The loss limit for hedge trade contracts shall not exceed 20% of the contract amount, applicable to individual contracts and all contracts combined.

VI. Operational Procedures

(1) Authorization limit and level:

Level	Net Accumulated Trading Volume of Hedge Trade
Board of directors	US\$10 million or more
Chairperson	US\$10 million (inclusive)

(2) Executing unit:

Derivatives trading is conducted by the Finance and Administration Department, and all transactions should be carried out in accordance with the above-mentioned authorization limits.

VII. Workflow

	Responsible Department
(1) Once the trading position is determined and specific approach is decided, fill out the foreign exchange evaluation form and place an order with the financial institution after obtaining trading approval.	Financial unit
(2) Once the transaction is completed, pass to the delivery personnel and the bank to verify the accuracy of the forward foreign exchange transaction contract, and then notify the accounting unit.	Financial unit
(3) The confirming personnel review the above transaction documents and reconcile them monthly based on the forward foreign exchange undelivered statement provided by the financial unit.	Accounting unit
(4) The delivery personnel shall execute the delivery based on the documents confirmed by the confirming personnel at the end of the contract period and compile the "Unrealized Profit and Loss Assessment Form" for confirmation by the accounting unit at the end of each month.	Financial unit
(5) Recorded according to accounting operational procedures.	Accounting unit

(6) Compile the “Derivative Financial Product Trading Logbook” monthly for review by the accounting unit.	Financial unit
(7) Announcement in accordance with the reporting regulations of the Financial Supervisory Commission.	Accounting unit

VIII. Risk Management Measures

(1) Credit risk management:

Due to the market’s susceptibility to various factors, which can lead to operational risks in derivatives financial product transactions, market risk management shall be conducted based on the following principles:

A. Counterparties: Mainly composed of well-known domestic and foreign financial institutions.

B. Trading commodities: Limited to commodities provided by well-known domestic and foreign financial institutions.

(2) Market risk management:

Mainly focused on the publicly available foreign exchange trading market provided by banks, excluding consideration of the futures market for now.

(3) Liquidity risk management:

To ensure market liquidity, the selection of financial products prioritizes those with higher liquidity (i.e., can be offset in the market at any time). The financial institutions acting as agents must possess sufficient information and the ability to trade at any market at any time.

(4) Cash flow risk management:

To ensure the stability of the Company’s working capital turnover, the Company’s funding for derivatives trading is limited to using its own funds. Moreover, the transaction amounts shall consider the cash flow forecast for the next three months to meet the funding requirements.

(5) Operational risk management:

The Company shall strictly adhere to the authorized limits, operating procedures, and internal audits to avoid operational risks. The personnel engaged in the derivatives trading and the personnel involved in confirmation and settlement processes must not hold concurrent positions. The individuals responsible for risk measurement, supervision, and control shall be from separate departments from the aforementioned personnel and shall report to the board of directors or senior management personnel who are not directly responsible for trading or position decisions.

(6) Product risk management:

Internal trading personnel shall possess comprehensive and accurate professional knowledge regarding financial products and shall require banks to provide full disclosure of risks to avoid risks of misusing financial products.

(7) Legal risk management:

Documents signed with financial institutions shall be reviewed by specialized personnel in foreign exchange and legal or legal advisors before formal execution to avoid legal risks.

IX. Periodic Evaluation Method

Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

X. Principles of the board of directors' supervision and management, and handling of abnormal situations

The board of directors shall appoint senior management personnel to monitor and control the risks of derivatives trading at all times. The principles of management and handling of abnormal situations are as follow:

- (1) Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the Processing Procedures.
- (2) When abnormal circumstances are found in the supervising trading and profit-loss circumstances, appropriate measures shall be implemented and reported immediately to the board of directors. An independent director shall be present at the meeting and express an opinion.
- (3) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
- (4) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with the Processing Procedures.

XI. Establish a Logbook

The Company engaging in derivatives trading shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Article 9 and Paragraphs 1 and 3 of Article 10 shall be recorded in detail in the logbook.

XII. Announcing and Reporting Information

- (1) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the Market Observation Post System by the 10th day of each month.

(2) The Company's losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Processing Procedures adopted by the Company shall publicly announce and report the relevant information on the Market Observation Post System in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

XIII. Internal Audit

(1) Internal audit personnel shall periodically determine the suitability of internal controls on derivatives trading and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the processing procedures for engaging in derivatives trading, analyze trading cycle, and prepare an audit report. If any material violation is discovered, independent directors shall be notified in writing.

(2) Internal audit personnel shall, prior to the end of February of the following year, enter relevant declarations related to the implementation of the annual audit plan in conjunction with the internal audit report on the designated website of the competent authority. Moreover, they shall enter the status of improvement for abnormal matters on the website designated by the Securities and Futures Bureau no later than the end of May of the following year.

Appendix 6

Articles of Incorporation of PharmaEngine, Inc.

Section I General Provision

Article 1

The Company, PharmaEngine, Inc., is organized and existing under CHAPTER V Company Limited by Shares of the Company Act in the Republic of China.

Article 2

The scope of business of the Company are listed as follows:

1. IG01010 Biotechnology Services
2. I103060 Management Consulting Services
3. IC01010 Pharmaceuticals Examining Services
4. F601010 Intellectual property
5. F102170 Wholesale of Food and Grocery
6. ZZ99999 Any business not prohibited or restricted by laws, except those which are subject to special approval.
7. F208021 Retail sale of drugs or medicines
8. F108021 Wholesale of drugs or medicines
9. F108031 Wholesale of Drugs, Medical Goods

Article 3

The Company may provide endorsement and guarantee to other companies in accordance with the Operational Procedures for Endorsements and Guarantees of the Company.

Article 4

The total reinvestment amount of the Company may exceed forty percent of the Company`s paid-in capital. The investment will enter into effect after receiving the approval from the Board of Directors and being recorded in the Meeting Minutes of the Board of Directors.

Article 5

The Company has its head office located in Taipei, Taiwan, Republic of China. The branch offices of the Company may be established at various locations wherever and whenever the Company deems it necessary.

Article 6

The Company shall make public announcements in accordance with the Article 28 of the Company Act.

Section II Shares

Article 7

The total capital of the Company is One Thousand and Eight Hundred Million New Taiwan Dollars (NTD\$1,800,000,000), divided into 180,000,000 shares at Ten New Taiwan Dollars (NTD\$10) each, and may be paid-up in installments.

The Company may issue unpaid-up shares in accordance with the resolutions of the Board of Directors whenever needed.

Among the foresaid total capital, One Hundred and Fifty Million New Taiwan Dollars (NT\$150,000,000) are retained and divided into 15,000,000 shares for employees' stock options.

Article 8

Share certificates shall be in registered form, signed by three or more directors of the Company, and duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance.

The shares to be issued by the Company may be exempted from printing share certificates: however, the Company shall appoint a centralized securities custody enterprise institution to be responsible for the registration of such shares.

Article 9

Registration for transferring shares shall be suspended within 60 days before the annual meeting of shareholders, within 30 days before the interim meeting of shareholders, or within 5 days before the day on which dividend, bonus or any other benefit is scheduled to be paid by the Company.

Section III Meeting of Shareholders

Article 10

The regular meeting of shareholders shall be convened by the Board of Directors within six months after the close of each fiscal year. The interim meeting of shareholders shall be held in accordance with the laws or regulations of the Republic of China, whenever necessary.

Article 11

Unless otherwise provided in the relevant laws and regulations, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 12

If a shareholder is unable to attend a shareholder meeting, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney, which is

provided by the Company, in accordance with Article 177 of the Company Act and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 12-1

The chairman of the shareholders' meeting and the chairman of the board of directors shall be the same. In case that the chairman of the board of directors is absent from the shareholders' meeting, the chairman of the Board of Directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect an acting chairman of the Board of Directors among themselves.

Article 13

Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 13-1

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the meeting.

The distribution of the minutes of shareholders' meeting as required above may be affected by means of a public announcement.

The date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting shall be recorded in the minutes of shareholders' meeting. The minutes shall be kept persistently throughout the life of the Company.

The attendee list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year. If a lawsuit has been instituted by a shareholder in accordance with the provisions of Article 189 of the Company Act hereof, the minutes of the shareholders' meeting involved shall be kept by the Corporation until the legal proceedings of the foregoing lawsuit have been concluded.

Article 14

To revoke the publicity of the Company, the Company shall obtain a resolution at a shareholders meeting. This Article shall not be changed during the emerging and listed (TWSE/GTSM) period of the Company.

Section IV Directors

Article 15

The Company shall have seven to nine Directors who shall be elected by the shareholders' meeting from the list of director candidates in accordance with the candidate nomination system for the election adopted by the Company. The term of office of a Director shall not exceed three years; but he/she may be eligible for re-election.

The Company shall adopt the open-ballot, cumulative voting method for the election of the Directors.

Article 15-1

At least two independent Directors of the Company shall be existed among the number of Directors mentioned in the preceding Article, and the numbers of such independent Directors shall not be less than one-fifth of the total number of Directors.

The election of independent Directors and Directors shall be held together; provided, however, the number of independent Directors and Directors elected shall be calculated separately.

The qualifications, shareholding, participation in other business restricted, nomination, election and any other matters of the independent Directors shall meet the requirements as specified by the authority in charge of securities affairs.

Article 15-2

The Board of Directors may set up various Commissions with respect to the functions of audit, remuneration and others. The Audit Committee shall comprise all the independent directors. The responsibilities, regulations, power and other compliance requirements of the foresaid Audit Committee shall comply with relevant rules and regulations of the authority in charge of securities affairs and the Company.

Article 16

In case that no election of new Directors is held before or right after the expiry date of the term of office of existing directors, the term of office of the original directors shall be extended until the new directors are elected and assumed their offices.

Article 17

When the numbers of vacancies of the Board of Directors of the Company reach one third of the total numbers of directors, the Board of Directors shall call a special meeting of shareholders to elect the succeeding directors to fill the vacancies in accordance with the Company Act. The term of office of the succeeding directors shall be restricted to the remaining term of office of the original directors.

Article 18

The Meeting of the Board of Directors shall be held at least once per quarter. The Company shall provide a notice with the subject(s) to be discussed at the meeting to each Director no later than 7 days prior to the scheduled meeting date while convening the meeting of the Board of Directors. Notwithstanding the foregoing, in the case of any emergent event, such meetings can be convened at any time.

The foresaid notice can be circulated by means of documents, fax or electronic transmission.

Article 19

The Board of Directors shall consist of the directors. A chairman and a vice chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting which over two-thirds of the directors attend.

The chairman of the Board of Directors shall have the authority to represent the Company.

In case that the chairman of the Board of Directors is on leave or cannot exercise his power and authority for any cause, the proxy of the chairman shall be designated in accordance with the Article 208 of the Company Act.

Article 20

Each director shall attend the meeting of the Board of Directors in person unless as otherwise in accordance with the provisions of Article 205 of the Company Act thereof, a director may be represented by another director. In case a meeting of the Board of Directors is proceeded via visual communication network, the Directors participating in such a visual communication meeting shall be deemed to have attended the meeting in person. If a director is unable to attend a Board Meeting, he/she may appoint a proxy to attend a Board Meeting on his/her behalf by executing a power of attorney to the proxy; however, each director shall be restricted to accept an appointment to act as the proxy only.

Unless otherwise provided in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 20-1

In order to reduce the risk of directors arising from shareholders or other related parties to institute an action against directors due to executing their duties, the Company may purchase the liability insurance for the directors.

Article 20-2

The Company shall pay remuneration to the directors for their services, regardless the Company made a profit or sustained a loss. The remuneration for the directors shall be determined by the Board of Directors in consideration of the extent of participation of the directors and the value of the services provided by the directors for the management of the

Company and the general standard of the same industry. In case the Company generates earnings in a certain year, the Company shall allocate the remuneration subject to the provisions set forth in Article 25 of these Articles.

Article 21

Unless otherwise provided in the Company Act, the power of the Board of Directors is listed as follows:

- (1) To propose the amendments to this Articles of Incorporation;
- (2) To determine the operational policy, to review the business plan and to monitor the implementation of the business plan;
- (3) To determine the budget and the final account;
- (4) To draft and amend the internal regulations and organization charter of the Company;
- (5) To approve a reinvestment or joint ventures, or the assignment of the shares of the reinvestment or joint ventures;
- (6) To review the fund borrowed;
- (7) To approve the endorsement and guarantees to other companies;
- (8) To propose the assignment, sell, lease, pledge, mortgage or disposition or any other way of acquisition and disposal for the whole or any essential part of the Company's assets;
- (9) To elect the chairman of the Board of Directors;
- (10) To approve the appointment, discharge of the Chief Executive Officer and the technical team, as well as their compensation;
- (11) To appoint or discharge of a certified public accountant and lawyers;
- (12) To appoint and discharge of the underwriters and co- underwriters of IPO;
- (13) To setup and dissolve branch offices;
- (14) To implement any other power in accordance with the Company Act or the resolution of a shareholders meeting;
- (15) To approve the important technical skills and the acquisition, transfer, pledge, license, lease or disposal of patent right, trademark right and copyright of the Company as well as major technique collaboration contracts; and
- (16) To implement all matters not provided for in this Articles but set forth in the relevant regulations or laws.

Article 22 (Deleted)

Section V Managerial personnel

Article 23

The Company may appoint one or more managerial personnel. The appointment, discharge and the remuneration of the managerial personnel shall be made in accordance with the Article 29 of the Company Act.

Section VI Accounting

Article 24

The fiscal year of the Company shall be from January 1 to December 31 of each year. The Company shall close accounts at the end of the year. At the close of each fiscal year, the Board of Directors shall prepare the following statements and records which shall be forwarded to the Audit Committee for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders:

1. the business report;
2. the financial statements; and
3. the surplus earning distribution or loss off-setting proposals.

Article 25

The Company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as the legal reserve, and set aside another sum as the special reserve, whenever necessary. The rest of the distribution ratio shall be proposed by the Board of Directors to the Shareholders' Meeting for resolution.

In the case that any earnings is retained in a certain year, the Board of Directors shall resolve the employee compensation ranged from 1% to 10% of the profits and Director compensation ranged not more than 2% of the profits. However, in the case that any accumulated loss is remained, the Company shall reserve a certain amount to offset such losses and report to the Shareholders' Meeting.

The employee compensation may be made either by stock or by cash. The employees, who are distributed stock or cash to, may include the employees of its subsidiaries of the Company who satisfy certain specified conditions.

The profits retained in certain year, which are specified in the Item 1 of this Article, means a number which is obtained by the net income before income tax deducted out of the employee compensation and Board compensation.

Article 25-1

The distribution of dividend shall be considered on the basis of the factors of company profits, capital and financial structure, future operational requirements, the accumulated surplus and statutory reserves, market competition and etc. by the Board of Directors at the end of each fiscal year. The Board of Directors shall propose a surplus allocation motion, draw a resolution and submit them to the regular shareholders' meeting for resolution.

For improving the financial structure of the Company and taking into account the interests of investors, the Company shall adopt a balance dividend policy to distribute the cash dividend at the rate over 10% of total distribution.

Section VII Supplemental Provisions

Article 26

The organization charter of the Company and its detail procedures shall be determined by the Board of Directors.

Article 27

Regarding any matters not provided for in these Articles, the Company Act and other relevant laws and regulations shall govern.

Article 28

This Article of Incorporation was established on August 1, 2002.

The first Amendment was entered into force as of January 5, 2003.

The second Amendment was entered into force as of June 18, 2003.

The third Amendment was entered into force as of September 17, 2004.

The fourth Amendment was entered into force as of June 30, 2006.

The fifth Amendment was entered into force as of June 24, 2010.

The sixth Amendment was entered into force as of June 29, 2011.

The seventh Amendment was entered into force as of November 28, 2011.

The eighth Amendment was entered into force as of June 28, 2012.

The ninth Amendment was entered into force as of June 11, 2014.

The tenth Amendment was entered into force as of June 15, 2016.

The eleventh Amendment was entered into force as of June 13, 2017.

The twelfth Amendment was entered into force as of May 27, 2022.

Jan-Yau Hsu

Chairman

PharmaEngine, Inc.

Appendix 7

Rules of Procedure for Shareholders Meetings

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
2. A sign-in booklet has been installed for shareholders to sign in or shareholders are required to bring their attendance certification to attend the meeting. The number of shares in attendance shall be based on the sign-in booklet, the number of sign-in cards submitted and the enforcement of electronic voting.
3. Attendance and votes of Shareholders' Meetings shall be counted based upon the number of shares in attendance.
4. The location of Shareholders' Meetings shall be either where the Company is located or any other place deemed convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meetings shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date. The location and time shall well-considered the standpoint from independent directors.
5. The Board of Directors shall call the Shareholders' Meetings. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors is not available for the meeting then the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman appoints no designee. Other than the Board of Directors, a person entitled by law to call a Shareholders' Meeting shall preside over the meeting.
6. The Company may designate legal attorneys, certified public accountants, or other related persons to attend the meetings. Persons handling affairs of the Meeting shall wear identification cards or badges.
7. Shareholders' meeting shall be taped or recorded, and any tape or recording shall be preserved for at least one year.

8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted and the shareholders present at the Meeting represent no more than one - third of the total outstanding shares, Chairman shall cancel the Meeting. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act of the Republic of China. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. However, in the event that the Chairman adjourns the Meeting, the shareholders cannot designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.
10. When a shareholder (or their respective representatives) present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder (or their respective representatives) present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise

permitted by the chairman and the shareholder (or their respective representatives) in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

11. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates all the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.
12. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a Company shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.
14. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate and arrange with ample of time for voting.
15. The chairman shall appoint ballot inspectors and calculation officials, and the inspectors must possess shareholder status. The counting of vote for the Ballots or Election shall be took place in the public area of venue, and the result with voting right shall be announced on the spot after counting of vote and recorded in the meeting.
16. During the Meeting, the chairman may, at his discretion, set time for intermission.
17. Unless otherwise provided for in the Company Act or Company Rules, a motion approved by more than one-half of the votes constitutes final approval. The chairman rules that a resolution may be decided by either a vote or by asking for objections.
18. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

19. The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.
20. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision. These rules were determined by June 29th, 2011. The first Amendment was entered into force as of August 26th, 2021.

Appendix 8

Current Shareholding of Directors

1. The minimum shareholding required for all Directors by law are listed as follows:

Position	Required shares by law	Shares on the book closure date (Not included Independent Directors)
Directors	8,740,694	48,452,462

Note: Book closure date: March 26, 2024

2. Current Shareholding of Directors

Position	Name	Shares	Remarks
Chairman	Jan-Yau Hsu Legal Representative of TTY Biopharm Co., Ltd.	25,866,808	
Director	Rui-Wen Wu Legal Representative of TTY Biopharm Co., Ltd.	25,866,808	
Director	Wen-Hung Hsu Legal Representative of TTY Biopharm Co., Ltd.	25,866,808	
Director	Ming-Shiang Wu Legal Representative of National Development Fund, Executive Yuan	22,585,654	
Director	Yi-Hui Lin Legal Representative of National Development Fund, Executive Yuan	22,585,654	
Director	Ming-Feng Hou	0	
Independent Director	Ming-Daw Chang	0	
Independent Director	Chien-Huang Lin	0	
Independent Director	Chih-Li Wang	3,021	

Note 1: Book closure date: March 26, 2024