Annual General Meeting of Shareholders of Excelsior Biopharma Inc.

(Translation)

Date：Tuesday, May 26, 2020, 10:00 am

Place：Conference Room 447 of Nankang Software Incubator on the 4th Floor, No. 19-11, Sanchong Rd., Nangang Dist., Taipei, Taiwan

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

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Excelsior Biopharma Inc.
2020 Annual General Meeting of Shareholders
Meeting Agenda

Date：Tuesday, May 26, 2020, 10:00 a.m.
Place：4F., No. 19-11, Sanchong Rd., Nangang Dist., Taipei City (Nankang Software Incubator, Conference Room 447)
Attendants：All shareholders or their proxy holders
Chairman：Mr. Joseph Chen, Chairman of the Board of Directors

I. Call meeting to order (announcement of the number of shares)

II. Chairman's address

III. Report Items

1. To report the business of 2019
2. The supervisors' auditing report
3. To report 2019 employees' profit sharing bonus and directors' compensations
4. To amend the policy of the company "Ethical Corporate Management Best Practice Principles"
5. To amend the policy of the company "Ethical Management and Guidelines for Conduct"
6. To amend the policy of the company "Corporate Social Responsibility Best Practice Principles"

IV. Ratifications

1. To adopt/approve the revised distribution of 2018 earnings submitted by the board of directors at the fifth meeting of the board on August 7, 2019.
2. To Adopt 2019 Business Report and Financial Review, the Financial Statements of and the Group Consolidated Financial Statements for the 2019 Financial Year
3. To approve the proposal for distribution of 2019 earnings

V. Proposed Resolutions

1. To amend the "Articles of Incorporation"

VI. Ad Hoc Motion

VII. Closing

III. Items for Reports

<u>No.1</u>: To report the business of 2019.
The 2019 Operational Report can be found on page 8 of this Handbook under Attachment 1.

<u>No.2</u>: The supervisors' auditing report.
The 2019 supervisors' auditing report can be found on pages 22 to 27 of this Handbook under Attachment 3.

<u>No.3</u>: To report 2019 employees' profit sharing bonus and directors' compensations.
Pursuant to the company earned profits in 2019, NT$ 1,768,809 (3% of profit) and NT$ 4,748,015 (5% of profit) of these earnings shall be allocated as directors' compensations and employee's profit sharing, respectively, and the total amount will be distributed in cash.

<u>NO.4:</u> To amend the policy of the company "Ethical Corporate Management Best Practice Principles".

1. In light of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, it is proposed to amend the policy of the company "Ethical Corporate Management Best Practice Principles".
2. Comparison Table for the amendments of "Ethical Corporate Management Best Practice Principles" can be found on pages 28 to 33 of this Handbook under Attachment 4.
3. The amended "Ethical Corporate Management Best Practice Principles" was approved by the board of directors.

NO.5: To amend the policy of the company "Ethical Management and Guidelines for Conduct".

1. In light of the Ethical Corporate Management Best Practice Principles, it is proposed to amend the policy of the company "Ethical Management and Guidelines for Conduct".
2. Comparison Table for the amendments of "Ethical Management and Guidelines for Conduct" can be found on pages 34 to 38 of this Handbook under Attachment 5.
3. The amended "Ethical Management and Guidelines for Conduct" was approved by the board of directors.

NO.6: To amend the policy of the company "Corporate Social Responsibility Best Practice Principles".

4. In light of the Corporate Governance Roadmap (2018~2020), it is proposed to amend the policy of the company "Corporate Social Responsibility Best Practice Principles".
5. Comparison Table for the amendments of "Corporate Social Responsibility Best Practice Principles" can be found on pages 39 to 43 of this Handbook under Attachment 6.
6. The amended "Corporate Social Responsibility Best Practice Principles" was approved by the board of directors.

IV. Items for Ratifications

NO.1: Adoption of the revised distribution of 2018 earnings submitted by the board of directors at the fifth meeting of the board on August 7, 2019.

1. According to the regulations of the Financial Management Commission on April 6, 2012, Certificate No. 1010012865, when distributable surpluses should be distributed, the net deductions of other shareholders 'equity for the current year should be recorded. Supplementary mention of special surplus reserve.
2. The company should provide a special surplus reserve of NT $ 1,502,906 in 2018, and the revised 2018 earnings distribution table can be found on pages 44 of this Handbook under Attachment 7.

NO.2: Adoption of 2019 Business Report and Financial Review, the Financial Statements of and the Group Consolidated Financial Statements for the 2019 Financial Year. (Proposed by the Board of Directors)

1. The 2019 Individual and Consolidated Financial Statements have been audited by independent certified public accountants, Yuan-Sheng Yin and Ya-Lin Chen, of KPMG in Taiwan, and audit report has been issued without reservations. The aforementioned Financial Statements and Business Report have been approved by the Company's Board of Directors and reviewed by the Company's supervisors, and no inaccuracies were found.
2. Operational Report can be found on pages 8 of this Handbook under Attachment 1. Independent Certified Public Accountant reports and other financial statements pages 10 to 21 of this Handbook under Attachment 2.

NO.3: Approval the proposal for distribution of 2019 earnings.
(Proposed by the Board of Directors)

1. 2019 Profit Distribution have been approved by the Company's Board of Directors and reviewed by the Company's supervisors, and no inaccuracies were found.
2. The Statement of Profit Distribution can be found on pages 45 of this handbook under Attachment 8.
3. The proposed earnings distribution is allocated from Earnings in 2019 Available for Distribution, which is NT$ 46,667,000. Each common share holder will be entitled to receive a cash dividend of NT$ 1 per share.

4. If there is any case of buying back the company's stocks, transfer of treasury stock and cancelled and the number of stock outstanding is affected, the distribution interest rate for the shareholders is changed or must be changed upon the verification of the competent authority, the Shareholders' Meeting shall authorize the Board of Directors to handle it.
5. In this instance, the cash dividends calculated for the allocation proportion are distributed to NT$1, and amounts less than NT$1 shall be rounded. Total amounts less than NT$1 shall be allocated to list other company income. After the profit distribution proposal is approved by the general shareholders meeting, the board of directors is authorized to determine the record date for dividend distribution.

V. Items for Proposed Resolutions

NO.1: To amend the “Articles of Incorporation.

(Proposed by the Board of Directors)

1. In light of a Financial Supervisory Commission, it is proposed to amend the “Articles of Incorporation”.
2. Comparison Table for the amendments of “Articles of Incorporation” can be found on pages 46 to 50 of this Handbook under Attachment 9.
3. The amended “Articles of Incorporation” was approved by the board of directors.

VI. Ad Hoc Motions

VII. Closing

Attachment 1

Operational report

Dear Shareholders,

The 2019 annual business results are reported as the following,

In 2019, the consolidated gross profit of the company's was NT$353.6 million, compared with the gross profit of 2018 was NT$585.7 million, which decreased NT$232.1million (-39.63%) year-over-year, it was mainly impacted by the NHI Prices of some pharmaceutical products have been decreased. Thus, the impact has led to a decline in operating income and an increase in operating costs. And for the controlling expense ratio purpose, we have strengthening control and improving the operating efficiency of operating expenses, so in 2019 year-over-year, the net profit decrease NT$35.9 million (-11.81%), operating net profit decreased NT$196.3 million (-30.42%), and consolidated profit decreased NT$150.8 million (-21.14%). The basic earnings per share for the year 2019 was NT$1.52, and in 2018 was NT$4.75.

In order to expand the overseas market, the company's board of directors approved the establishment of an overseas subsidiary in Malaysia in December 2019 as a base for the expansion of the Southeast Asian market.

The company's subsidiary, Excelsior Pharmatech Labs., (EPL) has completed the establishment of a new drug research and development center in Hsinchu Biomedical Park in the fourth quarter of 2014 and has been established and certified in compliance with the PIC/S GMP pharmaceutical manufacturing standard. Since the second quarter of 2015, it has gradually transferred its own products back to the self-production. By continuously increasing the capacity utilization rate to effectively reduce the production cost, it will also strengthen the related production technology of the subsidiary and improve it. Mastering the key components and processes of the product to strengthen the research and development strategy, has turned a profit since the beginning of the year 2017, and has completed the goal of making up the accumulated losses in the current year. At the same time, EPL's "Transforming Growth Factor Beta Research Center" was approved to enter the National Biotechnology Research Park. The laboratory will be stationed in 2019 and the establishment of the laboratory will be completed by the synergy of collaborations between academia, industrial and government talent professionals with innovative technologies. Utilizing of the resources of the park will improve the overall efficiency of research and new drug development.

Taking into account the capital and operating conditions of the Company. In the year of 2020, the Company is still actively pursuing patents licensing and product authorizations from original inventors for the R&D strategy of product development with domestic and foreign research institutions in the form of industry-academia cooperation. Joint research and development in Taiwan and abroad, sharing the ownership of innovative patents and global market authorization after cooperation to ensure the company's investment in product research and development.

Finally, I wish you all shareholders, Good health and good luck.

Excelsior Biopharma Inc.

Chairman of the Board: Joseph Chen

General Manager: Joseph Chen

Head of the Accounting Dept.: Michael Chen

Attachment 2

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Parent Company Only Statements of Financial Position

December 31, 2018 and 2017

(All amounts expressed in thousands of New Taiwan dollars)

	Assets	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current assets:				
1100	Cash and cash equivalents	$ 706,280	43	861,185	52
1150	Notes receivable, net	5,207	-	5,373	-
1170	Accounts receivable, net	322,345	20	339,832	21
1200	Other receivable	185	-	69	-
130x	Inventories	344,043	21	224,562	14
1476	Other financial assets－current	10,799	1	-	-
1479	Other current assets	2,670	-	3,260	-
	Total current assets	1,391,529	85	1,434,281	87
	Non-current assets:				
1520	Financial assets at fair value through other comprehensive income-Noncurrent	30,497	2	-	-
1550	Investments accounted for under equity method	132,753	8	112,307	7
1600	Property, plant and equipment	67,757	4	69,391	4
1780	Intangible assets	111	-	125	-
1840	Deferred tax assets	9,912	-	10,602	-
1915	Prepayments for equipment	10,535	1	19,844	1
1920	Refundable deposits	-	1	696	-
1980	Other financial assets－non-current	-	-	10,799	1
	Total non-current assets	251,565	15	223,764,	13
	Total assets	$ 1,643,094	100	1,658,045	100

	Liabilities and Equity	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current liabilities:				
2151	Notes payable	826	-	423	-
2152	Other notes payable	1,354	-	10,015	1
2170	Accounts payable	75,908	5	100,462	6
2181	Accounts payable-related parties	29,800	2	43,610	3
2200	Other payables (notes 6(h) and (m))	97,437	6	99,609	6
2230	Current tax liabilities	38,589	2	37,242	2
2300	Other current liabilities	17,679	1	16,985	1
	Total current liabilities	261,593	16	308,355	18
	Non-Current liabilities:				
2640	Net defined benefit liability (note 6(h))	8,259	-	9,872	1
	Total non-current liabilities	8,259	-	9,872	1
	Total liabilities	269,852	16	435,418	19
	Equity attributable to shareholders of the Company (notes 6(h), (i) and (j)):				
	Share capital:				
3110	Common stock	466,670	28	466,670	28
3200	Capital surplus	298,751	18	345,418	21
	Retained earnings:				
3310	Legal reserve	140,727	9	112,759	7
3350	Unappropriated earnings	468,597	29	414,971	25
		609,324	38	527,730	32
	Total equity	1,373,242	84	1,339,818	81
	Total liabilities and equity	$ 1,643,094	100	1,658,045	100

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(All amounts expressed in thousands of New Taiwan dollars)

		2018		2017	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue**	$ 1,689,027	100	1,715,517	100
5000	**Operating costs**	1,141,381	68	1,079,808	63
5910	**Gross profit**	547,646	32	635,709	37
6000	**Operating expenses:**				
6100	Selling expenses	147,258	9	165,990	10
6200	Administrative expenses	109,517	6	116,397	7
6300	Research and development expenses	30,025	1	39,016	1
6450		(164)	-	-	-
	Total operating expenses	286,636	16	321,403	18
6900	**Net operating income**	261,010	16	314,306	19
7000	**Non-operating income and expenses:**				
7010	Other income	3,456	-	4,461	-
7020	Other gains and losses	1,031	-	4,296	-
7050	Finance costs	20,446	1	13,484	1
	Total non-operating income and expenses	24,933	1	22,441	1
7900	**Net income before tax**	285,943	17	336,747	20
7950	**Less: income tax expenses**	64,116	4	57,064	4
	Net income	221,827	13	336,747	16
8300	**Other comprehensive income (loss) :**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	(232)	-	(587)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	(1,503)	-	-	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(1,735)	-	(587)	-
8300	**Other comprehensive income (loss), net of tax**	(1,735)	-	(587)	-
8500	**Total comprehensive income**	$ 220,092	13	279,096	16
9750	**Basic earnings per share (expressed in New Taiwan dollars)**	$	4.75		5.99
9850	**Diluted earnings per share (expressed in New Taiwan dollars)**	$	4.75		5.99

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2018 and 2017

(All amounts expressed in thousands of New Taiwan dollars)

		Equity attributable to shareholders of the Company								
		Share capital				Retained earnings				
		Common stock	Advance receipts for share capital	Subtotal	Capital surplus	Legal reserve	Unappropriated retained earnings	Subtotal	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	Total equity
		3110	3140	3100	3200	3310	3350	3300	3420	3xxx
Balance at January 1, 2017	A1	466,670	-	466,670	392,085	94,713	293,922	388,635	-	1,247,390
Appropriation and distributions:									-	
Legal reserve	B1	-	-	-	-	18,046	(18,046)	-	-	-
Cash dividends	B5	-	-	-	(46,667)	-	(140,001)	(140,001)	-	(186,668)
Net income for the year	D1	-	-	-	-	-	279,683	279,683	-	279,683
Other comprehensive income for the year	D3	-	-	-	-	-	(587)	(587)	-	(587)
Total comprehensive income for the year	D5	-	-	-	-	-	279,096	279,096	-	279,096
Balance at December 31, 2017	Z1	466,670	-	466,670	345,418	112,759	414,971	527,730	-	1,339,818
Appropriation and distributions:									-	
Legal reserve	B1	-	-	-	-	18,046	(18,046)	-	-	-
Cash dividends	B5	-	-	-	(46,667)	-	(140,001)	(140,001)	-	(186,668)
Net income for the year	D1	-	-	-	-	-	279,683	279,683	-	279,683
Other comprehensive income for the year	D3	-	-	-	-	-	(587)	(587)	(1,503)	(587)
Total comprehensive income for the year	D5	-	-	-	-	-	279,096	279,096	(1,503)	279,096
Balance at December 31, 2018	Z1	**$ 466,670**	-	**466,670**	**345,418**	**112,759**	**414,971**	**527,730**	**1,503)**	**1,339,818**

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(All amounts expressed in thousands of New Taiwan dollars)

		2018	2017
Cash flows from operating activities:			
Income before tax	$	285,943	336,747
Adjustments:			
Adjustments to reconcile profit and loss			
Depreciation		5,475	5,501
Amortization expense		13	13
Provision (reversal of provision) for bad debt expense		(164)	(5,011)
Interest expense		(94)	(1,060)
Interest income		(20,446)	(13,484)
Loss (gain) on disposal of property, plant and equipment		(103)	35
Total adjustments to reconcile profit and loss		(16,164)	(14,006)
Changes in operating assets and liabilities relating:			
Net changes in operating assets:			
Notes receivable		166	(625)
Accounts receivable		(24,554)	5,168)
Other receivables		1	(1)
Inventories		(119,481)	(21,352)
Other current assets		591	(869)
Total net changes in operating assets		(101,072)	(17,679)
Net changes in operating liabilities:			
Notes payable (included other notes payable)		(8,268)	(472)
Accounts payable		(24,554)	16,161
Account payable – Related parties		(13,810)	6,382
Other payables		(1,944)	26,609
Other current liabilities		694	15,397
Net defined benefit liability		(1,845)	(1,671)
Total net changes in operating liabilities		(49,727)	62,406
Total net changes in operating assets and liabilities		(150,799)	44,727
Total adjustments		(166,963)	30,721
Cash inflow generated from operations		118,980	327,468
Interest income received		823	1,030
Income tax paid		(62,079)	(43,291)
Net cash flows from operating activities		57,724	325,207
Cash flows from investing activities:			
Acquisition Financial assets at fair value through other comprehensive income		(32,000)	-
Acquisition of property, plant and equipment		(3,373)	(12,274)
Proceeds from disposal of property, plant and equipment		103	21
Decrease (increase) in refundable deposits		9,309	(9,517)
Acquisition of intangible assets		-	(138)
Decrease (increase) in other financial assets－current and non-current		-	(216)
Decrease (increase) in prepayments for equipment		-	(696)
Net cash flows used in investing activities		(25,961)	(22,820)
Cash flows from financing activities::			
Cash dividends paid		(186,668)	(186,668)
Net cash flows from (used in) financing activities		(186,668)	(186,668)
Net increase in cash and cash equivalents		154,905	115,719
Cash and cash equivalents at beginning of year		861,185	745,466
Cash and cash equivalents at end of year	$	706,280	861,185

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Independent Auditors' Report

To the Board of Directors of Excelsior Biopharma Inc.:

Opinion

We have audited the consolidated financial statements of Excelsior Biopharma Inc. (the "Company") and its subsidiaries (collectively referred to as the "Consolidated Company"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Company as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Internationals developed by the International Financial Reporting Interpretation Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 3(a) to the consolidated financial statements, the Consolidated Company has initially adopted the IFRS 16, "Leases" commencing January 1, 2019 and applied the modified retrospective approach with no restatement of comparative period amounts. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2019. 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.

1. Impairment of trade receivable

   Please refer to note 4(g), note 5, and note 6(d) for the disclosures related to impairment of trade receivable of the consolidated financial statements.

   Description of key audit matter:

   The notes receivable and accounts receivable constituted 28% of the total consolidated assets of the Consolidated Company as of December 31, 2019, and the impairment of notes and accounts receivable depend on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider it as a key audit matter.

   How the matter was addressed in our audit:

   Obtaining the report on notes and accounts receivable, and confirming the notes and accounts receivable by issuing notifications; obtaining the calculation of impairment loss rate for notes and accounts receivable, and examining its accuracy of calculation; obtaining the ageing report of notes and accounts receivable, sampling and examining the relevant documents to ensure the accounts are properly categorized by periods, as well as reviewing whether the allowance of impairment for notes and accounts receivable were recognized based on loss rate. Evaluating whether the allowance of impairment for notes and accounts receivable and impairment losses are reasonably recognized by the Consolidated Company. Obtaining the documents regarding the allowance of impairment for notes and accounts receivable in order to verify whether they are in compliance with the Consolidated Company's accounting policies; reviewing whether the disclosure of impairment on trade receivable made by the management is appropriate.

2. Inventory measurement

   Please refer to note 4(h), note 5 and 6(f) for the disclosures related to inventory measurement of the consolidated financial statements.

   Description of key audit matter:

   The inventories of the Consolidated Company are measured at the lower of cost and net realizable value due to the rapid development in the research study on pharmaceutical industry and the advance of new pharmaceutical products which may significantly change the market demand leading to product expiration and obsolescence, resulting in the cost of inventory to be higher than the net realizable value. Therefore, we consider it as a key audit matter.

   How the matter was addressed in our audit:

   Obtaining the report on net realizable value of inventories in order to assess their reasonability; understanding the selling prices for inventory valuation after the reporting date and sampling proof of transactions to assess their reasonableness; conducting and analyzing the inventory ageing report to ensure they are properly categorized by periods; monitoring the inventory write downs and gains from price fluctuation for the past 3 years to evaluate the appropriateness of the inventory measurement conducted by the management. Obtaining the documents regarding the inventory measurement in order to verify whether they are in compliance with the Consolidated Company's accounting policies; reviewing whether the disclosure of inventory measurement made by the management is appropriate.

Other Matter

Excelsior Biopharma Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Consolidated Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Consolidated Company to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Yuan-Sheng Yin and Ya-Ling Chen.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2020

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

(All amounts expressed in thousands of New Taiwan dollars)

	Assets	December 31, 2019 Amount	%	December 31, 2018 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 349,398	23	751,106	46
1150	Notes receivable, net (note 6(d))	6,927	-	5,207	-
1170	Accounts receivable, net (note 6(d))	414,481	28	322,345	20
1200	Other receivable (note 6(e))	70	-	185	-
1220	Current income tax assets	8,409	1	-	-
130x	Inventories (note 6(f))	416,360	28	360,326	22
1476	Other financial assets—current (notes 6(c) and 8)	-	-	10,799	-
1479	Other current assets	3,484	-	3,786	-
	Total current assets	1,199,129	80	1,453,754	88
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(b))	27,450	2	30,497	2
1600	Property, plant and equipment (notes 6(g) and 8)	137,113	9	135,300	8
1755	Right-of-use assets (note 6(h))	83,561	5	-	-
1780	Intangible assets (note 6(i))	98	-	111	-
1840	Deferred tax assets (note 6(n))	13,104	1	13,264	1
1920	Refundable deposits	27,411	2	11,198	1
1980	Other financial assets—non-current (note 6(c))	11,011	1	-	-
	Total non-current assets	299,748	20	190,370	12
	Total assets	$ 1,498,877	100	1,644,124	100

	Liabilities and Equity	December 31, 2019 Amount	%	December 31, 2018 Amount	%
	Current liabilities:				
2151	Notes payable	7,293	-	9,976	-
2152	Other notes payable	13,489	1	3,545	-
2170	Accounts payable	30,905	2	82,453	5
2200	Other payables (notes 6(m) and (r))	78,356	5	107,353	7
2230	Current tax liabilities	1,928	-	38,589	2
2280	Lease liabilities—current (note 6(k))	9,874	1	-	-
2300	Other current liabilities	18,034	1	17,990	1
	Total current liabilities	159,879	10	259,906	15
	Non-Current liabilities:				
2580	Lease liabilities—non-current (note 6(k))	75,143	5	-	-
2640	Net defined benefit liability (note 6(m))	9,039	1	10,976	1
	Total non-current liabilities	84,182	6	10,976	1
	Total liabilities	244,061	16	270,882	16
	Equity attributable to shareholders of the Company (notes 6(m) and (o)):				
3110	Common stock	466,670	31	466,670	28
3200	Capital surplus	252,084	17	298,751	18
	Retained earnings:				
3310	Legal reserve	162,910	11	140,727	9
3320	Special reserve	1,503	-	-	-
3350	Unappropriated earnings	376,199	25	468,597	29
		540,612	36	609,324	38
	Other equity:				
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(4,550)	-	(1,503)	-
	Total equity	1,254,816	84	1,373,242	84
	Total liabilities and equity	$ 1,498,877	100	1,644,124	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(All amounts expressed in thousands of New Taiwan dollars)

		2019		2018	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(q))**	$ 1,540,064	100	1,689,124	100
5000	**Operating costs (notes 6(f), (g), (h), (k), (l) and (m))**	1,186,479	77	1,103,395	65
5910	**Gross profit**	353,585	23	585,729	35
6000	**Operating expenses (notes 6(d), (g), (h), (i), (k), (l), (m), (r) and 7):**				
6100	Selling expenses	122,222	8	147,261	9
6200	Administrative expenses	95,022	6	117,112	7
6300	Research and development expenses	51,524	3	39,436	2
6450	Reversal of impairment for expected credit loss	(982)	-	(166)	-
	Total operating expenses	267,786	17	303,643	18
6900	**Net operating income**	85,799	6	282,086	17
7000	**Non-operating income and expenses (notes 6(k) and (s)):**				
7010	Other income	5,990	-	3,477	-
7020	Other gains and losses	1,273	-	734	-
7050	Finance costs	(1,244)	-	(376)	-
	Total non-operating income and expenses	6,019	-	3,835	-
	Net income before tax	91,818	6	285,921	17
7950	**Less: income tax expenses (note 6(n))**	20,806	1	64,094	4
	Net income	71,012	5	221,827	13
8300	**Other comprehensive income (loss) (note 6(m)):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	277	-	(232)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,047)	-	(1,503)	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	(2,770)	-	(1,735)	-
8300	**Other comprehensive income (loss), net of tax**	(2,770)	-	(1,735)	-
8500	**Total comprehensive income**	$ 68,242	5	220,092	13
9750	**Basic earnings per share (expressed in New Taiwan dollars) (note 6(p))**	$	1.52		4.75
9850	**Diluted earnings per share (expressed in New Taiwan dollars) (note 6(p))**	$	1.52		4.71

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(All amounts expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the Company							
			Retained earnings					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2018	$ 466,670	345,418	112,759	-	414,971	527,730	-	1,339,818
Appropriation and distributions:								
Legal reserve	-	-	27,968	-	(27,968)	-	-	-
Cash dividends	-	-	-	-	(140,001)	(140,001)	-	(140,001)
Cash dividends from capital surplus	-	(46,667)	-	-	-	-	-	(46,667)
Net income for the year	-	-	-	-	221,827	221,827	-	221,827
Other comprehensive income for the year	-	-	-	-	(232)	(232)	(1,503)	(1,735)
Total comprehensive income for the year	-	-	-	-	221,595	221,595	(1,503)	220,092
Balance at December 31, 2018	466,670	298,751	140,727	-	468,597	609,324	(1,503)	1,373,242
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	22,183	-	(22,183)	-	-	-
Special reserve appropriated	-	-	-	1,503	(1,503)	-	-	-
Cash dividends	-	-	-	-	(140,001)	(140,001)	-	(140,001)
Cash dividends from capital surplus	-	(46,667)	-	-	-	-	-	(46,667)
Net income for the year	-	-	-	-	71,012	71,012	-	71,012
Other comprehensive income for the year	-	-	-	-	277	277	(3,047)	(2,770)
Total comprehensive income for the year	-	-	-	-	71,289	71,289	(3,047)	68,242
Balance at December 31, 2019	$ 466,670	252,084	162,910	1,503	376,199	540,612	(4,550)	1,254,816

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EXCELSIOR BIOPHARMA INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(All amounts expressed in thousands of New Taiwan dollars)

		2019	2018
Cash flows from operating activities:			
Income before tax	$	91,818	285,921
Adjustments:			
Adjustments to reconcile profit and loss			
Depreciation		28,565	25,445
Amortization expense		13	14
Reversal of impairment for expected credit loss		(982)	(166)
Interest expense		1,244	376
Interest income		(854)	(975)
Gain on disposal of property, plant and equipment		(44)	(104)
Total adjustments to reconcile profit and loss		27,942	24,590
Changes in operating assets and liabilities relating:			
Net changes in operating assets:			
Notes receivable		(1,720)	166
Accounts receivable		(91,154)	17,653
Other receivables		(2)	1
Inventories		(56,034)	(111,503)
Other current assets		302	1,752
Total net changes in operating assets		(148,608)	(91,931)
Net changes in operating liabilities:			
Notes payable (included other notes payable)		7,261	(7,914)
Accounts payable		(51,548)	(18,617)
Other payables		(28,997)	(2,396)
Other current liabilities		44	709
Net defined benefit liability－non-current		(1,660)	(1,845)
Total net changes in operating liabilities		(74,900)	(30,063)
Total net changes in operating assets and liabilities		(223,508)	(121,994)
Total adjustments		(195,566)	(97,404)
Cash inflow (out flow) generated from operations		(103,748)	188,517
Interest income received		971	858
Interest paid		(1,244)	(376)
Income tax paid		(65,716)	(62,079)
Net cash flows (used in) from operating activities		(169,737)	126,920
Cash flows from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		-	(32,000)
Acquisition of property, plant and equipment		(20,373)	(9,543)
Proceeds from disposal of property, plant and equipment		87	104
(Increase) decrease in refundable deposits		(16,213)	9,308
(Increase) decrease in other financial assets－ non-current		(212)	34
Net cash flows used in investing activities		(36,711)	(32,097)
Cash flows from financing activities::			
Increase in short-term loans		-	25,000
Decrease in short-term loans		-	(65,000)
Payment of lease liabilities		(8,592)	-
Cash dividends paid		(186,668)	(186,668)
Net cash flows used in financing activities		(195,260)	(226,668)
Net decrease in cash and cash equivalents		(401,708)	(131,845)
Cash and cash equivalents at beginning of period		751,106	882,951
Cash and cash equivalents at end of period	$	349,398	751,106

Attachment 3

Supervisors' Auditing Report

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

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor: TSAI, BEE-CHU

February 11, 2020

Supervisors' Auditing Report

The Board of Directors presented the year 2019 profit distribution proposal. The aforementioned reports and statements were audited and found satisfactory by the Supervisors. They are hereby submitted respectfully for examination pursuant to the regulations set forth in Article 219 of the Company Act.

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor: TSAI, BEE-CHU

March 3, 2020

Supervisors' Auditing Report

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

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor: WANG, HSI-CHIEH

February 11, 2020

Supervisors' Auditing Report

The Board of Directors presented the year 2019 profit distribution proposal. The aforementioned reports and statements were audited and found satisfactory by the Supervisors. They are hereby submitted respectfully for examination pursuant to the regulations set forth in Article 219 of the Company Act.

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor: WANG, HSI-CHIEH

March 3, 2020

Supervisors' Auditing Report

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

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor:

HUANG, HSIANG-MIN, Legal Representative of Fortune Construction Group

February 11, 2020

Supervisors' Auditing Report

The Board of Directors presented the year 2019 profit distribution proposal. The aforementioned reports and statements were audited and found satisfactory by the Supervisors. They are hereby submitted respectfully for examination pursuant to the regulations set forth in Article 219 of the Company Act.

Submitted to: 2020 Annual Meeting of Shareholders of the Company

Supervisor:

HUANG, HSIANG-MIN, Legal Representative of Fortune Construction Group

March 3, 2020

Attachment 4

Comparison Table for the Amendment to the Ethical Corporate Management Best Practice Principles

After the Amendment	Prior to the Amendment	Explanations
3.1.2 To achieve sound ethical corporate management, this Corporation shall establish a dedicated unit that is under the board of directors and **avail itself of adequate resources and staff itself with competent personnel**, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis **(at least once a year)**: 3.1.2.1 Assisting in incorporating ethics and moral values into the corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 3.1.2.2 **Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business**	3.1.2 To achieve sound ethical corporate management, this Corporation shall establish a dedicated unit that is under the board of directors, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis: 3.1.2.1 Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 3.1.2.2 Adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
<u>scope, adopting accordingly</u> programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the corporation's operations and business.	company's operations and business.	
3.2 Commitment and Implementation 3.2.1 The Corporation and their respective business group shall clearly specify in their rules and external documents and on **<u>the company website</u>** the ethical corporate management policies and the commitment by the board of directors and **<u>senior</u>** management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. 3.2.2 **<u>This Corporation shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u>** 3.2.3 **<u>This Corporation shall compile documented information on the ethical management</u>**	3.2 Commitment and Implementation 3.2.1 This Corporation and their respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
policy, statement, commitment and implementation and retain said information properly.		
5.3 Policy 5.3.1 This Corporation shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and **obtain approval from the board of directors**, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	5.3 Policy 5.3.1 This Corporation shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	In line with the revision of the laws or regulations.
5.5 The scope of prevention programs 5.5.1 This Corporation shall **establish a risk assessment mechanism** against unethical conduct, analyze **and assess on a regular basis** business activities within their business scope which are at a higher risk of being involved in unethical conduct, **and establish prevention**	5.5 The scope of prevention programs 5.5.1 This Corporation shall establish against unethical conduct, analyze business activities within their business scope which are at a higher risk of being involved in unethical conduct. 5.5.2 This Corporation establishes the prevention programs, which	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
<u>programs accordingly and review their adequacy and effectiveness on a regular basis.</u> 5.5.2 This Corporation **<u>refer to prevailing domestic and foreign standards or guidelines</u>** in establishing the prevention programs, which shall at least include preventive measures against the following:	shall at least include preventive measures against the following:	
5.16.2 The internal audit unit of this Corporation shall, **<u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc.</u>**, and examine accordingly the compliance with the **<u>prevention programs</u>**. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. **<u>The results of examination shall be reported to senior management and the ethical management dedicated unit</u>** and put down in writing in the form of an audit report to be	5.16.2 The internal audit unit of this Corporation shall examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. Putting down in writing in the form of an audit report to be submitted to the board of directors.	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
submitted to the board of directors.		
5.19.1.1 Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director **<u>or senior management</u>** shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. **5.19.1.2 <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u>** 5.19.1.3 Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 5.19.1.4 Confidentiality of the identity of whistle-blowers and the content of reported cases, **<u>and an undertaking regarding anonymous reporting.</u>** 5.19.1.5 Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 5.19.1.6 Whistle-blowing incentive	5.19.1.1 Establish and publish internal independent mailboxes and dedicated lines or entrust other external independent agencies to provide mailboxes and dedicated lines for using by internal and external personnel of the company. 5.19.1.2 Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 5.19.1.3 Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 5.19.1.4 Confidentiality of the identity of whistle-blowers and the content of reported cases. 5.19.1.5 Measures for protecting whistle-blowers from	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
measures.	inappropriate disciplinary actions due to their whistle-blowing. 5.19.1.6 Whistle-blowing incentiv measures.	
5.23.2 When this Corporation submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	5.23.2 This Corporation **has independent directors** and submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	In line with the revision of the laws or regulations.

Attachment 5

Comparison Table for Procedures for the Ethical Management and Guidelines for Conduct

After the Amendment	Prior to the Amendment	Explanations
3.1.1 This Corporation shall designate the ethical management group as the solely responsible unit under the board of directors **and allocate sufficient resources and qualified personnel who** in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit reports to the board of directors **at least once a year**: 3.1.1.2 **Regularly analyze and evaluate the risks of unethical conduct within the business scope, and** adopt programs to prevent unethical conduct and setting out in each program the standard operating	3.1.1 This Corporation shall designate the ethical management group as the solely responsible unit under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors: 3.1.1.2 Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
procedures and conduct guidelines with respect to this Corporation's operations and business. **3.1.1.7 <u>Make and properly preserve ethical management policies and its compliance with the statement, implementation of commitments and implementation of the relevant documents.</u>**	operations and business. 3.1.2 Establishing a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis (at least once a year).	
5.7.1 When a Company director , supervisor, officer or other stakeholder attending or present at **<u>meeting matters of a board meeting</u>**, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as	5.7.1 When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. **A spouse of a director, second relatives, or a company with a controlling affiliation with a director who has an interest in matters held at the preceding meeting shall be deemed to have a stake in the matter.**	from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.	
5.13 **Compliance and** announcement of policy of ethical management to outside parties 5.13.1 **This Corporation shall require directors and senior management to issue a statement of compliance with the policy of ethical management, and require employees to comply with the policy of ethical management under the terms of employment.** This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy	5.13 Announcement of policy of ethical management to outside parties 5.13.1 This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	respect to ethical management.	
5.18.2.1 the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached **<u>and anonymous whistleblowers are also required.</u>**	5.18.2.1 the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.	
5.18.3 Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The ethical management group of this Corporation shall observe **<u>whistle-blowing matters</u>** as the following procedure:	5.18.3 Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The ethical management group of this Corporation shall observe the following procedure:	

After the Amendment	Prior to the Amendment	Explanations
5.18.3.3 If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will **report to the competent authority, transfer to the judicial authority for investigation, or** institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.	5.18.3.3 If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.	
5.20 Internal advocacy, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures	5.20 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures	

Attachment 6

Comparison Table for the Amendment to Corporate Social Responsibility Best Practice Principles

After the Amendment	Prior to the Amendment	Explanations
2.2 In fulfilling corporate social responsibility initiatives, this **Corporation** shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. **This Corporation should conduct risk assessments of environmental, social and corporate governance issues related to its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.**	2.2 In fulfilling corporate social responsibility initiatives, this Corporate shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.	In line with the revision of the laws or regulations.
5.2.7 **This Corporation should assess the potential risks and opportunities of climate change for the company now and in the future, and take measures to address**	5.2.7 This Corporate are advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
<u>climate-related issues</u>. This **<u>Corporation</u>** are advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. **<u>This Corporation should calculate the greenhouse gas emissions, water consumption and total weight of waste</u>** and should establish company strategies for energy conservation and carbon and **<u>reduce water or other waste management</u>**. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations	disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. This Corporate are advised to monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.	

After the Amendment	Prior to the Amendment	Explanations
on climate change.		
5.3.4 This **<u>Corporation</u>** is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. This **<u>Corporation</u>** **<u>shall establish and implement reasonable employee benefits measures (including remuneration, leave and other benefits, etc.)</u>**, and shall appropriately reflect the business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	5.3.4 This Corporate is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. This Corporate shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	In line with the revision of the laws or regulations.
5.3.8 This **<u>Corporation</u>** shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.	5.3.8 This Corporate shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
This **<u>Corporation</u>** shall follow relevant laws, regulations and international guidelines when **<u>customer health, safety, customer privacy</u>**, marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	This Corporate shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	
5.3.10 This **<u>Corporation</u>** is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. This **<u>Corporation</u>** **<u>should establish supplier management policies and require suppliers to follow relevant regulations on issues such as environmental protection, occupational</u>**	5.3.10 This Corporate is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, This Corporate is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
safety and health, or labor rights. Prior to engaging in commercial dealings, This **Corporation** is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When this **Corporation** enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	against corporate social responsibility policy. When this Corporate enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	

Attachment 7

Profit Distribution Table

Year 2018

(Unit: $NTD)

Beginning retained earnings	**247,001,790**
Plus:	
-Net Income of 2018	221,827,122
Less:	
-Remeasurement of defined benefit obligation	(232,109)
-10% Legal Reserve	(22,182,712)
Retained Earnings Available for Distribution as of December 31, 2018	**468,596,803**
Distribution Item:	
-Cash Dividends to Common Share Holders (NT$3 per share)	**(140,001,000)**
Unappropriated Retained Earnings	**304,910,185**

Chairman: Joseph Chen

General Manager: Joseph Chen

Head of the Accounting Dept.: Michael Chen

Attachment 8

Profit Distribution Table

Year 2019

(Unit: $NTD)

Beginning retained earnings	**304,910,185**
Plus:	
-Net Income of 2019	71,011,681
Less:	
-Remeasurement of defined benefit obligation	277,310
-10% Legal Reserve	(7,128,899)
Retained Earnings Available for Distribution as of December 31, 2019	**366,023,183**
Distribution Item:	
-Cash Dividends to Common Share Holders (NT$1 per share)	**(46,667,000)**
Unappropriated Retained Earnings	**319,356,183**

Chairman: Joseph Chen

General Manager: Joseph Chen

Head of the Accounting Dept.: Michael Chen

Attachment 9

Comparison Table for the Amendment to the Articles of Incorporation

After the Amendment	Prior to the Amendment	Explanations
Article 6： The Company's share certificates shall bear the shareholder's names **and assign it with serial numbers,** and the share certificates shall be affixed with the signatures or personal seals of **the legal representative of the company**, and then be certified by the competent authority or an issuance registration agent authorized by the competent authority before the share certificates can be issued. For further share issuance, the Company may elect not to print any share certificates, provided that the Company shall appoint a centralized securities depositary institution to handle matters regarding the deposit of the shares **and follow the regulations of the company.**	Article 6： The Company's share certificates shall bear the shareholder's names, and the share certificates shall be affixed with the signatures or personal seals of three or more directors , and then be certified by the competent authority or an issuance registration agent authorized by the competent authority before the share certificates can be issued. For further share issuance, the Company may elect not to print any share certificates, provided that the Company shall appoint a centralized securities depositary institution to handle matters regarding the deposit of the shares.	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
Article 12： The Company shall establish a Board of Directors consisting of **<u>9 to 13</u>** people and Supervisors consisting of 2 to 3 people that will serve a term of 3 years. Capable directors shall be selected by members attending the Shareholders' Meeting. Directors are permitted to serve consecutive terms if re-elected. From the aforementioned directors, the number of independent directors shall be no less than two and no less than a fifth of the total directors' seats. The nomination of both independent directors shall be conducted via the candidate nomination system, with the directors being selected by the Board of Shareholders from a shortlist of candidates. The professional qualifications of directors, shares they may hold, restrictions of part-time jobs, nomination and selection methods, and other matters shall comply with the relevant provisions issued by the competent authority governing securities. During the term of office of the Directors, the company may purchase liability insurance for the scope of the business involved and the	Article 12： The Company shall establish a Board of Directors consisting of 7 to 9 people and Supervisors consisting of 2 to 3 people that will serve a term of 3 years. Capable directors shall be selected by members attending the Shareholders' Meeting. Directors are permitted to serve consecutive terms if re-elected. From the aforementioned directors, the number of independent directors shall be no less than two and no less than a fifth of the total directors' seats. The nomination of both independent directors shall be conducted via the candidate nomination system, with the directors being selected by the Board of Shareholders from a shortlist of candidates. The professional qualifications of directors, shares they may hold, restrictions of part-time jobs, nomination and selection methods, and other matters shall comply with the relevant provisions issued by the competent authority governing securities. During the term of office of the Directors, the company may purchase liability insurance for the scope of the business involved and the liability in accordance with	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
liability in accordance with the law for the directors.	the law for the directors.	
Article 12.1： **The Board of Directors may establish different Commissions. The Audit Committee shall comprise all the independent directors with a minimum of three people, one of whom is the chairman of the Board, and at least one of whom should have accounting or financial expertise.** **The responsibilities, organization regulations, terms of exercise and other binding matters related to the foresaid Audit Committee shall be in accordance with the requirements specified by the Company.** **The Audit Committee will spontaneously take place of the Supervisors, meanwhile the Articles related to supervisors are immediately terminated.**	(Add)	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
Article 20： The Articles of Incorporation were first made and executed on July 13, 1988. The First amendment to the Articles of Incorporation (“Amendment”) was made on October 5, 1990. The Second Amendment was made on January 7, 1994. The Third Amendment was made on February 1, 1994. The Fourth Amendment was made on February 14, 1994. The Fifth Amendment was made on December 1, 1997. The Sixth Amendment was made on October 30, 2000. The Seventh Amendment was made on June 16, 2003. The Eighth Amendment was made on October 20, 2003. The Ninth Amendment was made on November 1, 2004. The Tenth Amendment was made on September 13, 2006. The Eleventh Amendment was made on June 30, 2008. The Twelfth Amendment was made on June 27, 2009. The Thirteenth Amendment was made on June 25, 2011. The Fourteenth Amendment was made on June 30, 2012. The Fifteenth Amendment was made on November 4, 2012. The Sixteenth Amendment was made on June 26, 2014. The Seventeenth Amendment was made on February 12,	Article 20： The Articles of Incorporation were first made and executed on July 13, 1988. The First amendment to the Articles of Incorporation (“Amendment”) was made on October 5, 1990. The Second Amendment was made on January 7, 1994. The Third Amendment was made on February 1, 1994. The Fourth Amendment was made on February 14, 1994. The Fifth Amendment was made on December 1, 1997. The Sixth Amendment was made on October 30, 2000. The Seventh Amendment was made on June 16, 2003. The Eighth Amendment was made on October 20, 2003. The Ninth Amendment was made on November 1, 2004. The Tenth Amendment was made on September 13, 2006. The Eleventh Amendment was made on June 30, 2008. The Twelfth Amendment was made on June 27, 2009. The Thirteenth Amendment was made on June 25, 2011. The Fourteenth Amendment was made on June 30, 2012. The Fifteenth Amendment was made on November 4, 2012. The Sixteenth Amendment was made on June 26, 2014. The Seventeenth Amendment was made on February 12,	In line with the revision of the laws or regulations.

After the Amendment	Prior to the Amendment	Explanations
2015. The Eighteenth Amendment was made on June 23, 2015. The Nineteenth Amendment was made on February 19, 2016. The Twentieth Amendment was made on June 21, 2016. The Twenty-first Amendment was made on December 29, 2016. The Twenty-second Amendment was made on May 26, 2017. **The Twenty-Third Amendment was made on May 26, 2020.**	2015. The Eighteenth Amendment was made on June 23, 2015. The Nineteenth Amendment was made on February 19, 2016. The Twentieth Amendment was made on June 21, 2016. The Twenty-first Amendment was made on December 29, 2016. The Twenty-second Amendment was made on May 26, 2017.	

Appendix 1

Articles of Incorporation

Chapter 1 General Principles

Article 1：The Company is named by Excelsior Biopharma Inc., which is organized in accordance with the regulations of company limited by share in The Company Act.

Article 2：The Company shall engage in the businesses below,

1. C802041 Drug and Medicine Manufacturing
2. F108021 Wholesale of Drugs and Medicines
3. F208021 Retail Sale of Drugs and Medicines
4. F401010 International Trade
5. CF01011 Medical Materials and Equipment Manufacturing
6. F108031 Wholesale of Drugs, Medical Goods
7. F208031 Retail sale of Medical Equipments
8. C802100 Cosmetics Manufacturing
9. F108040 Wholesale of Cosmetics
10. F208040 Retail Sale of Cosmetics
11. F208050 Retail Sale of the Second Type Patent Medicine
12. C802060 Animal Use Medicine Manufacturing
13. F107070 Wholesale of Animal Medicines
14. F207070 Retail Sale of Animal Medicine
15. C802080 Pesticides Manufacturing
16. F107080 Wholesale of Environment Medicines
17. F207080 Retail Sale of Environment Medicine
18. F108011 Wholesale of Chinese Medicines
19. F208011 Retail Sale of Chinese Medicine
20. C199990 Other Food Manufacturing Not Elsewhere Classified
21. F102170 Wholesale of Food and Grocery
22. F102040 Wholesale of Nonalcoholic Beverages
23. F121010 Wholesale of food additives
24. F102020 Wholesale of Edible Oil
25. F203010 Retail sale of Food and Grocery
26. G801010 Warehousing and Storage
27. IZ06010 Cargoes Packaging

28. IG01010 Biotechnology Services
29. F108051 Wholesale of Cosmetics Ingredients
30. F118010 Wholesale of Computer Software
31. I301010 Software Design Services
32. I501010 Product Designing
33. IC01010 Pharmaceuticals Examining Services
34. IZ15010 Marketing Research and Opinion Poll
35. I103060 Management Consulting Services
36. I199990 Other Consultancy
37. ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2.1：The Company may invest in other business for its business needs, and it is not subject to the restriction stipulated in Article 13 of the Company Act.

Article 2.2：The Company may provide endorsements and guarantees for others, subject to the “Procedures for Endorsements and Guarantees for Others” of the Company after the resolution adopted by the meeting of the Board of Directors.

Article 3 ：The Company's head office shall be located in Taipei City. The board of directors of the Company (“Board of Directors”) may decide to establish branch offices and/or subsidiaries in or outside the Republic of China (Taiwan).

Article 4 ：Public announcements of the Company shall be made in accordance with Article 28 of the Company Act and other regulations promulgated by the competent authority.

Chapter 2 Shares

Article 5：The Company's total authorized capital is 800,000,000 New Taiwan Dollars, divided into 80,000,000 shares, at a par value of 10 New Taiwan Dollars per share. The Board of Directors shall be hereby authorized to issue the capital shares in installments as it deems necessary.

The Company may issue employee stock options from time to time. A total of 24,000,000 New Taiwan Dollars among the above total capital, divided into 2,400,000 shares, at a par value of NT$10 per shares should be reserved for issuing employee stock options. The Board of Directors may resolve to issue the aforementioned shares in installments.

Article 6：The Company's share certificates shall bear the shareholder’s names, and be signed or have chops affixed to them by three or more directors, and then be certified by the competent authority or an issuance registration agent authorized by the competent authority before the share certificates can be issued. For further share issuance, the Company may elect not to print any share certificates, provided that the Company shall appoint a centralized securities depositary institution to handle matters regarding the deposit of the shares.

Article 7：Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of General Shareholders’ Meeting, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the record date of the distribution of dividends, bonuses, or other benefits, as decided by the Company.

Article 7.1：Other matters relating to stocks shall be dealt in accordance with the Company Act and provisions of the “Guidelines for Handling of Stock Affairs by Public Companies” promulgated by the competent authority.

Chapter 3 Shareholders’ Meetings

Article 8 ：There are two types of shareholders’ meeting, namely, regular meeting and special meeting. The regular meeting shall be convened by the Board of Directors within six months after the close of each fiscal year. Special meetings may be convened as necessary in accordance with the relevant laws.

Article 8.1：The shareholders' meeting shall be convened by the board of directors, and the chairman shall be in accordance with the third paragraph of Article 208 of the Company Law; if the shareholders' meeting shall be convened by other convener holders other than the board of directors, the chairman shall be the convener; when more than two conveners, they should elect one of them to be the chairman.

Article 8.2：Meeting notice shall be given at least 30 days prior to general meetings and 15 days prior to special meetings. Every notice shall specify the date, the location, and reasons for convening the shareholders. Notice may be given to shareholders who hold less than 1000 registered shares by means of public announcement.

Article 9：When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization with signature or company seal thereon. Appointing a proxy in addition to the Article 177 of Company Law, after the public offering of the Company's shares, shall be done according to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" by the corresponding government department.

Article 10：A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Article 11：The voting of proposals shall be approved when more than 50% of the total shareholders are present and more than 50% of shareholders present give their consent, unless the Company Act stipulates otherwise. As prescribed by the competent authority, the company has adopted an electronic or paper voting system through which shareholders can vote. Shareholders who exercise their voting rights via electronic or paper form shall be considered as having attended in person, and the method of voting used shall be clearly stated in the Shareholders' Meeting notification.

Article 11.1：The issues presented for discussion and/or resolution at the Shareholders' Meeting and the resolution adopted by the meeting shall each be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the chairperson and a copy of which shall be distributed to the shareholders of the Company each within twenty (20) days after the meeting. The above meeting minutes may be produced and distributed electronically.

The Company may distribute the above minutes of the Shareholders' Meeting electronically.

Article 11.2：After the public offering of the Company's stocks, when the stock is to be withdrawn of public offering, it should be submitted to the shareholders' meetings for resolution, and this provision does not change during emerging and the listing period.

Chapter 4 Directors and Supervisors

Article 12：The Company shall establish a Board of Directors consisting of 7 to 9 people and Supervisors consisting of 2 to 3 people that will serve a term of 3 years. Capable directors shall be selected by members attending the Shareholders' Meeting. Directors are permitted to serve consecutive terms if re-elected. From the aforementioned directors, the number of independent directors shall be no less than two and no less than a fifth of the total directors' seats. The nomination of both independent directors shall be conducted via the candidate nomination system, with the directors being selected by the Board of Shareholders from a shortlist of candidates. The professional qualifications of directors, shares they may hold, restrictions of part-time jobs, nomination and selection methods, and other matters shall comply with the relevant provisions issued by the competent authority governing securities.

During the term of office of the Directors, the company may purchase liability insurance for the scope of the business involved and the liability in accordance with the law for the directors.

Article 13：The Board of Directors is composed of all directors. The Management Director is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The Management Director externally, he/she represents the Company and exercises such authority according to the law.

The reason for convening of the Board of Directors shall be stated and the directors and supervisors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile. The participants are deemed present by taking part in the meeting of the Board of Directors using video conference facility when the meeting is conducted by way of video conference.

The compensation of all directors shall be given. The Board of Directors is authorized to determine the amount of compensation to the directors of the Company based on the directors' level of operational participation as well as value of the contribution. The standard terms in the industry shall also be considered.

Article 14：In case the Managing Director is on leave or unable to exercise his/her duties for whatever reasons, his/her proxy shall act in accordance with Article 208 of the Company Act.

Article 15：The Company's directors shall be given a travel allowance. Supervisors shall be allowed to attend the meeting but don't have voting rights.

Chapter 5　Managers

Article 16：The Company shall establish managers, whose appointment, dismissal and severance pay shall be made in accordance with Article 29 of the Company Act.

Chapter 6　Accounting

Article 17：The Company shall produce and present the following statements and documents after the end of each fiscal year to the meeting of the Board of Directors for adoption and thereafter to the General Shareholders' Meeting for ratification:

(1) Business report.

(2) Financial statements.

(3) Proposed earnings distribution plan or loss makeup plan.

Article 18：Should the Company earn surpluses within the current term, at least three percent of surpluses should be set aside for employee compensation, and no more than three percent of surpluses should be set aside for director compensation. However, if the Company has accumulated losses, surpluses should be held in reserve to make up said loss.

Recipients of employee compensation include employees subordinate to the Company that comply with certain conditions.

Article 18.1：In consideration of the changeable environment of the Company's business, the Board of Directors shall take into account the Company's future capital expenditures and capital calls to determine the proposed amounts of reserved earnings, the distributable earnings, and the cash dividends when drawing up the proposed earnings distribution plan. Ten percent (10%) of the Company's surplus as of the final accounting of the fiscal period net of the business income tax payable for the period, makeup for losses accumulated from previous year(s), shall be allocated for legal reserves. The shareholders of the Company with 10% or more thereof distributed in cash. Subject to the relevant resolution adopted by the Shareholders' Meeting, the accumulative earnings distributable will be distributed according to the distribution plan proposed by the Board of Directors.

Chapter 7　Supplemental Provisions

Article 19：Matters not addressed herein shall be in accordance with the Company Act of the Republic of China (Taiwan) and the relevant laws and regulations prescribed and announced by the competent authority.

Article 20：The Articles of Incorporation were first made and executed on July 13, 1988. The First amendment to the Articles of Incorporation ("Amendment") was made on October 5, 1990. The Second Amendment was made on January 7, 1994. The Third Amendment was made on February 1, 1994. The Fourth Amendment was made on February 14, 1994. The Fifth Amendment was made on December 1, 1997. The Sixth Amendment was made on October 30, 2000. The Seventh Amendment was made on June 16, 2003. The Eighth Amendment was made on October 20, 2003. The Ninth Amendment was made on November 1, 2004. The Tenth Amendment was made on September 13, 2006. The Eleventh Amendment was made on June 30, 2008. The Twelfth Amendment was made on June 27, 2009. The Thirteenth Amendment was made on June 25, 2011. The Fourteenth Amendment was made on June 30, 2012. The Fifteenth Amendment was made on November 4, 2012. The Sixteenth Amendment was made on June 26, 2014. The Seventeenth Amendment was made on February 12, 2015. The Eighteenth Amendment was made on June 23, 2015. The Nineteenth Amendment was made on February 19, 2016. The Twentieth Amendment was made on June 21, 2016. The Twenty-first Amendment was made on December 29, 2016. The Twenty-second Amendment was made on May 26, 2017.

Appendix 2

Rules and Procedures of Shareholders' Meeting

1 . The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

2 . Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a Preferred shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the preferred shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

   A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

5. The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

   The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

6 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

7 The Company shall make an audio and video recording of the proceedings of the shareholders meeting. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

8 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

9 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

10 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

19 The Rules and any amendments hereto, shall be implemented after adoption by shareholders meetings.

20 Initial Approval on April 4, 2012

The First Amendment approved on February 12, 2015

The Second Amendment approved on June 23, 2015

Appendix 3

Shareholdings of All Directors

1. In compliance with Article 26 of the Securities and Exchange Act
   (1) The minimum number of shares to be held by all directors required by law is 3,733,360.
   (2) The minimum number of shares to be held by all supervisors required by law is 373,336.
2. The shareholding status of each individual director as of the commencement date of the book closure period for this annual general meeting is listed below. The shareholding status of the Company's Directors is in compliance with the required ratio set forth in the above-mentioned regulations.

The commencement date for the book closure period for this annual general meeting：

Date: March 28, 2020

Title	Name	Shares	Percentage of Shareholding
Chairman	JOSEPH CHEN	6,622,111	14.19%
Director	LIU, HUI-CHEN, Legal Representative of Eastpharm Investment Co.,Ltd.	10,163,443	21.77%
Director	CHEN, CHIA-LING, Legal Representative of Eastpharm Investment Co.,Ltd.	10,163,443	21.77%
Director	LEE, MANG-SHIANG, Legal Representative of Billion Investment Co., Ltd.	518,950	1.11%
Director	LEE, HSIU HUI, Legal Representative of Augusta Inc.	252,285	0.54%
Director	CHANG, HONG-JEN	-	0.00%
Independent Director	TSAI, SU-LEE	-	0.00%
Independent Director	CHANG, CHUN-SHYONG	-	0.00%
Independent Director	SUN, SHAO-WEN	-	0.00%
Total number of shares held by all the directors		17,556,789	37.62%

Supervisor	TSAI, BEE-CHU	222,000	0.47%
Supervisor	HUANG, HSIANG-MIN, Legal Representative of Fortune Construction Group	250,000	0.53%
Total number of shares held by all the supervisors		472,000	1.01%
Total number of shares held by all the directors and supervisors		18,028,789	38.63%

Note：46,667,000 Common Shares issued on March 28, 2020. (The date for suspending the share transfer is from March 28, 2020 to May 26, 2020)

MEMO