



Taiyen Biotech Co., Ltd.
2021 Shareholders' Meeting
Handbook

Date: June 25, 2021

Location: No. 297, Section 1, Jiankang Road, South
District, Tainan City

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Agenda for the 2021 Annual General Meeting of Taiyen Biotech Co.

Date: Friday, June 25, 2021 at 10:00 a.m.

Location: No. 297, Section 1, Jiakang Road, South District, Tainan City (Great Auditorium of the Headquarters)

Agenda:

- A. Call to Order
- B. Speech by Chairperson
- C. Reporting Issues
 - I. The Company's Annual Business Report for 2020.
 - II. The Audit Committee has reviewed the Company's 2020 Annual Report on Operations.
 - III. Report on 2020 remuneration distribution for employees and directors
 - IV. Report on the revision of the code of ethical conduct for directors and level 1 managers and above of the company.
- D. Recognizing Issues
 - I. The Company's Annual Business Report for 2020 and individual and consolidated financial statements.
 - II. The Company's distribution of earnings for 2020.
- E. Issues to be Discussed
 - I. An amendment to the “Procedures for Acquisition or Disposal of Assets.”
- F. Extempore Motion
- G. Meeting Adjourned

Reporting Issues:

Case 1: The Company's Annual Business Report for 2020. (Proposed by the board of directors)

Description:

- I. The Company's Annual Business Report for 2020 (please refer to Attachment 1).
- II. This proposal has been considered and approved by the Board of Directors at the 13th Meeting of the 12th Session of the Board of Directors on March 23, 2021.

Case 2: The Audit Committee has reviewed the Company's 2020 Annual Report on Operations.

Description: (Proposed by the board of directors)

- I. The company's annual business report for 2020, the proposed distribution of earnings, and the financial statements audited and certified by Tseng, Yu-Che and Li, Fang-Wen, Certified Public Accountants of Ernst & Young, have been reviewed and approved by the Audit Committee.
- II. The audit report of the Audit Committee is attached (please refer to Attachment 2).

Case 3: Report on 2020 remuneration distribution for employees and directors.

Description: (Proposed by the board of directors)

- I. In accordance with Article 35(1) of the Company's Articles of Association, "If the Company makes a profit in a year, it shall set aside 2.25% to 3.75% as remuneration to its employees and 1.5% or less as remuneration to its directors, to be distributed equally to the directors (excluding independent directors) in office at the end of that year. If the Company has accumulated losses, it shall reserve an amount for employee compensation. The distribution of remuneration paid to employees and directors and supervisors shall be adopted by a resolution by a majority

voting of the directors present at the Board meeting attended by two-thirds of the directors and reported in the shareholders' meeting.”

- II. The Company's pre-tax profit before distribution of employee and director compensation for fiscal 2020 was \$478,178,564, which was allocated 3.75% to employee compensation (amounting to \$17,931,696) and 1.5% to director compensation (amounting to \$7,172,678).
- III. The aforementioned allotment amount was submitted to the Fourth Salary and Compensation Committee of the Company on March 5, 2021 for consideration and approval, and was approved by the Thirteenth Meeting of the Twelfth Session of the Board of Directors on March 23, 2021.

Case 4: Report on The Revision of The Code of Ethical Conduct for Directors and Level 1 Managers and Above of the Company.

Description: (Proposed by the board of directors)

- I. In accordance with Article 14-4 of the Securities and Exchange Act and the Financial Supervisory Commission's letter No. 10200531121 dated December 31, 2013, the Company established an Audit Committee in place of the Supervisors in the 12th Board of Directors' Meeting.
- II. The resolution was approved by the 13th meeting of the 12th Board of Directors on 23 March 2021.
- III. Please find attached a table comparing the amended provisions of the Code of Ethics for Directors and Level 1 Managers and above with the original provisions (please refer to Attachment 3).

Recognizing Issues:

Case 1: The Company's Annual Business Report for 2020 and the Company's individual and consolidated financial statements are submitted for recognition.

Description: (Proposed by the board of directors)

- I. The Company's 2020 annual financial statements have been audited by Tseng, Yu-Che and Li, Fang-Wen, Certified Public Accountants of Ernst & Young, and an audit report has been issued.
- II. Please find attached the Annual Business Report for 2020 (please refer to Attachment 1), the Accountants' Audit Report and the Financial Statements (please refer to Attachment 4).

Resolution:

Case 2: The Company's distribution of earnings for 2020 is proposed for recognition.

Description: (Proposed by the board of directors)

- I. The Company's net income after tax for fiscal 2020 is NT\$365,085,522, adjusted for actuarial loss on pension of NT\$4,371,020 and unappropriated earnings of NT\$54,815,967 at the beginning of the year of consolidation. The earnings available for distribution for the year amounted to NT\$415,530,469 and were distributed in accordance with Article 35-2 of the Company's Articles of Incorporation as shown in the accompanying statement of appropriation of earnings.
- II. The cash dividends are intended to be distributed at NT\$1.35 per share and will be paid up to the dollar amount (rounded up to the nearest dollar), with the total amount of the deficiency included in other income of the Company.
- III. In recent years, the Company has initiated the renewal of equipment and new construction projects to improve the efficiency of various plants. The estimated capital

expenditure for 2021 is NT\$450 million, and with the retention of \$490 million from previous years, the estimated capital expenditure for 2021 will reach NT\$940 million. The main project is the upgrading of the Taiyan Tongxiao plant - steam and electricity co-generation system, which is estimated to cost approximately NT\$500 million. Therefore, the surplus distribution will be partially reserved for actual working capital requirements. The operating and environmental impacts of the distribution are as follows:

(I) Impact of operational development.

The cogeneration system is an important piece of equipment to produce refined salt and packaged water, and in 2020, the revenue will be \$3,130,347,000. Among them, the refined salt and packaged water revenue of Taiyan's Tongxiao refined salt plant accounted for 54% of the revenue. Due to the age of the original steam and electricity co-generation system, the efficiency of the equipment has been significantly reduced. In the event of a breakdown, the entire plant would not be able to supply electricity and steam, which would prevent the smooth production of salt and packaged water. This will affect the core business of Taiyen.

(II) Environmental protection impact.

The steam and electricity co-generation system will improve the energy conversion efficiency of natural gas, which will not only save costs, but also reduce the amount of natural gas used, thus achieving energy saving, carbon reduction and sustainable development.

IV. Please find attached a copy of the FY2020 profit distribution table (please refer to Attachment 5).

Resolution:

Issues to be Discussed:

Case 1: The amendment to “Procedures for Acquisition or Disposal of Assets.”

Description: (Proposed by the board of directors)

- I. The Company's original investment in Taiyen Green Energy Co. was NT\$200,000,000, which was increased by the Company's subscription of new shares issued by Taiyen Green Energy Co. in March 2020 due to the Company's plan to list and issue new shares in cash (Current investment in Taiyen Green Energy totals NT\$235,615,500). In order to increase the flexibility of the Company's investment funds and to meet the current demand, the Company has revised the "Procedures for Acquisition or Disposal of Assets".
- II. This proposal has been considered and approved by the Audit Committee and the Board of Directors and should be submitted to the shareholders' meeting for approval in accordance with the law.
- III. Please find attached the table of amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets" of the Company and the original provisions (please refer to Attachment 6).

Resolution:

Extempore Motion

Business Report

I. Operating Results for 2020

(I) Implementation of Business Plan

In the past year, thanks to the concerted efforts of all our employees, Taiyen's consolidated operating revenue reached \$3,130,347,000 in FY2020, an increase of 7.7% over FY2019, and the consolidated gross profit was \$1,307,592,000. The consolidated net profit for the current period was NT\$374,589,000; the net profit attributable to the parent company was NT\$365,085,000, an increase of 5.67% from the 2019.

According to the Financial Supervisory Commission's request that listed food companies should prepare a "Corporate Social Responsibility Report" by the end of 2020, the Company prepared our "Corporate Social Responsibility Report" within the deadline and won the 2020 Corporate Sustainability Report Awards - Gold. The Company will continue to advance corporate sustainability.

Unit: NT\$1,000

Item \ Year	2020	2019	Increase/Decrease	
			Amount	%
Revenue	3,130,347	2,906,615	223,732	7.70
Operating Costs	1,822,755	1,696,299	126,456	7.45
Gross Profit	1,307,592	1,210,316	97,276	8.04
Operating Expenses	844,271	790,558	53,713	6.79
Operating Income	463,321	419,758	43,563	10.38
Non-operating Income	718	8,789	(8,071)	(91.83)
Net Income before Tax	464,039	428,547	35,492	8.28
Income Tax Expense	89,450	83,044	6,406	7.71
Net Income	374,589	345,503	29,086	8.42
Net Income Attributable to the Parent Company	365,085	345,503	19,582	5.67

(II) Profitability Analysis

Item	2020	2019
Return on Assets (%)	4.90%	4.65%
Return on equity (%)	5.98%	5.61%
Ratio of Operating Income to Paid-up Capital	23.16%	20.98%
Ratio of Net Income before Tax to Paid-up Capital	23.20%	21.42%
Net Profit Margin	11.96%	11.88%
Net Profit per Share after Tax (NT\$)	1.83	1.73

(III) Implementation of Research and Development:

In addition to the launch of new products, six products, including "Marine Small Molecule Water", "Himalayan Hand-Picked Rose Salt" and "Taiyen Herbal Root Care Toothpaste", were also recognized with major domestic and international awards.

The purpose of our research and development, as described below, is to provide safe products that meet the consumers' needs.

1. Research and development of new products

- (1) Beauty care products: We have strengthened our product competitiveness with our core technology, and completed the upgrade of three products in the Green MÉDECURA "Whitening Series" and the "Ultra-advanced Collagen Remover", and continued to focus on strengthening the "MÉDECURA" and "Taiyen Beauty" product lines. MÉDECURA has completed the development of two new products, "MED All-in-One Lightwave Serum" and "MED Original Whitening Lightwave Serum", and upgraded two long-selling products; Beauty has completed the development of "Gold Obsidian Cleansing Soap" with its exclusive Superconducting Water combined with gold soap technology, which is unique in the market.
- (2) Cleaning products: Integrating the needs of the target consumers and market trends, we completed the development and launch of the new products "Silk Ecolab 60 Shampoo (Volumizing)", "Collagen Beauty Research Whitening Hand Cream" and "SUPER Protective Intimate Skin Cleansing Lotion", and developed the "SUPER Protective Dry Hand Wash" and "BathMagic Sea Salt Antibacterial Hand Wash" at the beginning of the COVID-19 epidemic. The new product is an effective deterrent to the epidemic spread. The epidemic has directly changed daily life, and with public awareness of epidemic prevention and an increasing proportion of online purchases, the post-epidemic era will see the creation of more high-quality and effective antibacterial protection products to continue to protect consumer health.
- (3) Health food products: With our unique core competency and market demand, we have invested in further research of our own raw materials and products, and completed the development and launch of two trendy products, namely "Glucosamine Peptide Drink" and "Collagen Powder Phytogenic Brightening Edition", to enhance the competitive edge of our products in joint mobility and skin care. In addition, the "Hard Feminine Tablet" was certified as a "Health Food - Bone Health Function", which has the effect of slowing down bone loss, providing consumers with mobility care for joint and bone integrity.
- (4) Salt products: In line with the diversified needs of the salt market, we have selected imported salt products with good taste and quality, and launched the new products "Himalayan Rose Salt" and "Mediterranean Eco Sea Salt" to meet consumers' preferences.

2. Development of technology

The Company continued the extensive development of collagen applications and effects such as a new generation of reviving ingredients that induce skin's self-healing ability to amplify consumers' skin care. In

addition, a collagen application other than skin care was also developed for hair fitness treatment in hopes of improving consumers' hair loss issues and uplifting their confidence. In addition to collagen from fish scales, the Company has obtained a natural calcium and phosphorus compound (hydroxyapatite) that has proven to have an effect of demineralizing tooth enamel and expects to develop oral care products with this ingredient. Our Type II Collagen has been patented in the Republic of China. Ahead of other industry players in the market, we have achieved remarkable results in preliminary animal testing for osteoarthritis treatments.

3. Awards

The Company's products have received repeatedly awards at home and abroad for our insistence on "safety, efficacy, and quality." We conform to international standards in terms of research and development, quality management, and branding, and our products are widely trusted and well received by consumers. In 2020, Taiyen Herbal Root Care Toothpaste was awarded the 2021 Taiwan Excellence Award for its application of the core HAP ingredient in the four professional categories of R&D, Design, Quality and Marketing, demonstrating the company's innovative energy. In addition to the Taiwan Excellence Award, the other awards received in 2020 are summarized below.

- (1) 2020 Monde Selection European International Quality Assessment Organization Competition: "Lumiel Ultra Advanced Collagen Revitalizing Lotion" and "Silk Econ 60 Phyto collagen Peptide Hair Treatment" won the Gold Award.
- (2) 2019~2020 French Beauty Awards: "Lumiel Super Reversal Platinum Treatment Serum" won the Best Innovation Award.
- (3) 2020 International Taste Competition (formerly ITQI): "Small Marine Living Water" won the highest 3-star award for Outstanding Taste, while "Himalayan Rose Salt", "Mediterranean Sea Salt" and "Marine Salty Ionized Water" all won 2-star awards for Outstanding Taste.

4. Protection of intellectual property

In 2020, the Company was granted a patent for an invention in the Republic of China for "a compound with granulomatous regeneration, promotion of collagen production and anti-ageing effects". The patent for "High purity undenatured collagen and method of its manufacture" is pending in China, Thailand and Japan. The Company will continue to protect the intellectual property for technologies that can effectively enhance product competitiveness and brand value.

5. Certification by Taiwan Accreditation Foundation

Our food, salt, and cosmetics have passed major inspections prescribed in related laws and regulations. In response to increasingly stringent regulations and standards, the Company will continue to develop more precise test methods in order to improve our quality control and corporate image.

II. Effect of External Competition, Legal Environment, and Overall Business Environment

In the face of intense competition, the Company has kept abreast of the economic growth and market changes at home and abroad and completed a brand optimization project at a cost of NT\$100 million. This year, the Company continued

strengthening consumer communication and experiential marketing and expanding channels of distribution to increase revenue. In response to statutory requirements and changes in the business environment, ongoing efforts are made to promote food safety management and product innovation. In 2019, the Audit Committee was established to further the implementation of corporate governance. On the part of corporate social responsibility, the Company continues to promote circular economy. Our subsidiary, Taiyen Green Energy Co., Ltd., is working with solar power plants to promote "fishery and electricity symbiosis."

In terms of the overall economy, according to the general forecasts of the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD), the General Accounting Office of the Executive Yuan and the Taiwan Institute of Economic Research, the global economy will grow between 4.2% and 5.5% in 2021, reversing the -4.2% to -3.5% growth rate of 2020. However, the economic outlook is also subject to risks arising from the direction of the new US President's economic and trade policies, the European and US siege on China, the huge global debt, the ability to effectively control the epidemic, and geopolitical risks.

Overall, Taiwan's domestic demand and external demand are expected to improve in 2021 as a result of positive vaccine development and the gradual recovery of national economies, and domestic economic growth is expected to continue to rise. The General Accounting Office of the Executive Yuan, the Taiwan Institute of Economic Research and the Chinese Institute of Economic Research forecast Taiwan's GDP growth rate to be 3.73%~4.64% in 2021, up from 1.9%~2.54% in 2020.

III. Future Development Strategy

The Company's business strategy will continue to focus on marine biotechnology as the main axle of development and make Salt Taiwan a leader in this field.

In our future development strategy, we will continue to consolidate our leading position in the salt water market, develop biotechnology trend products, actively expand multiple channels, and promote the internationalization of our brand to accelerate the development of overseas markets. The Company will continue innovating and optimizing products based on consumers' needs. With the most rigorous and forward-looking expertise, we expect to improve people's quality of life and taste and to promote the idea of "holistic health" in Taiwan and around the world.

IV. Summary of Business Plan for 2021

(I) Business Policy

The Company will take the following measures to implement the business policy: "increases in revenue, profits, and operational efficiency".

1. Sales

- (1) With increased concern about food safety and stricter government regulations, the Company will encourage agricultural and fishery product processing, feed, and pickling businesses to use our food processing salt or refined salt in order to increase our share in the food processing market. Based on consumers' needs, new products will be rolled out via GT and online to increase the sales of food-grade salt and to secure our brand as a market leader.
- (2) At present, "Taiyen Ocean Alkaline Ion Water" leads in the functional bottled water market in Taiwan. The Company will promote the brand

value and expand channels of distribution both online and offline in order to further increase market share and revenue. As to our second popular product, "Small Molecule Ocean Water," we will continue developing channels of distribution with the existing brand power to increase market share and revenue.

- (3) In terms of cosmetics, Lumiel, Taiyen Beauty, and MÉDECURA lines have different customer segments. We will consolidate the core and uniqueness of each line and increase market share through integrated online and offline channels. Regarding cleaning products, we plan to increase the visibility and turnover of our toothpaste, BATHMAGIC, and EZ Health Plus lines to seize business opportunities. Our health products focus on osteoarthritis. We expect to maintain the sales of health products via online and TV shopping channels.
- (4) We will work with our franchise partners to make a qualitative change in channel management. In addition to classifying franchise partners for rewarding or counseling purposes, we will organize more marketing campaigns to increase market penetration, brand value, and competitiveness. We are actively building up multiple channels, with the Key Account channel operating directly, establishing an online shopping website, and collaborating with distributors or channels with marketing capabilities to integrate resources to expand the market.
- (5) In terms of export, the Company will work with local dealers and agents to expand business opportunities in China. We also expect to develop markets in the Association of Southeast Asian Nations (ASEAN) in cooperation with businesses in Singapore, Thailand and Vietnam.

2. Production

- (1) We will take a full evaluation of the product benefits and reduce slow moving inventory to improve inventory turnover.
- (2) We will consider using online monitoring equipment and artificial intelligence (AI) to improve process management, productivity, and quality, to increase OEM orders, and to evaluate the cost-effectiveness of each factory

3. Management

- (1) In line with the business strategy, the Company will use manpower flexibly and effectively to drive business growth and productivity. Through restructuring and manpower adjustment, the Company expects to make various reforms to integrate corporate resources and to improve operational performance.
- (2) By implementing key performance indicators (KPI) and an employee evaluation system, as well as pay adjustments and bonuses, the Company expects to increase the linkage between compensation and individual performance and business performance.
- (3) In response to the new pneumonia epidemic, we are fully in line with the policies and regulations of the Central Epidemic Command Centre, restricting staff from travelling abroad, suspending large indoor gatherings, implementing cleaning and disinfection of all units/places, and requiring all units to strengthen body temperature measurement and wearing of masks, as well as making advance preparations for epidemic prevention to ensure the safe and normal operation of the enterprise.

(II) Sales Volume Forecast for 2021 and Its Basis

The sales volume forecast for major lines of business is as follows:

Item \ Year	Sales Volume Forecast for 2021	Unit
Salt	290,000	Metric ton
Bottled Water	90,000	Metric ton
Cosmetics	960,000	Bottle/Box/Set
Cleaning Products	3,100,000	Bottle/Box/Set
Health Food	960,000	Bottle/Box/Set

Note: The sales plan is made based on the production capacity and market changes:

1. The sales forecast on salt is made based on the average monthly sales in 2020.
2. The sales forecast on bottled water is made based on the estimated delivery volumes of system distributors, franchisees, and regular chains.
3. The sales forecast on biotech products, which include skin care products, cleaning products, and health foods, is made based on the estimated delivery volumes of franchisees, system distributors, and regular chains.

(III) Production and Sales Policy

Based on different business models, the Company's production strategy is generally classed as inventory-based (salt), plan-based (bottled water, skin care products, health products, and cleaning products), and order-based (customized products) production. The Company implements inventory management to meet market demand and prompt and proper supply and to effectively reduce inventory costs.

V. Conclusion

Over the past 60 years, the Company has grown with Taiwan's economy. We always operate with innovation and excellence and view them as our core values. We are responsible for ensuring the stable supply of salt and the economic development in Taiwan. With an aim improving people's health and vitality with ocean energy, we have also developed bottled water, skin care products, cleaning products, and health products, as well as the Cigu Salt Plant and Tung-Hsiao Tourism Park. Repeated award-winning experience gives an indication of the Company as a professional and reliable brand.

In the face of a fast-changing market, we will continue to develop in the Taiwan market based on our existing corporate strengths, and use our quality strengths to pursue cooperation projects in Southeast Asian countries.

Upholding integrity, dedication, and heritage as our corporate culture, we take care of consumers' beauty and health responsibly and are committed to creating a clean and carefree environment in the best interest of our shareholders. In response to global trends and the government policy, Taiyen Green Energy Co., Ltd. a solar photovoltaic business, was established to promote clean, sustainable solar power. By developing new-generation energy, the Life Service Corporation, Ltd. hopes to make the communities and the nation clean.

Chairman:



Managerial officers:



Head of accounting:



Taiyen Biotech Co., Ltd.
Audit Report of the Audit Committee

The Board of Directors has audited the financial statements of the Company's 2020 annual report on operations, the proposed distribution of earnings, and the financial statements of Ernst & Young Associates, Inc. and its subsidiaries, which have been examined by the Audit Committee and found to be in order. We respectfully submit our report in accordance with Rule 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

Sincerely,

The 2021 Annual General Meeting of Shareholders of the Company

Taiyen Biotech Co., Ltd.
Convenor of the Audit
Committee: Huang, Shun-Tien

March 22, 2021

Comparison of the Amended Code of Ethical Conduct for Directors and Officers I and above of Taiyen Biotech Co.

Article	Article After Amendments	Before Amendment	Description
Title	Code of Ethical Conduct for Directors and Officers I and above of Taiyen Biotech Co.	Code of Ethical Conduct for Directors, <u>Supervisors</u> and Officers I and above of Taiyen Biotech Co.	Deletion of the Supervisor requirement to suit the current situation
Article 1	The Company has formulated this code as a guideline for directors and senior managerial officers and above (including president, vice president and senior major and deputy managerial officers of each unit) to abide by in the business activities and for stakeholders to better understand the Company's moral standards.	The Company has formulated this code as a guideline for directors, <u>supervisors</u> and senior managerial officers and above (including president, vice president and senior major and deputy managerial officers of each unit) to abide by in the business activities and for stakeholders to better understand the Company's moral standards.	Deletion of the Supervisor requirement to suit the current situation
Article 2	Integrity and ethical conduct: Directors and level 1 managers and above shall conduct the affairs of the Company in accordance with the principles of safeguarding the interests of the Company, honesty, integrity, compliance with laws and regulations, fairness and ethics, and shall not engage in unethical conduct such as deception, falsification, breach of trust or fraud.	Integrity and ethical conduct: Directors, <u>supervisors</u> and level 1 managers and above shall conduct the affairs of the Company in accordance with the principles of safeguarding the interests of the Company, honesty, integrity, compliance with laws and regulations, fairness, impartiality and ethics, and shall not engage in unethical conduct such as deception, forgery, breach of trust or fraud.	Deletion of the Supervisor requirement to suit the current situation
Article 3	Prevention of conflict of interest: Directors and level 1 managers and above shall avoid conflicts of interest where their personal interests interfere or may interfere with the interests of the Company as a whole, including where the Company's affairs cannot be conducted in an objective and efficient manner, or where their position in the Company results in improper benefits to themselves, their spouse, parents, children or relatives within the third degree of consanguinity. In order to prevent conflicts of interest, any loan of funds or provision of guarantees or significant asset transactions between the Company and the	Prevention of conflict of interest: Directors, <u>supervisors</u> and level 1 managers and above shall avoid conflicts of interest where their personal interests interfere or may interfere with the interests of the Company as a whole, including situations where the Company's affairs cannot be conducted in an objective and efficient manner, or where their positions in the Company may result in improper benefits to themselves, their spouses, parents, children or relatives within the third degree of consanguinity. In order to prevent conflicts of interest, any loan of funds or provision of guarantees or significant asset transactions between the Company and the aforementioned persons or their affiliates shall be reviewed by the Board of Directors in advance, and any related transactions shall be handled in the best interest of the Company.	Deletion of the Supervisor requirement to suit the current situation

Article	Article After Amendments	Before Amendment	Description
	aforementioned persons or their affiliates shall be reviewed by the Board of Directors in advance, and any related transactions shall be handled in the best interest of the Company.		
Article 4	Avoidance of opportunities for personal gain: Whenever the Company has an opportunity to make a profit, it is the responsibility of the directors and level 1 managers and above to enhance the legitimate interests of the company. directors and level 1 managers shall not have an opportunity for personal gain or benefit using the Company's property, information or using their position, and shall not engage in any act in competition with the Company except as provided in the Companies Act or the Articles of Association.	Avoidance of opportunities for personal gain: Whenever the Company has an opportunity to make a profit, it shall be the duty of the directors, <u>supervisors</u> and level 1 managers and above to enhance the legitimate interests of the Company. Directors, <u>supervisors</u> and level 1 managers and above shall not have the opportunity to seek or obtain personal gain using the Company's property or information or using their office, and shall not engage in any act in competition with the Company except as provided in the Companies Act or the Articles of Association.	Deletion of the Supervisor requirement to suit the current situation
Article 5	Protection of business secrets: Directors and level 1 managers and above shall be under an obligation of confidentiality with respect to information about the Company and its importing (selling) customers, unless authorised or required by law to be disclosed. Confidential information includes all unpublished information that could be used by competitors or leaked to the detriment of the Company or its customers.	Protection of business secrets: Directors, <u>supervisors</u> and level 1 managers and above shall be under an obligation of confidentiality with respect to information about the Company and its importing (selling) customers, except where such disclosure is authorized or required by law. Confidential information includes all unpublished information that could be used by competitors or leaked to the detriment of the Company or its customers.	Deletion of the Supervisor requirement to suit the current situation
Article 6	Dealings at arm's length: Directors and level 1 managers and above shall treat the Company's import (sales) customers, competitors and employees fairly and shall not obtain improper benefits through manipulation, concealment, misuse of information obtained in the course of their duties, misrepresentation of material matters or other unfair dealings.	Dealings at arm's length: Directors, <u>supervisors</u> and level 1 managers and above shall treat the Company's import (sales) customers, competitors and employees fairly and shall not obtain an improper advantage by manipulating, concealing or abusing information available to them by reason of their duties, making untrue statements of material fact or otherwise dealing unfairly.	Deletion of the Supervisor requirement to suit the current situation
Article 7	Protection and Proper Use of Company Assets: The directors and level 1 managers and above	Protection and Proper Use of Company Assets: The directors, <u>supervisors</u> and level 1 managers and above have a duty	Deletion of the Supervisor requirement to suit the

Article	Article After Amendments	Before Amendment	Description
	have a duty to protect the assets of the Company and to ensure that they are used effectively and lawfully for official purposes and that the Company's profitability is not impaired by theft, neglect, profiteering or waste.	to protect the assets of the Company and to ensure that they are used effectively and lawfully for official purposes and that the Company's profitability is not impaired by theft, neglect, profiteering or waste.	current situation
Article 8	Compliance with regulations: Directors and level 1 managers and above shall comply with the provisions of the Securities and Exchange Act, other laws and regulations and the rules and regulations of the Company.	Compliance with regulations: The directors, <u>supervisors</u> and level 1 managers and above shall comply with the provisions of the Securities and Exchange Act, other laws and regulations and the rules and regulations of the Company.	Deletion of the Supervisor requirement to suit the current situation
Article 9	Encourage the reporting of any illegal or unethical conduct: Any employee of the Company who suspects or discovers that a director or level 1 managers or above has violated the laws and regulations or this Code of Ethical Conduct may report such conduct to the <u>Audit Committee</u> , manager, the head of internal audit, or other appropriate personnel, and will be rewarded in accordance with the relevant regulations if the report is substantiated. The Company shall treat whistleblower information in a confidential manner and shall use its best efforts to keep the identity of the whistleblower confidential and to protect the whistleblower from any form of retaliation or threat.	Encourage the reporting of any illegal or unethical conduct: Any employee of the Company who suspects or discovers that a director, <u>supervisor</u> or level 1 managers or above has violated the laws and regulations or this Code of Ethical Conduct may report such conduct to a <u>supervisor</u> , manager, the head of internal audit, or other appropriate personnel, and will be rewarded in accordance with the relevant regulations if the report is substantiated. The Company shall treat whistleblower information in a confidential manner and shall use its best efforts to keep the identity of the whistleblower confidential and to protect the whistleblower from any form of retaliation or threat.	Deletion of the Supervisor requirement to suit the current situation Amend the rules for reporting unethical behaviour by directors and first-level officers and above to the Audit Committee
Article 10	Disciplinary measures: Any violation of this Code of Ethical Conduct by a director or level 1 managers and above shall be reported to the Board of Directors upon substantiation, and the person concerned shall be subject to civil or criminal liability in accordance with the law, and level 1 managers and above shall be punished in accordance with the relevant regulations. The person concerned	Disciplinary measures: If a director, <u>supervisor</u> or level 1 managers and above violates this Code of Ethical Conduct, the violation shall be reported to the Board of Directors upon substantiation, and the person concerned shall be liable for relevant civil and criminal liabilities in accordance with the law, and level 1 managers and above shall be punished in accordance with relevant regulations. The person concerned may also lodge a complaint in accordance with the Company's relevant grievance system for redress.	Deletion of the Supervisor requirement to suit the current situation

Article	Article After Amendments	Before Amendment	Description
	may also lodge a complaint in accordance with the Company's relevant grievance system for redress.		
Article 11	If there is a valid reason to exempt a director or level 1 managers and above from this Code of Ethical Conduct, a resolution of the Board of Directors is required.	If there is a valid reason to exempt a director, <u>supervisor</u> or level 1 managers and above from this Code of Ethical Conduct, a resolution of the Board of Directors is required.	Deletion of the Supervisor requirement to suit the current situation
Article 12	This Code shall be disclosed in annual reports, public statements and public information observatories, as well as when amended.	This Code shall be disclosed in annual reports, public statements and public information observatories, as well as when amended.	Maintain the original provisions
Article 13	This Standard shall be effective upon adoption by the Board of Directors and shall be reported to the shareholders' meeting, as amended.	This Standard shall come into effect upon adoption by the Board of Directors and shall be <u>sent to each Supervisor</u> and reported to the Shareholders' Meeting, as amended.	Deletion of the Supervisor requirement to suit the current situation

Code of ethical conduct for directors, supervisors and level 1 managers and above of Taiyen Biotech Co.

Approved at the 9th Meeting of the 10th Board of Directors on February 27, 2014

Chapter I General Provisions

Article 1 This Code is established to ensure that the Company's directors, supervisors, and level 1 managers and above (including the president, vice president, and level 1 managers and vice presidents of each unit) conduct themselves and their ethics in accordance with the Company's business activities, and that the Company's stakeholders have a better understanding of the Company's ethical standards.

Chapter 2 Code of Ethical Conduct

Article 2 Integrity and Ethical Behavior:

The directors, supervisors, and level 1 managers and above shall conduct the affairs of the Company in accordance with the principles of safeguarding the interests of the Company, honesty, integrity, compliance with laws and regulations, fairness and ethics, and shall not engage in deception, falsification, breach of trust, fraud, or other acts that violate ethics.

Article 3 Prevention of Conflict of Interest:

Directors, supervisors and level 1 managers and above shall avoid conflicts of interest where their personal interests interfere or may interfere with the interests of the Company as a whole, including situations where the Company's affairs cannot be conducted in an objective and efficient manner, or where their positions in the Company result in improper benefits to themselves, their spouses, parents, children or relatives within the third degree of kinship. In order to prevent conflicts of interest, any loan of funds or provision of guarantees or significant asset transactions between the Company and the aforementioned persons or their affiliates shall be reviewed by the Board of Directors in advance, and any related transactions shall be handled in the best interest of the Company.

Article 4 Avoidance of Opportunities for Personal Gain:

When there is an opportunity for the Company to make a profit, the directors, supervisors and level 1 managers and above shall have the responsibility to increase the legitimate and lawful benefits that the Company can obtain. Directors, supervisors and level 1 managers and above shall not have the opportunity to seek or obtain personal gain using the Company's property or information or through the use of their positions, and shall not engage in any act in competition with the Company except as provided in the Company Law or the Articles of Incorporation.

Article 5 Confidentiality of business:

Directors, supervisors and level 1 managers and above shall be under an obligation of confidentiality with respect to information about the Company and its import (sales) customers, unless authorized or required by law to be disclosed. Confidential information includes all unpublished information that could be used by competitors or leaked to the detriment of the Company or its customers.

Article 6 Engaging in Fair Dealing:

Directors, supervisors and level 1 managers and above shall treat the Company's import (sales) customers, competitors and employees fairly and shall not obtain improper benefits through manipulation, concealment, abuse of information obtained in the course of their duties, misrepresentation of material matters or other unfair dealings.

Article 7 Protection and Proper Use of Company Assets:

The directors, supervisors and level 1 managers and above shall have the duty to protect the assets of the Company and to ensure that they are used effectively and lawfully in their official capacity so that the Company's profitability will not be affected by theft,

negligence, profiteering or waste.

Article 8 Compliance with Laws and Regulations:

The directors, supervisors and level 1 managers and above shall comply with the provisions of the Securities and Exchange Act, all other laws and regulations and the rules and regulations of the Company.

Article 9 Encourage reporting of any illegal or unethical conduct:

Any employee of the Company who suspects or discovers that a director, supervisor, or level 1 managers and above has acted in violation of the laws and regulations or this Code of Ethical Conduct may report the matter to the supervisor, manager, internal audit supervisor, or other appropriate personnel, and if the report is substantiated, the Company shall provide incentives in accordance with the relevant regulations.

The Company shall treat whistleblower information in a confidential manner and shall use its best efforts to keep the identity of the whistleblower confidential and to protect the whistleblower from any form of retaliation or threat.

Article 10 Disciplinary Measures:

Any violation of this Code of Ethics by a director, supervisor, or level 1 managers and above shall be reported to the Board of Directors upon substantiation, and the person involved shall be held liable for civil or criminal liability in accordance with law, and level 1 managers and above shall be punished in accordance with relevant regulations. The person concerned may also lodge a complaint in accordance with the Company's relevant grievance system for redress.

Chapter 3 Procedures for Exemption

Article 11 If there are justifiable reasons for exempting directors, supervisors or level 1 managers a above from compliance with this Code of Ethical Conduct, such exemptions must be approved by a resolution of the Board of Directors.

Chapter 4 Disclosure of Information

Article 12 This Code shall be disclosed in annual reports, public statements and public information observatories, as well as in the event of amendments.

Chapter V Supplementary Provisions

Article 13 This Standard shall come into effect upon approval by the Board of Directors and shall be reported to the Supervisors and the Shareholders' Meeting, and shall be amended accordingly.

Independent Auditors' Report

To TAIYEN BIOTECH CO.,LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TAIYEN BIOTECH CO.,LTD. and its subsidiaries (hereinafter referred to as “the Group”) as of 31 December 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2020 and 2019, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2020 and 2019, and their consolidated financial performance and cash flows for the years ended 31 December 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2020 consolidated financial statements. 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.

Disclosure of investment property fair value

As of 31 December 2020, the Group's net investment property at cost amounted to NT\$1,326,351 thousand, and constitutes 17% of total consolidated asset, and is significant to financial statements. Considering the evaluation process on investment property fair value by management is complicated, and relevant assumptions are based on evaluation report by external specialists and affected by expected future market or economy, we therefore determined this as a key audit matter.

Our audit procedures of key assumption used in disclosure of investment property included, but not limited to, understanding evaluation report by external specialists offered by the Group, and the methods of assumption and assessment used, especially the rent and land price of the subject, which we compared to open market information to analyze the reasonability. We also used internal specialists to assist in evaluating the reasonability of the assumption and assessment method by external specialists used by the Group.

We also assessed the adequacy of disclosures of investment property. Please refer to Notes V and VI(10) to the Group's consolidated financial statements.

Valuation for slow-moving inventories

As of 31 December 2020, the Group's net inventories amounted to NT\$315,556 thousand, and constitutes 4% of total consolidated asset. Considering that the assessment of slow-moving inventories should take into consideration product validity period and changes in market, therefore involving significant judgement of management, and that the amount of inventory write-downs is significant to the Group, we determined this as a key audit matter.

Our audit procedures included, but not limited to, testing the effectiveness of internal control on inventories established by management; evaluating the appropriateness of management's accounting policies regarding slow-moving and obsolete inventory, including sample testing the accuracy of inventory aging interval and reviewing the consumption of raw material and sales of finished goods; and evaluating the reasonableness of the policy of slow-moving inventories and the circumstances in which loss of slow-moving inventories should be individually booked.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI(7) to the Group's consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
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 ability to continue as a going concern of the Group. 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 accompanying notes, 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 2020 consolidated financial statements 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.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2020 and 2019.

Tseng, Yu-Che

Lee, Fang-Wen

Ernst & Young, Taiwan
23 March 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan 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.

English Translation of Financial Statements Originally Issued in Chinese
 TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 31 December 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2020	31 Dec. 2019	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 Dec. 2020	31 Dec. 2019
Current assets				Current liabilities			
Cash and cash equivalents	IV/VI.1	\$1,505,641	\$1,599,105	Short-term loans	IV/VI.12	\$30,000	\$103,600
Current financial assets at fair value through profit or loss	IV/VI.2	381,044	368,702	Current contract liabilities	IV/VI.17	33,182	22,253
Current financial assets at fair value through other comprehensive income	IV/VI.3	1,930	1,540	Notes payable		90,158	161,605
Current financial assets at amortised cost	IV/VI.4、18/VIII	2,000	2,000	Accounts payable		182,990	89,127
Current contract assets	IV/VI.7、18	372,131	159,746	Other payables		250,660	256,371
Notes receivable-net	IV/VI.5、18	2,994	1,668	Current tax liabilities	IV/VI.23	47,221	42,932
Accounts receivable-net	IV/VI.6、18	165,739	187,757	Lease liability-current	IV/VI.19	15,163	13,153
Inventories-net	IV/VI.7	315,556	321,779	Long-term liabilities, current portion	IV/VI.13/VIII	4,287	-
Other current assets		153,395	66,607	Other current liabilities		41,216	55,556
Total current assets		<u>2,900,430</u>	<u>2,708,904</u>	Total current liabilities		<u>694,877</u>	<u>744,597</u>
Non-current assets				Non-current liabilities			
Non-current financial assets at amortised cost	IV/VI.4、18/VIII	33,960	33,960	Non-current portion of non-current borrowings	IV/VI.13/VIII	57,369	-
Investments accounted for using equity method	IV/VI.8	-	9,567	Deferred tax liabilities	IV/VI.23	33,934	33,786
Property, plant and equipment	IV/VI.9	3,301,281	3,273,123	Lease liability-non current	IV/VI.19	100,532	108,633
Right-of-use asset	IV/VI.19	130,086	128,951	Long-term deferred revenue	IV/VI.14	345,784	367,689
Investment Property	IV/VI.10、19	1,326,351	1,340,051	Net defined benefit liability, non-current	IV/VI.15	124,510	124,431
Intangible assets		8,023	5,008	Guarantee deposit received		73,241	66,135
Deferred tax assets	IV/VI.23	64,428	63,125	Other non-current liabilities-others		3,244	3,402
Prepayments for business facilities		-	350	Total non-current liabilities		<u>738,614</u>	<u>704,076</u>
Guarantee deposits paid		7,625	6,931	Total liabilities		<u>1,433,491</u>	<u>1,448,673</u>
Other non-current assets	IV/VI.11	25,535	31,492	Equity attributable to the parent company			
Total non-current assets		<u>4,897,289</u>	<u>4,892,558</u>	Capital			
				Common stock	IV/VI.16	2,000,000	2,000,000
				Capital surplus	IV/VI.16	2,501,653	2,486,320
				Retained earnings	IV/VI.16		
				Legal reserve		1,269,873	1,230,449
				Special reserve		45,420	45,420
				Unappropriated earnings		415,529	394,239
				Subtotal		<u>1,730,822</u>	<u>1,670,108</u>
				Other equity		(2,994)	(3,639)
				Non-controlling interests	VI.25	134,747	-
				Total equity		<u>6,364,228</u>	<u>6,152,789</u>
Total assets		<u>\$7,797,719</u>	<u>\$7,601,462</u>	Total liabilities and equity		<u>\$7,797,719</u>	<u>\$7,601,462</u>

English Translation of Financial Statements Originally Issued in Chinese
 TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 For the year ended 31 December 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

ITEMS	NOTE	2020.1.1~ 2020.12.31	2019.1.1~ 2019.12.31
Sales revenues	IV/VI.17/VII	\$3,130,347	\$2,906,615
Cost of goods sold	IV/VI.7、11、15、20	<u>(1,822,755)</u>	<u>(1,696,299)</u>
Gross profit		<u>1,307,592</u>	<u>1,210,316</u>
Operating expenses	IV/VI.11、15、18、19、20		
Sales and marketing expenses		(558,111)	(521,647)
General and administrative expenses	VII	(212,176)	(200,293)
Research and development expenses		<u>(73,984)</u>	<u>(68,618)</u>
Subtotal		<u>(844,271)</u>	<u>(790,558)</u>
Operating income		<u>463,321</u>	<u>419,758</u>
Non-operating income and expenses			
Other revenue	IV/VI.21	87,527	97,633
Other gain and loss	IV/VI.11、21	(82,650)	(84,693)
Financial costs	IV/VI.21	(3,605)	(2,395)
Share of profit (loss) of associates and joint ventures accounted for using equity method	IV/VI.8	(554)	(1,756)
Subtotal		<u>718</u>	<u>8,789</u>
Income from continuing operations before income tax		464,039	428,547
Income tax expense	IV/VI.23	<u>(89,450)</u>	<u>(83,044)</u>
Net income		<u>374,589</u>	<u>345,503</u>
Other comprehensive income	IV/VI.22		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plan		(5,464)	15,635
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		390	(263)
Income tax related to items that may not be reclassified subsequently		1,093	(3,127)
To be reclassified to profit or loss in subsequent periods			
Exchange differences resulting from translating the financial statements of a foreign operations		255	(582)
Total other comprehensive income, net of tax		<u>(3,726)</u>	<u>11,663</u>
Total comprehensive income		<u>\$370,863</u>	<u>\$357,166</u>
Net income attributable to:			
Stockholders of the parent		<u>\$365,085</u>	<u>\$345,503</u>
Non-controlling interests		<u>\$9,504</u>	<u>\$-</u>
Comprehensive income attributable to:			
Stockholder of the parent		<u>\$361,359</u>	<u>\$357,166</u>
Non-controlling interests		<u>\$9,504</u>	<u>\$-</u>
Earnings per share (NTD)	VI.24		
Earnings per share-basic		<u>\$1.83</u>	<u>\$1.73</u>
Earnings per share-diluted		<u>\$1.82</u>	<u>\$1.72</u>

English Translation of Financial Statements Originally Issued in Chinese
 TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the year ended 31 December 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

ITEMS	Equity attributable to the parent company								Non-controlling interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other equity		Total equity attributable to owners of parent		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences resulting from translating the financial statements of a foreign operations	Unrealized gain (Loss) on financial assets at fair value through other comprehensive income			
Balance as of 1 January 2019	\$2,000,000	\$2,486,289	\$1,186,739	\$45,420	\$439,938	\$(2,794)	\$-	\$6,155,592	\$-	\$6,155,592
Appropriation and distribution of 2018 retained earning										
Legal Reserve	-	-	43,710	-	(43,710)	-	-	-	-	-
Cash dividends	-	-	-	-	(360,000)	-	-	(360,000)	-	(360,000)
Other changes in additional paid-in capital	-	31	-	-	-	-	-	31	-	31
Net income for the year ended 31 December 2019	-	-	-	-	345,503	-	-	345,503	-	345,503
Other comprehensive income, net of tax for the year ended 31 December 2019	-	-	-	-	12,508	(582)	(263)	11,663	-	11,663
Total comprehensive income	-	-	-	-	358,011	(582)	(263)	357,166	-	357,166
Balance as of 31 December 2019	<u>\$2,000,000</u>	<u>\$2,486,320</u>	<u>\$1,230,449</u>	<u>\$45,420</u>	<u>\$394,239</u>	<u>\$(3,376)</u>	<u>\$(263)</u>	<u>\$6,152,789</u>	<u>\$-</u>	<u>\$6,152,789</u>
Balance as of 1 January 2020	\$2,000,000	\$2,486,320	\$1,230,449	\$45,420	\$394,239	\$(3,376)	\$(263)	\$6,152,789	\$-	\$6,152,789
Appropriation and distribution of 2019 retained earning										
Legal Reserve	-	-	39,424	-	(39,424)	-	-	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)	-	(300,000)
Other change in capital surplus	-	16	-	-	-	-	-	16	-	16
Net income for the year ended 31 December 2020	-	-	-	-	365,085	-	-	365,085	9,504	374,589
Other comprehensive income, net of tax for the year ended 31 December 2020	-	-	-	-	(4,371)	255	390	(3,726)	-	(3,726)
Total comprehensive income	-	-	-	-	360,714	255	390	361,359	9,504	370,863
Changes in ownership interests in subsidiaries	-	15,317	-	-	-	-	-	15,317	125,243	140,560
Balance as of 31 December 2020	<u>\$2,000,000</u>	<u>\$2,501,653</u>	<u>\$1,269,873</u>	<u>\$45,420</u>	<u>\$415,529</u>	<u>\$(3,121)</u>	<u>\$127</u>	<u>\$6,229,481</u>	<u>\$134,747</u>	<u>\$6,364,228</u>

English Translation of Financial Statements Originally Issued in Chinese
 TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the year ended 31 December 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

ITEMS	2020.1.1~ 2020.12.31	2019.1.1~ 2019.12.31	ITEMS	2020.1.1~ 2020.12.31	2019.1.1~ 2019.12.31
Cash flows from (used in) operating activities:			Cash flows from (used in) investing activities:		
Net income before tax	\$464,039	\$428,547	Acquisition of financial assets at fair value through other comprehensive income	-	(1,803)
Adjustments for:			Acquisition of financial assets at amortised cost	-	(5,000)
Income and expense adjustments:			Proceeds from disposal of financial assets at amortised cost	-	8,200
Depreciation	173,053	157,064	Acquisition of financial assets at fair value through profit or loss	(90,000)	(130,000)
Amortization	12,955	14,284	Proceeds from disposal of financial assets at fair value through profit or loss	83,161	256,000
Net (gain) on financial assets or liabilities at fair value through profit or loss	(2,342)	(6,625)	Proceeds from disposal of investments accounted for using equity method	5,670	-
Interest expense	3,605	2,395	Acquisition of property, plant and equipment	(264,770)	(282,503)
Interest revenue	(15,188)	(22,304)	Proceeds from disposal of property, plant and equipment	27	18
Share of loss (profit) of associates and joint ventures accounted for using equity method	554	1,756	Increase in refundable deposits	(694)	(30)
Loss on disposal of property, plant and equipment	2,546	872	Acquisition of intangible assets	(3,124)	(1,579)
Gains on disposals of investment property	(787)	-	Acquisition of investment property	(787)	-
Loss on disposals of intangible assets	-	90	Proceeds from disposal of investment property	2,088	-
(Gain) on disposal of investments	(4,124)	(3,208)	Increase in prepayments for business facilities	-	(169)
Loss on disposals of investments accounted for using equity method	3,292	-	Decrease in prepayments for business facilities	350	-
Losses on disaster	-	477	Interest received	15,634	23,741
Changes in operating assets and liabilities:			Net cash flows from (used in) investing activities	(252,445)	(133,125)
Contract assets	(212,385)	(96,432)	Cash flows from (used in) financing activities		
Notes receivable-net	(1,326)	3,212	Increase in short-term loans	40,200	103,600
Accounts receivable-net	22,018	(27,442)	Decrease in short-term loans	(50,000)	-
Inventories	(8,542)	(32,506)	Repayments of long-term debt	(2,144)	-
Other current assets	(88,145)	4,544	Increase in guarantee deposits received	7,106	-
Contract liabilities	10,929	(10,423)	Decrease in guarantee deposits received	-	(4,857)
Notes payable	19,527	11,054	Payments of lease liabilities	(15,139)	(14,311)
Accounts payable	93,863	54,082	Cash dividends paid	(300,000)	(360,000)
Other payables	(6,724)	(61,441)	Interest paid	(1,275)	(122)
Other current liabilities	(14,343)	17,579	Change in non-controlling interests	140,560	-
Net defined benefit liability	(5,385)	(5,814)	Other change in capital surplus	16	31
Other non-current liabilities	(21,095)	(11,982)	Net cash flows from (used in) financing activities	(180,676)	(275,659)
Cash inflow generated from operations	425,995	417,779	Effect of exchange rate changes on cash and cash equivalents	301	(562)
Interest paid	(2,327)	(2,273)	Net (decrease) in cash and cash equivalents	(93,464)	(80,687)
Income tax paid	(84,312)	(86,847)	Cash and cash equivalents at beginning of period	1,599,105	1,679,792
Net cash flows from (used in) operating activities	339,356	328,659	Cash and cash equivalents at end of period	\$1,505,641	\$1,599,105

Independent Auditors' Report Translated from Chinese

To TAIYEN BIOTECH CO.,LTD.

Opinion

We have audited the accompanying parent company only balance sheets of TAIYEN BIOTECH CO.,LTD. (the "Company") as of 31 December 2020 and 2019, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and cash flows for the years ended December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2020 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Disclosure of investment property fair value

As of 31 December 2020, the Company's net investment properties at cost amounted to NT\$1,326,351 thousand, which accounted for 18% of total assets of parent company, was material to the financial statement. As the fair value assessment procedure for investment property by the management of TAIYEN BIOTECH CO., LTD was complex, in which the relevant assumptions were based on external expert assessment reports and may be affected by the expected future market or economy, we therefore determined this a key audit matter.

Our audit procedures of key assumption used in disclosure of investment property included, but not limited to, understanding evaluation report by external specialists offered by the Company, and the methods of assumption and assessment used, especially the rent and land price of the subject, which we compared to open market information to analyze the reasonability. We also used internal specialists to assist in evaluating the reasonability of the assumption and assessment method by external specialists used by the Company.

We also assessed the adequacy of disclosures of Investment property. Please refer to Notes V and VI(10) to the Company's parent company only financial statements.

2. Valuation for slow-moving inventories

As of December 31 2020, the Company's net inventories amounted to NT\$314,862 thousand, and constitutes 7% of total asset. Considering that the assessment of slow-moving inventories should take into consideration product validity period and changes in market, therefore involving significant judgement of management, and that the amount of inventory write-downs is significant to the Company, we determined this as a key audit matter.

Our audit procedures included, but not limited to, testing the effectiveness of internal control on inventories established by management; evaluating the appropriateness of management's accounting policies regarding slow-moving and obsolete inventory, including sample testing the accuracy of inventory aging interval and reviewing the consumption of raw material and sales of finished goods; and evaluating the reasonableness of the policy of slow-moving inventories and the circumstances in which loss of slow-moving inventories should be individually booked.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI(7) to the Company's parent company only financial statements.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 parent company only 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 parent company only financial statements, including the accompanying notes, and whether the parent company only 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 parent company only 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 2019 parent company only financial statements 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.

Tseng, Yu-Che

Lee, Fang-Wen

Ernst & Young, Taiwan
23 March 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan 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.

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2020	31 Dec. 2019	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 Dec. 2020	31 Dec. 2019
Current assets				Current liabilities			
Cash and cash equivalents	IV/VI.1	\$1,406,355	\$1,482,822	Current contract liabilities	IV/VI.15	\$28,114	\$20,028
Current financial assets at fair value through profit or loss	IV/VI.2	381,044	368,702	Notes payable		90,158	161,455
Current financial assets at fair value through other comprehensive income	IV/VI.3	1,930	1,540	Accounts payable		43,546	46,041
Notes receivable-net	IV/VI.5、16	2,617	1,616	Other payables		229,774	238,744
Accounts receivable-net	IV/VI.6、16	163,193	177,910	Current tax liabilities	IV/VI.21	47,221	42,932
Inventories-net	IV/VI.7	314,862	321,779	Lease liability-current	IV/VI.17	13,277	11,930
Other current assets		41,808	30,129	Other current liabilities		37,829	46,201
Total current assets		<u>2,311,809</u>	<u>2,384,498</u>	Total current liabilities		<u>489,919</u>	<u>567,331</u>
Non-current assets				Non-current liabilities			
Non-current financial assets at amortised cost	IV/VI.4/VIII	33,960	33,960	Deferred tax liabilities	IV/VI.21	33,934	33,786
Investments accounted for using equity method	IV/VI.8	285,966	233,333	Lease liability-non current	IV/VI.17	98,293	106,634
Property, plant and equipment	IV/VI.9	3,203,200	3,188,754	Long-term deferred revenue	IV/VI.12	345,784	358,649
Right-of-use asset	IV/VI.17	125,961	125,728	Net defined benefit liability, non-current	IV/VI.13	124,510	124,431
Investment Property	IV/VI.10、17	1,326,351	1,340,051	Guarantee deposit received		65,256	65,161
Intangible assets		6,116	3,587	Other non-current liabilities, others		3,244	2,307
Deferred tax assets	IV/VI.21	64,144	62,909	Total non-current liabilities		<u>671,021</u>	<u>690,968</u>
Prepayments for business facilities		7,379	6,776	Total liabilities		<u>1,160,940</u>	<u>1,258,299</u>
Other non-current assets	IV/VI.11	25,535	31,492	Equity attributable to the parent company			
Total non-current assets		<u>5,078,612</u>	<u>5,026,590</u>	Common stock	IV/VI.14	2,000,000	2,000,000
				Capital surplus	IV/VI.14	2,501,653	2,486,320
				Retained earnings	IV/VI.14		
				Legal reserve		1,269,873	1,230,449
				Special reserve		45,420	45,420
				Unappropriated earnings		415,529	394,239
				Subtotal		<u>1,730,822</u>	<u>1,670,108</u>
				Other equity		(2,994)	(3,639)
				Total equity		<u>6,229,481</u>	<u>6,152,789</u>
Total assets		<u>\$7,390,421</u>	<u>\$7,411,088</u>	Total liabilities and equity		<u>\$7,390,421</u>	<u>\$7,411,088</u>

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY OF COMPREHENSIVE INCOME

For the years ended 31 December 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

ITEMS	NOTES	2020.1.1~ 2020.12.31		2019.1.1~ 2019.12.31	
Sales revenues	IV/VI.15/VII	\$2,797,226	100	\$2,705,457	100
Cost of goods sold	IV/VI.7、11、13、18	(1,574,788)	(56)	(1,576,748)	(58)
Gross profit		1,222,438	44	1,128,709	42
Operating expenses	IV/VI.11、13、16、17、18				
Sales and marketing expenses		(536,088)	(19)	(501,948)	(19)
General and administrative expenses	VII	(174,738)	(6)	(170,626)	(6)
Research and development expenses		(54,494)	(3)	(47,526)	(2)
Subtotal		(765,320)	(28)	(720,100)	(27)
Operating income		457,118	16	408,609	15
Non-operating income and expenses					
Other revenue	IV/VI.19	74,865	3	91,104	3
Other gain and loss	IV/VI.11、19	(72,986)	(3)	(77,492)	(3)
Financial costs	IV/VI.19	(2,265)	-	(2,213)	-
Share of (loss) profit of associates and joint ventures accounted for using equity method	IV/VI.8	(3,658)	-	5,271	-
Subtotal		(4,044)	-	16,670	0
Income from continuing operations before income tax		453,074	15	425,279	16
Income tax expense	IV/VI.21	(87,989)	(3)	(79,776)	(3)
Net income		365,085	13	345,503	13
Other comprehensive income	IV/VI.20				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		(5,464)	-	15,635	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		390	-	(263)	-
Income tax related to items that may not be reclassified subsequently		1,093	-	(3,127)	-
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of a foreign operations		255	-	(582)	-
Total other comprehensive income, net of tax		(3,726)	-	11,663	-
Total comprehensive income		\$361,359	13	\$357,166	12
Earnings per share (NTD)	VI.22				
Earnings per share-basic		\$1.83		\$1.73	
Earnings per share-diluted		\$1.82		\$1.72	

English Translation of Financial Statements Originally Issued in Chinese
 TAIYEN BIOTECH CO.,LTD.
 PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
 For the years ended 31 December 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

ITEMS	Common Stock	Capital Surplus	Retained Earnings			Other equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences resulting from translating the financial statements of a foreign operations	Unrealized gain (Loss) on financial assets at fair value through other comprehensive income	
	3100	3200	3310	3320	3350	3410	3420	3XXX
Balance as of 1 January 2019	\$2,000,000	\$2,486,289	\$1,186,739	\$45,420	\$439,938	\$(2,794)	\$-	\$6,155,592
Appropriation and distribution of 2018 retained earning								
Legal Reserve	-	-	43,710	-	(43,710)	-	-	-
Cash dividends	-	-	-	-	(360,000)	-	-	(360,000)
Other changes in additional paid-in capital	-	31	-	-	-	-	-	31
Net income for the year ended 31 December 2019	-	-	-	-	345,503	-	-	345,503
Other comprehensive income, net of tax for the year ended 31 December 2019	-	-	-	-	12,508	(582)	(263)	11,663
Total comprehensive income	-	-	-	-	358,011	(582)	-	357,166
Balance as of 31 December 2019	<u>\$2,000,000</u>	<u>\$2,486,320</u>	<u>\$1,230,449</u>	<u>\$45,420</u>	<u>\$394,239</u>	<u>\$(3,376)</u>	<u>\$(263)</u>	<u>\$6,152,789</u>
Balance as of 1 January 2020	\$2,000,000	\$2,486,320	\$1,230,449	\$45,420	\$394,239	\$(3,376)	\$(263)	\$6,152,789
Appropriation and distribution of 2019 retained earning								
Legal Reserve	-	-	39,424	-	(39,424)	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)
Other changes in additional paid-in capital	-	16	-	-	-	-	-	16
Net income for the year ended 31 December 2020	-	-	-	-	365,085	-	-	365,085
Other comprehensive income, net of tax for the year ended 31 December 2020	-	-	-	-	(4,371)	255	390	(3,726)
Total comprehensive income	-	-	-	-	360,714	255	390	361,359
Changes in ownership interests in subsidiaries	-	15,317	-	-	-	-	-	15,317
Balance as of 31 December 2020	<u>\$2,000,000</u>	<u>\$2,501,653</u>	<u>\$1,269,873</u>	<u>\$45,420</u>	<u>\$415,529</u>	<u>\$(3,121)</u>	<u>\$127</u>	<u>\$6,229,481</u>

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

ITEMS	2020.1.1~ 2020.12.31	2019.1.1~ 2019.12.31	ITEMS	2020.1.1~ 2020.12.31	2019.1.1~ 2019.12.31
Cash flows from (used in) operating activities:			Cash flows from (used in) investing activities		
Net income before tax	\$453,074	\$425,279	Acquisition of financial assets at fair value through other comprehensive income	-	(1,803)
Adjustments for:			Acquisition of financial assets at amortised cost	-	(3,000)
Income and expense adjustments:			Acquisition of financial assets at fair value through profit or loss	(90,000)	(130,000)
Depreciation	165,749	154,238	Proceeds from disposal of financial assets at fair value through profit or loss	83,161	256,000
Amortization	12,506	14,163	Acquisition from disposal of Investments accounted for using equity method	(35,616)	-
Net (gain) on financial assets or liabilities at fair value through profit or loss	(2,342)	(6,625)	Acquisition of property, plant and equipment	(246,458)	(209,515)
Interest expense	2,265	2,213	Proceeds from disposal of property, plant and equipment	27	-
Interest revenue	(15,131)	(22,128)	Increase in refundable deposits	(603)	(231)
Share of loss of associates for using the equity method	3,658	(5,271)	Acquisition of intangible assets	(2,186)	(506)
Loss on disposal of property, plant and equipment	2,546	869	Acquisition of investment property	(787)	-
Gains on disposals of investment property	(787)	-	Proceeds from disposal of investment property	2,088	-
Loss on disposals of intangible assets	-	90	Interest received	15,577	23,565
(Gain) on disposal of investments	(3,161)	(1,866)	Net cash flows from (used in) investing activities	(274,797)	(65,490)
Realized (gain) on inter-affiliate accounts	(7,553)	(1,511)	Cash flows from (used in) financing activities		
Losses on disaster		477	Increase in guarantee deposits received	95	-
Changes in operating assets and liabilities:			Decrease in guarantee deposits received	-	(4,484)
Notes receivable-net	(1,001)	2,164	Payments of lease liabilities	(13,452)	(12,944)
Accounts receivable-net	14,717	(23,519)	Cash dividends paid	(300,000)	(360,000)
Inventories	(7,848)	(33,691)	Other change in capital surplus	16	31
Other current assets	(12,125)	(8,988)	Net cash flows from (used in) financing activities	(313,341)	(377,397)
Contract liabilities	8,086	2,988	Net (Decrease) Increase in cash and cash equivalents	(76,467)	3,107
Notes payable	19,677	11,241	Cash and cash equivalents at beginning of period	1,482,822	1,479,715
Accounts payable	(2,495)	11,333	Cash and cash equivalents at end of period	\$1,406,355	\$1,482,822
Other payables	(8,970)	(4,977)			
Other current liabilities	(8,372)	10,039			
Net defined benefit liability	(5,385)	(5,814)			
Other non-current liabilities	(11,928)	(12,062)			
Cash inflow generated from operations	595,180	508,642			
Interest paid	(2,265)	(2,213)			
Dividend received	2,450	14,400			
Income tax paid	(83,694)	(74,835)			
Net cash flows from (used in) operating activities	511,671	445,994			

Taiyen Biotech Co., Ltd.
Statement of Appropriation of Earnings for 2020

Item	Amount		Remarks
	Subtotal	Total	
Unallocated balance at beginning of period		54,815,967	1. Article 34 of the Articles of Association
Plus:			
Actuarial (losses) gains included in retained earnings		(4,371,020)	2. Actuarial gains and losses on defined benefits (carried forward from other comprehensive income to retained earnings)
Adjusted unappropriated earnings		50,444,947	
Plus:		365,085,522	
Net profit after tax for the year	365,085,522		
Adjusted surplus available for distribution		415,530,469	3. Article 35(2) of the Articles of Association The Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the accumulated earnings as a legal reserve, unless the accumulated legal reserve has reached 10% of the total capital, and may set aside or reverse a special reserve in accordance with business needs or laws and regulations, and then distribute dividends to shareholders if there is any surplus in addition to dividends. Dividends to shareholders may be distributed at least 10% of the accumulated undistributed earnings, of which no less than 50% may be in cash.
Less:		(36,071,450)	
Provision of legal reserve bonds		(270,000,000)	
Distribution items Dividends to shareholders - cash dividends @ NT\$1.35	(270,000,000)		
Distributed surplus at the end of the period		109,459,019	

Chairman of the Board.



Manager:



Head of Accounting.



Procedures for Acquisition or Disposal of Assets Partial Provisions Amendment Table

After Amendment	Current Article	Description
<p>Article 10 Scope and Amount of Transaction Balance</p> <p>The Company and its subsidiaries shall <u>acquire</u> securities in the following limits.</p> <p>I. The total amount of securities <u>acquired</u> shall not exceed 70% of the Company's paid-in capital in the most recent financial statements.</p> <p>II. The investment limit for the <u>acquisition</u> of individual securities shall not exceed <u>20%</u> of the Company's most recent paid-in capital in the financial statements.</p> <p>The calculation of the above-mentioned securities shall be based on the original cost of investment.</p>	<p>Article 10 Scope and Amount of Transaction Balance</p> <p>The Company and its subsidiaries <u>may purchase marketable securities that are not intended for business use</u>, subject to the following limits.</p> <p>I. The aggregate amount of <u>non-operating securities</u> shall not exceed 70% of the Company's paid-in capital in its most recent financial statements.</p> <p>II. The investment limit for the <u>purchase</u> of individual marketable securities shall not exceed 10% of the Company's most recent paid-in capital in the financial statements.</p> <p>The calculation of the above-mentioned securities shall be based on the original cost of investment.</p>	<p>In March 2020, the Company recognized the acquisition or disposal of new shares issued by Taiyen Green Energy Co. as a result of the asset disposal process. (Currently, the total investment in Taiyen Green Energy is NT\$ 235,615,500). In order to increase the flexibility of the Company's investment capital and to meet the current demand, the investment limit should be increased. With reference to the procedures for the acquisition or disposal of assets of Sinosteel, Hanxiang and Taiyen Biotech, I hereby amend the relevant wordings of this Article.</p>

Procedures for Acquisition or Disposal of Assets

Settled on June 29, 2017 by letter No. 10680104570

Amendment No. 1 dated June 21, 2019

Amended 2nd time on June 29, 2020 by letter No. 1090001178

Chapter I General Provisions

Article 1 Purpose

In order to protect the investment and implement the disclosure of information, the Company shall acquire or dispose of assets in accordance with these procedures, except as otherwise provided in the financial related laws and regulations.

Article 2 Basis of Law

These procedures are based on the Guidelines for the Acquisition or Disposal of Assets by Public Companies issued by the Financial Supervisory Commission (hereinafter referred to as the FSC), the Securities and Exchange Act and related regulations.

Chapter 2 Scope of Application and Procedures

Article 3 The scope of application of the assets referred to in this procedure:

- I. Investments in financial instruments such as stocks, bonds, corporate bonds, financial debentures, marketable securities of recognition funds, depositary receipts, subscription (sale) warrants, beneficiary securities and asset-based securities.
- II. Real estate (including land, buildings and construction, investment real estate) and equipment.
- III. Membership cards.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other important assets

Article 4 Related terms are defined as follows:

- I. Derivatives:
Forward contracts, option contracts, futures contracts, leveraged margin contracts, swap contracts, and combinations of these contracts, or combined contracts embedded in derivatives or structured commodities, whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term "forward contracts" excludes insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term import (sales) contracts.
- II. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law, the Business Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other laws, or the issuance of new shares to acquire shares of other companies in accordance with Article 156, Paragraph 3 of the Company Act (hereinafter referred to as transfer of shares).
- III. Related parties, subsidiaries.
The Company shall be recognized in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional valuer.
A real estate appraiser or other person legally entitled to engage in the business of

- valuing real estate or equipment.
- V. Date of Issue.
The earlier of the date of execution of the transaction, the date of payment, the date of completion of the assignment, the date of transfer, the date of resolution of the board of directors, or any other date enough to determine the object of the transaction and the amount of the transaction. However, for investors who are subject to the approval of the competent authority, the preceding date or the date of receipt of approval from the competent authority shall be the earlier of the preceding date.
- VI. Investment in Mainland China.
Investments in Mainland China that are made in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for engaging in investment or technical cooperation in Mainland China.
- VII. The term "most recent financial statements" refers to the financial statements of the Company that have been audited and certified by a certified public accountant prior to the acquisition or disposal of assets in accordance with the law.
- VIII. Ten percent of total assets.
The calculation is based on the amount of total assets in the most recent individual or separate financial statements as required by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Article 5 Exclusion of Related Parties

Professional appraisers and their officers, certified public accounts, attorneys' 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:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Measures, 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.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. 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.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When examining a case, 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.
- III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, 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.
- IV. 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 accurate, and

that they have complied with applicable laws and regulations.

Chapter 3 Financial Instruments

Article 6 The Company's financial instruments are defined as investments in stocks, bonds, corporate bonds, financial debentures, marketable securities of recognition funds, depositary receipts, call (sale) warrants, beneficiary securities and asset-based securities.

Article 7 Types of Transactions

When the Company acquires or disposes of marketable securities, the Company shall obtain the most recent financial statements of the subject company that have been audited or reviewed by an accountant as a reference for assessing the transaction price prior to the date of occurrence of the fact. In addition, if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the accountant should be consulted on the reasonableness of the transaction price before the fact. If an expert report is required, the Company shall follow the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. However, unless the securities are publicly quoted in an active market or as otherwise specified by the FSC, this shall not apply.

Article 8 Valuation Procedures

When the Company acquires or disposes of assets, the contractor shall evaluate the reasons for the proposed acquisition or disposal, the subject matter, the counterparty to the transaction, the transfer price, the terms of receipt and payment, and the basis of price reference, and then submit the matter to the competent and responsible unit for decision and execution. The relevant matters are handled in accordance with the relevant regulations of the Company's internal control system and these procedures.

The price determination method and reference basis are described below:

- I. The acquisition or disposal of marketable securities not traded in the centralized trading market or securities dealers' offices shall be determined by considering the net value per share, profitability, future development potential, market interest rates, coupon rates of bonds, debtors' creditworthiness and prevailing trading prices.
- II. The acquisition or disposal of marketable securities traded on the centralized trading market or in the securities dealer's office shall be determined by the prevailing price of the equity or bonds.

Article 9 Operating Procedures

- I. Analysis of trading decisions:

In accordance with the annual capital utilization plan, the Finance and Accounting Division shall propose the annual financial instruments targets and plans for the year. When considering individual transactions, the Finance and Accounting Division shall propose a transaction evaluation form for each transaction case with respect to its characteristics, and shall execute it after approval by the authorized personnel. In its own operational evaluation, it shall assess the characteristics of financial instruments, including the general economy, interest rate and exchange rate trends, the development of individual industries, the performance of the issuing company, the performance ranking of the fund operations and the capital situation of the Company.

The Treasury shall maintain a file of the above-mentioned transaction information for proper management, track the effectiveness of the investment in a timely manner, and evaluate the pros and cons of continuing to hold or disposing of the investment as a reference for making transaction decisions.

Authorization limits, tiers.

The Treasury shall engage in financial instrument transactions within the authorization limits and at all levels, and shall submit each level of execution to the next level of management for approval. The authorization limits and levels for the

Company's financial instruments are shown in Table 1 and 2.

Authorization limits for non-equity financial instruments by level (Table 1)

Levels	Per transaction, daily subscription authority NT\$1,000,000	Daily redemption limit per transaction NT\$1,000,000
Board of Directors	50 or more	100 or more
Chairman	50 (inclusive)	100 (inclusive)
President	35 (inclusive)	70 (inclusive)
Vice President	20 (inclusive)	40 (inclusive)

Authorization limits by level for dealing in equity-type financial instruments (Table 2)

Levels	Per transaction, daily subscription authority NT\$1,000,000	Daily redemption limit per transaction NT\$1,000,000
Board of Directors	25 or more	50 or more
Chairman	25 (inclusive)	50 (inclusive)
President	17.5 (inclusive)	35 (inclusive)
Vice President	10 (inclusive)	20 (inclusive)

II. Execution Unit.

Under the current organizational structure of the Company, the Finance and Accounting Department shall be responsible for investment management and accounting.

Under the current organizational structure, the Finance and Accounting Department is responsible for investment and financial management and accounts processing.

III. Trading process.

The Company's procedures for trading funds and other financial instruments are as follows.

- (I) The investment team collects information on financial instruments according to the subject of the transaction and calculates the benefits of the increase or decrease of the part.
- (II) The investment team must fill out a transaction evaluation form for each transaction, and execute the transaction after approval by the head of authority and responsibility according to the authorization level of the hierarchy.
- (III) A copy of the transaction evaluation form will be forwarded by the Investment Team to the Audit Office for review.
- (IV) After the transaction is completed, the investment team shall immediately obtain a confirmation of the transaction notification from the agent by fax with the signature of the officer in charge.
- (V) After confirming that the contents of each transaction are correct, the Accounts Section shall submit them to the Director of Finance and Accounting for approval and input them into the computer for accounting purposes.
- (VI) During the transaction period, the Investment Section shall prepare management statements periodically based on the market prices of various commodities to assess the realized or unrealized gain or loss on the

transactions and send them to the Audit Office for review. Those who are qualified to make public announcements shall do so in accordance with the format of the Financial Supervisory Commission.

IV. Performance evaluation.

In accordance with the annual capital utilization plan, the Finance and Accounting Division of the Company shall propose and budget the annual financial instrument operations. The achievement of the objectives will be included as part of the overall performance.

(I) The Finance and Accounting Division shall prepare management statements on a regular basis based on reliable evaluation methods and the principles of stability and consistency.

(II) The management statement shall be sent to the Audit Office and if there are any abnormalities in the evaluation report, the necessary measures shall be taken immediately.

(III) The Board of Directors shall report the investment situation to the Board of Directors on a quarterly basis, and shall make a summary report on the performance of the year's operations after the annual closing.

Article 10 Scope and Amount of Transaction Balance

The Company and its subsidiaries may purchase marketable securities not intended for business use, subject to the following limits.

I. The aggregate amount of non-operating securities may not exceed 70% of the Company's paid-in capital in its most recent financial statements.

II. The investment limit for the purchase of individual marketable securities shall not exceed 10% of the Company's most recent financial statements paid-in capital.

The calculation of the above-mentioned securities shall be based on the original cost of investment.

Chapter 4 Engaging in Derivative Commodity Transactions

Article 11 The Company shall not engage in derivative financial instrument transactions and shall be exempted from establishing procedures related to derivative financial instrument transactions after the approval of the Board of Directors and the shareholders' meeting.

Chapter 5 Acquisition or Disposal of Assets

Article 12 The Company and its subsidiaries shall acquire or dispose of property, equipment or assets with rights to use, after evaluation by the executive unit. The purchase of assets not intended for business use shall not exceed 30% of the equity in the assets as shown in the most recent audited or reviewed report of the accountant (except for business use) and shall be carried out in accordance with the relevant operational requirements of the Company's internal control system and these procedures. If any loss to the Company is caused by failure to follow these procedures, the relevant personnel shall be punished according to the severity of the case.

Article 13 The Company shall acquire or dispose of property, plant and equipment or their right-to-use assets in the following units: I. Land, buildings; II. Assets other than land or buildings - the Administration Department of the Head Office or its respective units
The property management department.

Article 14 If the Company acquires or disposes of real estate or assets with the right to use: plant and equipment amounting to 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall make a public announcement within two days from the date of occurrence of the fact and submit the announcement to the website designated by the Financial Supervisory Commission. However, in the case of the acquisition or disposal of equipment for business use, where the counterparty is not an actual related party, and where the value of each transaction or the cumulative amount of the transaction with the same counterparty is less than NT\$500 million in a single year shall be exempted.

Article 15 The Company shall acquire or dispose of property, plant and equipment or their right-to-use assets, except as provided in the preceding Article, an objective, impartial and independent professional appraiser shall be appointed to issue a report in accordance with the following provisions, depending on the type of asset.

I. When acquiring or disposing of real property or equipment or its right-to-use assets, except for those acquired or disposed of for business use from domestic governmental authorities, self-built or rented land, or from unrelated parties, a valuation report issued by a professional appraiser shall be obtained prior to the date of occurrence of the fact and shall comply with the following requirements.

- (I) The appraisal shall be based on the principle of normal price. In the case of a limited price, the conditions of the limited price shall be stated in accordance with Article 16 of the Technical Rules for the Appraisal of Real Property, and the normal price shall be estimated at the same time. If, for special reasons, the transaction price is based on a limited price, a specific price or a special price, the transaction shall be approved by the Audit Committee and endorsed by the Board of Directors, and any future changes to the terms of the transaction shall be subject to the same procedures as above. The appraisal report shall also evaluate the results of the normal price and the qualified, specific or special price separately, and shall set out each of the qualified or specific conditions and whether they are currently met, and the reasons and reasonableness of any deviation from the normal price, and shall expressly state whether the qualified, specific or special price is sufficient as a reference for the purchase or sale price. If the difference between the appraisal result and the transaction amount reaches 20% or more, the accountant shall be requested to comply with the provisions of Statement of Auditing Standards No. 20 and express a specific opinion on the reasons for the difference and the reasonableness of the price. The difference between the appraisal result and the transaction amount is based on the transaction amount.
- (II) If the difference between the appraisal result and the transaction amount reaches 20% or more, the accountant shall be requested to comply with the provisions of Statement of Auditing Standards No. 20 and express a specific opinion on the reasons for the difference and the reasonableness of the price. The difference between the appraisal result and the transaction amount is based on the transaction amount.
- (III) If the transaction amount is more than NT\$1 billion, you should ask two or more professional appraisal agencies for appraisal. If the difference between the appraisal results of two or more appraisal firms reaches 10% or more of the transaction amount, the accountant shall be requested to comply with the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China and express a specific opinion on the reason for the difference and the appropriateness of the transaction price. (c) The Company shall obtain an opinion on the fairness of the transaction price.
- (IV) If the appraisal is made prior to the date of contract formation, the date of issuance of the report shall not exceed three months from the date of contract formation; provided, however, that if the current value of the appraisal applies to the same period of publication and is less than six months old, an opinion may be issued by the original appraiser.
- (V) (II) (III) above, except where the valuation of the assets acquired is higher than the transaction amount or the valuation of the assets disposed of is lower than the transaction amount.

(VI) If an appraisal agency issues a "Current Value Survey Report" or "Valuation Report" in lieu of an appraisal report, its entries shall still comply with the provisions of the appraisal report.

II. If the Company acquires or disposes of assets through a court auction process, a court certificate may be issued in lieu of an appraisal report or an accountant's opinion.

Article 16 If the Company acquires their right-of-use assets or disposes intangible assets or memberships of which the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, besides having transactions with a domestic government agency, the Company shall also 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. The CPA shall comply with the provisions of the Standards on Auditing No. 20 published by the ARDF.

Chapter 6 Procedures for Handling Related Party Transactions

Article 17 When the Company acquires or disposes of assets with a related party, in addition to the relevant resolution procedures and assessment of the reasonableness of the transaction terms in accordance with the provisions of the preceding chapter and this chapter, the Company shall also obtain an appraisal report or an opinion from a professional appraiser if the transaction amount reaches 10% or more of the Company's total assets in accordance with the provisions of the preceding chapter.

When determining whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 18 When the Company intends to acquire or dispose of real estate or the right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real estate or the right-of-use assets from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% 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 money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submit and verified by the Audit Committee and approved by the Chairman:

- I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- II. The reason for choosing the related party as a transaction counterparty.
- III. With respect to the acquisition of real estate or the right-of-use assets from a related party, information regarding appraisal of the Acquisition of the preliminary transaction terms in accordance with Article 19 and Article 20.
- IV. The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- V. 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 fund's utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the former article.
- VII. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the amount of the preceding transaction shall be made in accordance with Article 31, paragraph 2, and the reference to within one year shall be based on the date of occurrence of the transaction and shall be retroactively

calculated for one year, and the portion of the transaction that has been submitted to the Board of Directors for approval and recognized by the Audit Committee in accordance with the provisions of these Procedures (c) Exemption from re-calculation.

The Board of Directors may authorize the Chairman of the Board of Directors to decide on the acquisition or disposal of equipment for business use between the Company and its subsidiaries up to \$50 million in accordance with the authority granted in Article 9, and then submit the following to the most recent Board of Directors for ratification.

- I. Acquisition or disposal of equipment for business use or assets with rights of use.
- II. Acquisition or disposal of real estate assets for use in business.

When submitting discussion by the board of directors pursuant to the preceding 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.

Article 19 The Company acquiring real estate or the use-of-right assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:

- I. 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.
- II. 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% 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 transaction counterparties.

If land and structures 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. When a public offering company acquires real estate or its right-to-use assets from a related party, the cost of the real estate or its right-to-use assets is evaluated in accordance with the first and second provisions, and an accountant is asked to review and express a specific opinion.

When the Company acquires real property or the right-of-use assets and one of the monitoring system top circumstances exists, the acquisition shall be conducted in accordance with Article 18 above, and the preceding three paragraphs do not apply:

- I. The related party acquired the real property or the right-of-use assets through inheritance or as a gift.
- II. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or the right-of-use to the signing date for the current transaction.
- III. 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.
- IV. With respect to the right-of-use assets of real estate for business-use acquired or disposed the Company of which 100% of the issued shares or total capital are directly or indirectly owned by the Company.

Article 20 When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of the preceding Article are both lower than the transaction price, the matter shall be handled in compliance with Article 21. However, if the following circumstances exist and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:

- I. The related party acquired undeveloped land or leased land for development, and the submitted proof complies with one of the following conditions:
 - (I) The undeveloped land is appraised in the way specified 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) 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.
- II. Where this Company acquiring real estate from a related party provides evidence that the terms of the transaction are like the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

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 no more than 500 meters or parcels close in publicly announced current value.

Transaction for similarly sized parcels in principle refers to transactions by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. Within the preceding one year refers to one year from the actual date of acquisition of the real estate or the right-of-use assets.

Article 21 Where the Company acquires real estate or the right-of-use assets from a related party and the results of appraisals conducted in accordance with the provisions of Article 19 and Article 20 are both lower than the transaction price, monitoring system top steps shall be taken:

- I. A special capital reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the "Securities and Exchange Act" against the difference between the transaction price and the appraised cost of real estate and the right-of-use assets, and it may not be distributed or used for capital increase or issuance of bonus shares. If the company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of Company's equity stake in the other company.
- II. The Audit Committee shall comply with Article 218 of the "Company Act."
- III. Actions taken pursuant to the first and second subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

When the Company has set aside a special reserve in accordance with the preceding provisions, it shall not draw on such special reserve until the assets acquired or leased at a higher price have been recognized as a loss on decline in value or have been disposed of by termination of lease, or have been properly compensated or

restored to their original condition, or there is other evidence to establish that they are not unreasonable, and the FSC has given its consent.

When the Company obtains real estate or the right-of-use assets from a related party, it shall also comply with the provisions of the preceding two paragraphs if there is a breach of the law.

Chapter 7 Mergers, Demergers, Acquisitions and Transfer of Shares

Article 22 The Company shall, in the event of a merger, demerger, acquisition or transfer of shares, appoint an accountant, attorney or securities underwriter to express an opinion on the reasonableness of the share exchange ratio, the acquisition price or the allotment of cash or other property to the shareholders for discussion and approval by the Board of Directors prior to convening a resolution of the Board of Directors. However, a merger of subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or the total capital, or a merger between subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or the total capital, is exempt from obtaining an opinion of reasonableness from the foregoing expert.

Article 23 The Company shall prepare a public report on any merger, demerger, acquisition, or transfer of shares 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 fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction this 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.

Article 24 The Company when participating in a merger, demerger, or acquisition 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.

The Company when participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless other regulations provide otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company involved in a merger, demerger, acquisition or transfer of shares that is listed or whose shares are traded on the business premises of a securities dealer shall keep a full written record of the following information for five years for inspection.

- I. Basic information of 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.
- II. 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.
- III. 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.

A company involved in a merger, demerger, acquisition or transfer of shares listed or

traded on a securities dealer's premises shall, within two days of the date of approval by the Board of Directors, report the information in subparagraph 1 and 2 of the preceding paragraph in the prescribed form on the Internet information system for our records.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraph 3 and 4.

Article 25 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.

Article 26 The share exchange ratio or acquisition price may not arbitrarily alter 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:

- I. 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, and other equity-based securities.
- II. An action, such as a disposal of major assets that affects the Company's financial operations.
- III. An event, such as a major disaster or major change in technology that affects shareholders' equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 27 The Company's contract for participation 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 clarify the following issues:

- I. Treatment of breach of contract.
- II. 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.
- III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- IV. The manner of handling changes in the number of participating entities or companies.
- V. Preliminary progress schedule for plan execution, and anticipated completion date.
- VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 28 After public disclosure of the information, if the 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, they 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 another shareholders meeting may be exempted from calling to resolve on the matter anew.

Article 29 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 24, Article 25 and Article 28.

Chapter 8 Information disclosure

Article 30 Under any circumstances below, the Company acquiring or disposing assets shall publicly announce and report the relevant information on the website designated by the FSC in the appropriate format as prescribed by regulations within 2 days from the date of the event:

- I. Acquisition or disposal of real estate or the right-of-use assets from or to a related party, or acquisition or disposal of assets other than real estate or the right-of-use assets from or to a related party where the transaction amount reaches 20% or more of the paid-in capital, 10% or more of the company's total assets or NT\$300 million or more. This does not apply to trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. The acquired or disposed type of assets are equipment for business use or their right-of-use assets, and the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (I) When the Company's paid -in capital is less than NT\$10 billion and the transaction amount exceeds NT\$500 million.
 - (II) When the Company's-in capital is more than NT\$10 billion and the transaction amount exceeds NT\$1 billion.
- IV. The real estate is acquired under an arrangement on engaging others to build on the Company's own land or build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages or joint construction and separate sale, and the transaction counterparty is not a related party, and that the amount the Company expects to invest in the transaction is more than NT\$500 million.
- V. Besides the asset transactions in the preceding four paragraphs or investment in China, the transaction amount reaches 20% or more of the paid-in capital or NT\$300 million or more. However, this does not apply to the following circumstances:
 - (I) Trading of domestic government bonds.
 - (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of the preceding transactions is calculated as follows.

- I. The amount of each transaction.
- II. The cumulative transaction amount of acquisitions and disposals(cumulative acquisitions and disposals, respectively) of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or their right-of-use assets within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same negotiable security within the

preceding year.

“Within the preceding year” in the preceding paragraph as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Measures need not be counted toward the transaction amount.

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 website designated by the FSC by the 10th day of each month.

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 two days counting inclusively from the date of knowing of such error or omission.

Acquiring or disposing assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for at least 5

V. ranked except where another act provides otherwise.

Article 31 If 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 counting inclusively from the date of occurrence of the event:

I. Change, termination, or rescission of a contract signed regarding the original transaction.

II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

III. Change to the originally publicly announced and reported information.

Chapter 9 Management of Subsidiaries

Article 32 The acquisition or disposal of assets by the Company's subsidiaries shall also be handled in accordance with the provisions of the preceding chapter. If a subsidiary is not a domestic public company, its acquisition or disposal of assets shall meet the standards for announcement and declaration as stipulated in these Procedures. However, the "paid-in capital or total assets" referred to in the announcement and reporting standards for subsidiaries shall be based on the paid-in capital or total assets of the Company.

The Company's subsidiaries shall be subject to the paid-in capital of the "subsidiary" for the purposes of Articles 14 to 16 and 17 of these Procedures in relation to obtaining a valuation report from a professional valuer or an accountant's opinion and Article 18 of these Procedures in relation to the determination of the procedures to be followed in relation to transactions with related parties.

Chapter 10 Supplementary Provisions

Article 33 Any matters not covered by these Procedures shall be governed by the provisions of the relevant laws and standards. The Company shall comply with the provisions of the new letter and order issued by the competent authority in the event of any amendment to the procedures for the acquisition or disposal of assets.

Article 34 If the relevant personnel violate these procedures or their regulations, they shall be dealt with in accordance with the relevant regulations of the Company.

Article 35 These Procedures shall be implemented after they have been approved by the Audit Committee, resolved by the Board of Directors and submitted to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the Shareholders 'Meeting. The same shall apply to any amendments hereto.

When a procedure 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.

Articles of Association of Taiyen Biotech Co.

Ordinary General Meeting of June 19, 2020

Chapter I General Provisions

- Article 1 The Company shall be organized under the provisions of the Companies Act and shall be known as Taiyen Biotech Co.
- Article 2 The scope of business is as follows:
1. C109010 Manufacture of Seasoning.
 2. C110010 Beverage Manufacturing.
 3. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
 4. F203010 Retail sale of Food Products and Groceries.
 5. C801010 Basic Industrial Chemical Manufacturing.
 6. C802100 Cosmetics Manufacturing.
 7. F208040 Retail Sale of Cosmetics.
 8. C802090 Cleaning Products Manufacturing.
 9. F20730 Retail Sale of Cleaning Supplies.
 10. CF01011 Medical Devices Manufacturing.
 11. F108031 Wholesale of Medical Devices.
 12. F208031 Retail sale of Medical Equipment.
 13. C802041 Drugs and Medicines Manufacturing.
 14. F108021 Wholesale of Western Pharmaceutical.
 15. F208021 Retail Sale of Western Pharmaceutical.
 16. C201010 Feed Manufacturing.
 17. F401010 International Trade.
 18. I199990 Other Consulting Service.
 19. J701020 Amusement Parks.
 20. F501060 Restaurant business.
 21. G202010 Parking area Operators.
 22. F212011 Petrol station business.
 23. ZZ99999 All Business Items that Are Not Prohibited or Restricted by Law, Except Those that Are Subject to Special Approval.
- Article 3 The Company is at Tainan City, and may, if necessary, establish salt factories (farms), other factories (farms), business units and warehouses at suitable locations; and may establish branches or offices in the country or abroad as may be required by the facts.

Article 4 (Deleted)

Chapter II Shares

- Article 5 The total share capital of the Company shall be fixed at NT\$ 8 billion. The share capital of the Company shall be divided into 800 million shares of NT\$ 10 each, to be issued as ordinary shares in several tranches.
- Article 6 The shares of the Company shall be issued in registered form, signed or sealed by three or more directors of the Company, numbered and containing the particulars set forth in Article 162 of the Company Law, and shall be issued by the competent authority or its approved issuing registrar. Shares of the Company is exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 7 The shares of the Company shall bear the true name of each shareholder and,

where the name of the government or corporation is used, the name and address of the government or corporation shareholder.

Article 8 If the shareholders of the Company transfer their shares, create pledges of rights, lose them, inherit them, give them as gifts, change their seals or change their addresses, and exercise one of their rights, the Company shall, unless otherwise provided by law or securities regulations, follow the "Rules Governing the Handling of Shares of Publicly Traded Companies".

Article 9 Any changes in the inscribed in the Shareholder Registry is prohibited within the period of 60 days prior to the scheduled date of a regular session or 30 days prior to the scheduled date of a special session of the Shareholders Meeting, or 5 days prior to the dividend day or payment day of the bonus or other benefits by the Company.

Chapter III Shareholders Meeting

Article 10 The ordinary meeting of shareholders shall be held once a year, within 6 months after the end of each fiscal year, but may be postponed for justifiable reasons with the approval of the competent authority. Extraordinary meetings shall be convened when necessary.

Unless otherwise provided in the Company Law, the Board of Directors shall convene a shareholders' meeting.

Article 11 A shareholders' meeting shall be held at the seat of the head office or at such other place within the territory of the ROC as the Board of Directors may resolve.

Article 12 The shareholders shall be notified of the convening of a shareholders' meeting 30 days in advance for regular meetings and 15 days in advance for extraordinary meetings, stating the reasons for the convening.

Article 13 Unless otherwise provided in the Company Law, the Chairman of the Board of Directors shall be the chairman of the shareholders' meeting. In the absence of the Chairman due to leaves or other reasons, a proxy shall act on behalf of and in the name of the Chairman to the appointment of the Chairman. If no proxy is appointed, the Directors shall appoint one amongst themselves to preside over the session. The Directors shall attend the sessions of the Board of Directors in person.

Article 14 If a shareholder is unable to attend a general meeting for any reason, he may appoint a proxy to attend and exercise his rights in a letter of proxy issued by the Company specifying the scope of authority. However, a shareholder may only issue one proxy and appoint one person.

The use of the aforementioned proxies shall be governed by the "Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies".

Article 15 Unless otherwise provided in the Company Law, a resolution at a shareholders' meeting shall be made with the consent of most of the shareholders present and representing most of the total number of issued shares.

Article 16 Each shareholder of the company is entitled to one vote.

Article 17 The minutes of the shareholders' meeting shall contain the year, month, day, place, name of the chairman and the method of resolution, and shall also contain the main points of the proceedings and the results thereof, it shall be signed or sealed by the chairman, and shall be announced or distributed to shareholders within 20 days after the meeting. The signature book of shareholders attending the meeting and the proxy form shall be kept in accordance with the provisions

of the Company Law.

Article 18 The Company shall not be a shareholder with unlimited liability of another company or a partner in a partnership. If the Company is a limited liability shareholder of another company, it shall be governed by Article 13 of the Company Act.

Article 19 (Deleted)

Chapter IV Director and Audit Committee

Article 20 The Company shall have seven to nine directors, at least three of whom shall be independent directors. The election of directors shall be conducted in accordance with the provisions of Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of directors to be elected shall be calculated separately.

The Directors shall be elected by the Shareholders' Meeting for a term of 3 years and shall be eligible for re-election. The total number of shares held by all directors in the Company's registered share capital is determined in accordance with the standards set forth in the "Rules for Implementation of the Rules Governing the Composition and Audit of Shareholdings of Directors and Supervisors of Public Companies" promulgated by the Financial Supervisory Commission, Executive Yuan. If a representative of a government or corporate shareholder is elected as a director, such representative may be reappointed at any time to fill the original term of office.

Article 21 The Board of Directors of the Company shall elect a chairman from among its members with the presence of at least two-thirds of the Directors and the consent of most of the Directors present to conduct the regular business of the Board of Directors and to represent the Company externally.

Article 22 Except for the first meeting of each newly elected Board of Directors, which shall be convened by the Director with the highest number of votes representing the right to vote, the Board of Directors shall be convened by the Chairman of the Board of Directors once every two months, and shall notify the Directors of the date and place of the meeting and the reason for the convening seven days in advance, except in case of emergency, which may be convened at any time. The foregoing may be convened by E-mail or by fax.

Article 23 Unless otherwise provided in the Company Law, a meeting of the Board of Directors shall be convened with the consent of most of the Directors present, and minutes of the meeting shall be kept.

Article 24 The chairman of the board of directors shall be the chairman of the board of directors. If the chairman of the board of directors is absent from work or is unable to exercise his or her duties and responsibilities for any reason, the chairman of the board of directors shall designate a director to act as his or her proxy. If no proxy is designated, the Directors present shall appoint one from among themselves to act as proxy.

Article 25 At meetings of the Board of Directors, the Directors shall attend in person. If a Director is unable to attend for any reason, he/she may appoint another Director to act as his/her proxy by specifying in writing the extent of his/her authority to do so, provided that each Director may only act as proxy for one other Director.

Article 26 If a vacancy in the number of Directors reaches one-third, the Board shall convene an interim meeting of shareholders within sixty days to elect a new Director.

Article 27 The Board of Directors are specified below:

1. Long-term and medium-term plans and annual plans shall be approved.
2. Approval of the Company's and the Board's organizational rules.
3. Approval or ratification of major rules and contracts.
4. The appointment and dismissal of the President, Vice President and Chief Executive Officer.
5. Approval of budgets and review of financial reports.
6. Approval of capital expenditures for unbudgeted projects.
7. Approval of amendments to the Articles of Incorporation, changes in capital, and motions for dissolution or merger of the Company.
8. Review and approval of proposals for distribution of earnings or indemnification of losses.
9. Convening of shareholders' meetings and execution of resolutions of shareholders' meetings.
10. Approval of remuneration standards for employees.
11. Approval of the sale or exchange of land, buildings, and major machinery and equipment.
12. Any other empowerment under the law.

Article 28 The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee's authority, organizational procedures and other matters to be followed shall be in accordance with the provisions of the Company Law, the Securities and Exchange Act and other relevant laws and regulations and the Articles of Incorporation.

Article 29 (Deleted)

Article 30 The directors' travel expenses, the remuneration of independent directors and the remuneration of the chairman of the board of directors are authorized to be determined by the board of directors. The Chairman of the Board of Directors shall make other payments in accordance with the rules governing the remuneration of employees.

Article 30-1 The Company may purchase liability insurance for the benefit of its directors and managers in respect of their liability under the law for the performance of their business.

Chapter V Managerial officers

Article 31 The Company shall have a general manager, deputy general manager and chief executive officer, who shall be dismissed and appointed in accordance with the provisions of the Companies Act.

Article 32 The General Manager shall conduct the day-to-day affairs of the Company in accordance with the directions of the Chairman and the resolutions of the Board of Directors and the Shareholders' Meeting.

Chapter VI Accounting

Article 33 The accounting year of the Company shall commence on January 1st and end on December 31st in each year.

Article 34 At the end of each accounting year, the Company shall prepare a final account and shall submit the business report, financial statements and proposals for the distribution of profits or the appropriation of losses to the Audit Committee for examination 30 days prior to the ordinary general meeting in accordance with the provisions of the Company Law, and shall issue an audit report and submit it to the shareholders' meeting for resolution.

Article 35 If the Company makes a profit during the year, it shall allocate 2.25% to 3.75% of the profit to employee compensation and less than 1.5% to director compensation

to be distributed to directors in office at the end of the year (excluding independent directors). If the Company has accumulated losses, it shall reserve the amount for compensation. The distribution of remuneration paid to employees and directors and supervisors shall be adopted by a resolution by a majority voting of the directors present at the Board meeting attended by two-thirds of the directors and reported in the shareholders' meeting.

If the Company makes a profit in a year, it shall pay taxes and make up for the accumulated losses first, and set aside 10% of the remaining amount as legal reserve unless the legal reserve has reached the total capital; then, the Company may set aside or reverse special reserve according to the business needs or statutory requirements; after the dividends are distributed, the shareholders' meeting shall decide whether to distribute bonuses to shareholders using the surplus, if any, For the distribution of dividends to shareholders, more than 10% of the accumulated undistributed earnings may be set aside additionally, and cash dividends shall not be less than 50%.

Chapter VII Supplementary Provisions

- Article 36 The constitution of the Board of Directors, the internal constitution of the Company and the Articles of Business of the Company shall be prescribed separately.
- Article 37 All matters not covered by these Articles of Association shall be governed by the provisions of the Companies Act and the relevant laws and regulations.
- Article 38 These Articles of Association shall take effect from the date of the resolution of the shareholders' meeting and shall be amended as well.
These Articles of Association were approved at the Founding Meeting on June 23, 1995.
It was amended for the first time at the Extraordinary Shareholders' Meeting on September 21, 1995.
Amended for the second time at the Extraordinary General Meeting on March 21, 1996.
Third amendment at the Extraordinary General Meeting on December 19, 1996.
Fourth amendment at the Ordinary General Meeting on September 25, 1997.
Fifth amendment at the Extraordinary General Meeting on June 23, 1998.
Sixth amendment at the Ordinary General Meeting on November 26, 1998.
Seventh amendment at the Extraordinary General Meeting on April 22, 1999.
Eighth amendment at the Ordinary General Meeting on October 26, 1999.
Ninth amendment at the Ordinary General Meeting on May 31, 2001.
Tenth amendment at the Extraordinary General Meeting on October 8, 2002.
Eleventh Amendment at the Ordinary General Meeting on April 16, 2003.
Twelfth amendment at the Ordinary General Meeting on June 26, 2003.
Thirteenth Amendment at the Extraordinary General Meeting on February 16, 2004.
Fourteenth amendment at the Ordinary General Meeting on May 7, 2004.
Fifteenth amendment at the Extraordinary General Meeting on March 25, 2005.
Sixteenth amendment at the Ordinary General Meeting on June 15, 2007.
Seventeenth amendment at the Extraordinary General Meeting on December 24, 2007.
Eighteenth amendment at the Ordinary General Meeting on June 13, 2008.
Nineteenth amendment at the Ordinary General Meeting on June 25, 2010.
Twentieth amendment at the Extraordinary General Meeting on December 23, 2010.

Twenty-first amendment at the Ordinary General Meeting on June 24, 2011.
Amended for the twenty-second time at the Ordinary General Meeting on June 18, 2012.
Amended for the twenty-third time at the Ordinary General Meeting on June 25, 2014.
Twenty-fourth amendment at the Ordinary General Meeting on June 25, 2015.
Twenty-fifth amendment at the Ordinary General Meeting on June 20, 2016.
Twenty-sixth amendment at the Ordinary General Meeting of Shareholders on June 22, 2018. The provisions of Article 20, except for the provision that "Directors shall be elected by nomination", the provisions of the title of Chapter 4, Articles 20, 22, 28, 29, 30, 30-1, 34 and 35 shall be effective upon the re-election of the twelfth term of Directors in 2019.
Twenty-seventh amendment at the Ordinary General Meeting on June 19, 2020.

Articles of the Rules of Procedure of the General Meeting of Taiyen Biotech Co.

- Article 1 (Applicable Principles)
(hereinafter referred to as the Company) shall be governed by these rules unless otherwise provided by law or the Articles of Incorporation.
- Article 2 (Convening of Shareholders' Meetings and Notice of Meetings)
Unless otherwise provided by law, the Board of Directors shall convene a meeting of shareholders of the Company.
The notice of the shareholders' meeting, the proxy form, and the agenda and explanatory information of each motion for recognition, discussion, election or dismissal of directors shall be sent to the Market Observation Post System (MOPS) 30 days in advance for regular meetings and 15 days in advance for extraordinary meetings. The shareholders' meeting manual and supplementary information will be sent to the Market Observation Post System (MOPS) electronically no later than 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting. A copy of the handbook and supplementary information for the meeting shall be made available to shareholders 15 days before the meeting and shall be displayed at the Company and the professional stockbroker appointed by the Company and shall be distributed at the meeting.
The notice and announcement shall state the reason for the meeting and may be given by electronic means with the consent of the person to whom it is given.
The election or dismissal of directors, change of articles of association, reduction of capital, application for suspension of public offering, permission for directors to compete for business, transfer of capital from surplus to capital, transfer of capital from reserves to capital, dissolution, merger, demerger or division of the Company, or any of the matters set forth in Article 185, paragraph 1, of the Company Law, shall be set forth in the grounds for the meeting and the main contents thereof shall be stated. The main content may be placed on the website designated by the competent securities authority or the Company and the website address shall be set out in the notice.
If a general meeting of shareholders has been convened for the purpose of general election of directors and the date of their appointment, the date of their appointment shall not be changed by way of an ad hoc motion or otherwise at the same meeting after the completion of such election.
- Article 3 (Proposals for ordinary general meetings)
A shareholder holding at least 1% of the total number of issued shares may propose a motion to the Company for an ordinary general meeting. Proposals for ordinary general meetings shall be made in accordance

- with the provisions of Article 172-1 of the Company Law.
- Article 4 (Preparation and Announcement of Handbook)
A shareholders' meeting shall be convened by preparing a handbook for the proceedings of the shareholders' meeting, and the handbook and other information related to the meeting shall be published and distributed prior to the shareholders' meeting in accordance with the "Rules Governing the Recording of and Compliance with the Procedures of Shareholders' Meetings of Public Companies".
- Article 5 (Attendance by proxy and authorization)
A shareholder may appoint a proxy to attend a shareholders' meeting by producing a proxy form issued by the Company, specifying the scope of authority to attend the meeting.
A proxy shall be issued by a member and shall be limited to one person and shall be delivered to the Company not later than 5 days before the date of the general meeting, and in the event of duplication of proxies, the first to be delivered shall prevail. In the event of a duplication of proxies, the first to be served shall be the first to be served, except where a declaration is made revoking a previous proxy.
If, after the proxy has been delivered to the Company, a shareholder wishes to attend a shareholders' meeting in person or to exercise his or her voting rights in writing or by electronic means, he or she shall give notice in writing to the Company of the revocation of the proxy 2 days before the shareholders' meeting; if the proxy is revoked after that date, the voting rights shall be exercised in the presence of the proxy.
- Article 6 (Principle of Venue and Time of General Meetings)
A general meeting shall be convened at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the holding of a general meeting, and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 7 (Preparation of Books of Signatures, etc.)
The Company shall specify the time and place for the registration for attending the sessions of the Shareholders' the Company shall specify the time and place for the registration for attending the sessions of the Shareholders' Meeting and other for attention in the meeting's notice.
The aforementioned span of time for registration of those attending the Shareholders' Meeting shall be 30 minutes Signs should be properly posted at the spot for registration with the appointment of enough personnel to perform the registration. Signs should be properly posted at the spot for registration with the appointment of enough personnel to perform the registration.
The Company shall keep a sign-in book for attendance by the members present in person or by proxy (hereinafter referred to as members) or by the payment of a sign-in card by the members present to sign in for them.

The Company shall deliver to the members present at the meeting the book of business, annual report, attendance card, speech slips, voting papers and other materials for the meeting; in the case of election of directors, a separate voting paper shall be attached.

Shareholders shall attend the shareholders' meeting with their attendance cards, attendance cards or other attendance documents; the requester of a proxy shall bring along identification documents for verification.

When a government or a legal entity is a shareholder, no more than one representative may attend a general meeting. If a legal entity is entrusted to attend a shareholders' meeting, it may only appoint one representative to attend.

Article 8 (Chairman, Attendance at General Meetings)

If a shareholders' meeting is convened by the board of directors, the chairman of the meeting shall be the chairman of the board of directors. If the chairman of the board of directors is absent from work or is unable to exercise his or her powers and functions for any reason, the chairman of the board of directors shall appoint a director to act as his or her proxy; if no proxy is appointed, the directors shall appoint a proxy from among themselves.

To be eligible for appointment to preside over the session of the Shareholders Meeting, the Director would better be in office for at least 6 months with a good understanding of the financial position and operations of the Company. The same criteria shall be applicable to an Institutional Director appointed to preside over the session.

The Chairman of the Board shall preside in person at any general meeting convened by the Board and most of the Directors of the Board shall be present in person and at least one member of each functional committee shall be present and the attendance shall be recorded in the minutes of the general meeting.

If a shareholders' meeting is convened by a person other than the Board of Directors, the chairman of the meeting shall be that person, and if there are more than two such persons, one of them shall be elected from among themselves.

The Company may appoint the lawyers, certified public accountants, or related personnel to attend the Shareholders Meeting as observers.

Article 9 (Recorded or video-recorded proceedings of general meetings)

The Company shall keep audio or video recordings of all meetings of the Members for at least one year. If a legal action is instituted pursuant to Article 189 of the Company Act, the aforementioned records shall be kept until the conclusion of the legal action. Article 10

Article 10 (Calculation of the number of shares present at a general meeting and the holding of such meeting)

The attendance of the shareholders shall be calculated based on the number of shares being represented. The number of shares for attending the session shall be calculated on the basis of the number of shares specified in the guest The number of shares for attending the session shall be calculated on the basis of the number of shares specified in the guest book or the attendance cards submitted for registration to the session, plus the number of shares for exercising voting rights by The number of shares for exercising voting rights by correspondence or electronic means.

The Chairman shall declare a meeting open at the time when it is due to commence, provided that if no member representing more than half of the total number of shares in issue is present, the Chairman may adjourn the meeting for a period not exceeding one hour in total. If, after two postponements, less than one-third of the total number of issued shares are still not present, the Chairman shall declare the meeting to be adjourned.

If there are not enough shareholders representing at least one-third of the total number of issued shares to attend the meeting after the second postponement, a bogus resolution may be made in accordance with Paragraph 1, Article 175 of the Company Law and the shareholders shall be notified of the bogus resolution and a further general meeting shall be convened within one month.

If, before the conclusion of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may submit the bogus resolution to the shareholders' meeting for a new vote in accordance with Article 174 of the Company Law.

Article 11 (Discussion of Motions)

Where the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be decided by the Board of Directors, and the related motions (including extraordinary motions and amendments to motions) shall be voted one by one. The agenda shall be proceeding accordingly, which is not allowed to be changed without a resolution rendered by the Shareholders' Meeting.

The foregoing provisions shall apply if the Shareholders' Meeting is convened by a person having the right to convene other than the Board. If the chairman of the meeting adjourns the meeting in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the shareholders present to elect a chairman by most of the voting rights of the shareholders present in accordance with the legal procedures and continue the meeting.

The chairman shall give enough opportunity to explain and discuss the

motions and amendments or provisional motions proposed by the shareholders, and when he/she considers that the motions have reached the level of being ready for voting, he/she may declare that the discussion has ceased, put the motions to vote, and arrange for an appropriate time for voting.

Article 12 (Speeches by shareholders)

Before a shareholder attends to speak, he/she shall fill in a speech slip stating the gist of the speech, the shareholder's account number (or attendance card number) and his/her name, and the Chairman shall determine the order of his/her speech.

A member present who merely refers to the speech slip but does not speak shall be deemed not to have spoken. If there is any discrepancy between the contents of the speech and the speech slip, the contents of the speech shall prevail.

Each member shall not speak more than twice on the same motion and each time for not more than five minutes without the consent of the chairman, provided that the chairman may stop any member speaking in contravention of the rules or outside the scope of the question.

When a shareholder is present to speak, no other shareholder shall interfere with his speech except with the consent of the chairman and the shareholder speaking, and the chairman shall stop any such interruption.

Where a shareholder is a corporation and has appointed more than two representatives to attend a general meeting, only one person may speak on the same motion.

After a shareholder in session has presented the speech, the Chairman shall respond to the speech in person or appoint concerned personnel to respond to the speech. After a shareholder in session has presented the speech, the Chairman shall respond to the speech in person or appoint concerned personnel to respond to the speech.

Article 13 (Calculation of the number of shares to be voted on, recusal system)

Voting at a shareholders' meeting shall be based on shares.

The number of shares of non-voting shareholders shall not be counted as part of the total number of issued shares in a shareholders' meeting.

A shareholder may not vote at a meeting if he or she has an interest in the matter that would be detrimental to the interests of the Company, and may not exercise his or her voting rights on behalf of another shareholder.

The number of shares on which voting rights may not be exercised as aforesaid shall not be counted towards the voting rights of the shareholders present.

Except for a trust business or a stock agency approved by the competent securities authority, if a person is appointed by more than two shareholders at the same time, the voting rights of the proxy shall not

exceed 3% of the total number of issued shares, and the voting rights in excess of this shall not be counted.

Article 14 (Voting on Motions)

Each shareholder is entitled to one vote for each share of holdings except for the shares under restriction or as specified in Paragraph 2, Article 179 of the Company Act.

The Company shall convene a general meeting by electronic means and may exercise its voting power in writing in accordance with the provisions of Articles 177-1 and 177-2 of the Company Act.

The voting of a motion shall be deemed passed by the consent representing a simple majority of the shareholders in session unless the voting of a motion shall be deemed passed by the consent representing a simple majority of the shareholders in session unless the Company Act and the Articles of Incorporation of the Company provide otherwise.

At the time of voting, the Chairman or the designated personnel shall announce the votes represented by all shareholders in the session, followed by the casting of votes. At the time of voting, the Chairman or the designated personnel shall announce the votes represented by all shareholders in the session, followed by the casting of votes by the shareholders on each of the motions, and enter the results of the shareholders' approval, disapproval and abstentions into the Public Information Observation Post System on the day following the date of the general meeting.

In the event of amendments or substitutions to the same motion, the Chairman shall determine the order of voting thereon together with the original motion. If one of the motions has been passed, the other motions shall be deemed to be rejected and no further vote shall be taken.

Article 15 (Supervision and Counting of Votes)

The chairman of the meeting shall appoint the scrutineer and the teller of votes for a motion, but the scrutineer shall be a shareholder.

The counting of votes on motions for shareholders' meetings or elections shall be done openly on the floor of the shareholders' meeting, and the results of the voting, including the number of votes counted, shall be announced and recorded on the spot after the counting of votes is completed.

Article 16 (Elections)

In the event of an election of directors at a shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations of the Company, and the election results shall be announced on the spot.

The ballot papers for the aforesaid election shall be sealed and signed by the scrutineers and kept in a safe place for at least one year. If a legal action is instituted pursuant to Article 189 of the Company Act,

the aforementioned records shall be kept until the conclusion of the legal action. Article 10

Article 17 (Minutes and signatures)

Minutes of meeting on record shall be prepared and signed or sealed by the Chairman and distributed to the shareholders within 20 days of the meeting. Minutes of meeting on record may be prepared and released by Electronic.

The foregoing minutes may be distributed by means of an announcement entered into the Market Observation Post System.

Minutes of meeting on record may be prepared and released by Electronic. It shall be kept permanently for the duration of the Company's existence.

Article 18 (Public Announcement)

The number of shares acquired by the requisitioner and the number of shares represented by proxy shall be clearly disclosed in a statistical table prepared in accordance with the prescribed form on the date of the shareholders' meeting.

The Company shall transmit to the Market Observation Post System (MOPS), within the prescribed time, any resolution of the shareholders' meeting that contains material information required by law or by the Taiwan Stock Exchange Corporation.

Article 19 (Maintenance of order in the meeting room)

The meeting personnel conducting the shareholders' meeting shall wear identification cards or armbands.

The chairman may direct a marshal or security officer to assist in the maintenance of order in the meeting room. When present to assist in the maintenance of order, the marshal or security officer shall wear an armband or identification badge bearing the word "marshal".

The chairman may stop a member from speaking other than through the equipment provided by the Company if the meeting venue is equipped with sound amplifying devices.

If a shareholder disobeys the Chairman's correction of a breach of the rules of procedure and obstructs the proceedings of the meeting, he/she may be asked to leave the meeting room by the Chairman at the direction of the marshals or security personnel.

Article 20 (Breaks, adjournments)

In the event of an unavoidable situation, the Chairman may decide to suspend the meeting and announce the time of the adjourned meeting.

If the meeting venue cannot be used before the end of the meeting (including temporary motions), the shareholders' meeting may resolve to find another venue for the continuation of the meeting.

In accordance with Article 182 of the Company Law, the shareholders' meeting may resolve to adjourn or renew the meeting within five days.

Article 21 (Implementation)

This Regulation shall come into full force after passing by the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.

Settled at the Ordinary General Meeting on November 26, 1998

Amended at the 1st Extraordinary General Meeting on October 8, 2002

Amended at the 1st Extraordinary General Meeting on June 26, 2003

Amended at the Ordinary General Meeting on June 28, 2012

Amended at the Ordinary General Meeting on June 22, 2018, except for the deletion of the Supervisor, which shall take effect upon the re-election of the 12th Director in 2019, the remaining amendments shall take effect upon the approval of this Annual General Meeting.

Amended at the Ordinary General Meeting of Shareholders on June 19, 2020

Shareholding Profile of Directors of Taiyen Biotech Co.

- I. The Company has a paid-in capital of NT\$2,000,000,000 and 200,000,000 shares in issue.
- II. In accordance with Article 26 of the Securities and Exchange Act, all directors of the Company shall hold a minimum of 12,000,000 shares.
- III. The individual shareholdings and the shareholdings of all directors as recorded in the register of members as at the date of closure of the ordinary general meeting are as follows

Title	Title	Representative Shareholder	Shareholding
Chairman	Wu, Jung-Hui	Ministry of Economic Affairs	77,768,272
Director	Liu, Ya-Chuan		
Director	Liao, Hsien-Kuei		
Director	Wang, Ching-Tien		
Director	Tsai, Wen-Chieh	Lungyen Life Service Corporation, Ltd.	5,743,000
Director	Chen, Kuan-Ping	Sunshine Protech Inc.	797,337
Independent Director	Chan, Chien-Lung	In person	0
Independent Director	Huang, Shun-Tien	In person	0
Independent Director	Kuo, Ying-Man	In person	0
Total shareholding of all directors			84,308,609