



OBI Pharma, Inc.

2021 General Shareholders' Meeting Meeting Handbook

Date of the meeting: 9:00 am, June 21, 2021

Place of the meeting: 7F, No 359 Section 7 Zhongxiao East Road,
Nangang District, Taipei City 11561 Taiwan
(7F, Supernova Ballroom, COURTYARD® TAIPEI)

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I. Meeting Procedure

OBI Pharma, Inc.

General Meeting Meeting Procedure

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II. Meeting Agenda

OBI PHARMA, INC.

MEETING NOTICE FOR THE GENERAL MEETING (SUMMARY TRANSLATION)

The 2021 General Meeting of OBI Pharma, Inc., will convene at 9:00am on Monday 21 June 2021 at the Supernova Ballroom, COURTYARD TAIPEI on the 7th Floor of No. 359, Zhongxiao E. Rd., Sec. 7, Nangang District, Taipei City.

AGENDA

I. REPORTED MATTERS

1. 2020 Business Report
2. Audit Committee's review of the 2020 financial statements
3. Execution report of the Sound Business Plan
4. Amendments to the Company's "Rules of Procedure for Board of Directors Meetings"
5. Amendment of company's "Codes of Ethical Conduct for Board of Directors and Managers"

II. ACKNOWLEDGED MATTERS

1. Acknowledgment of the 2020 Annual Final Accounting Ledgers and Statements
2. Acknowledgment of the 2020 Earnings Distribution Loss Off-setting
3. Acknowledgment of the changed contents for the use of 2018 cash capital increase

III. MATTERS FOR DISCUSSION

1. Discussion of amendments to the Company's "Rules of Procedure for Shareholders Meetings"
2. Discussion of amendments to the Company's "Rules for Election of Directors"
3. Discussion of amendments to the Company's "Rules for Transaction with Related-parties, specified company and Group Enterprises"
4. Discussion of amendments to the Company's "Rules for Loaning of Funds"

IV. ELECTION MATTERS

By-election of 6th Independent Director

V. OTHER PROPOSALS

Discussion to approve the lifting of non-competition restrictions for directors

VI. EXTEMPORARY MOTIONS

Board of Directors
OBI Pharma, Inc.

i Reports Items

[The first case]

Cause: 2020 Business Report, it is hereby proposed for public identification.

Description: Please refer to Page 16, Attachment 1 of this manual for the 2020 Business Report.

[The second case]

Cause: 2020 Audit Committee's audit report, it is hereby proposed for public identification.

Description: Please refer to Page 24, Attachment 2 of this manual for the 2020 Audit Committee's audit report.

[The third case]

Cause: Implementation of sound business plans, it is hereby proposed for public identification.

Description: Please refer to Page 26, Attachment 3 of this manual for the implementation of sound business plans in 2020.

[The fourth case]

Cause: Amendments to “Rules of Procedure for Board of Directors Meetings” of the Company, it is hereby proposed for public identification.

Description: Reference example of " Regulations Governing Procedure for Board of Directors Meetings of ○○ Corporation" issued in accordance with the amendment of the Securities and Futures Commission Announcement No. 10900582661 dated June 12, 2020, and some of the provisions of the "Rules of Procedures of the Board of Directors" of the Company were revised simultaneously, please refer to Attachment 4 on page 29 of this manual.

[The fifth case]

Cause: Revision of some articles of the Company's "Rules of Procedure for Board of Directors Meetings,report for public inspection.

Description: Reference example of " Listing and Over-the-Counter companies set up ethical codes of conduct " issued in accordance with the amendment of the Securities and Futures Commission Announcement No. 10900582661 dated June 12, 2020, and some of the provisions of the "Rules of Procedure for Board of Directors Meetings" of the Company were revised simultaneously, please refer to Attachment 5 on page 33 of this manual.

ii Items for Acknowledgment

[The first case] (Proposed by Board of Directors)

Cause: The 2020 business report and audited financial statements, it is hereby proposed for acknowledgment.

Description: 1. The 2020 business report and combined and individual financial statements of the Company have been passed by Board of Directors, among them, the combined and individual financial statements have been certified by accountant Liang, Hua-Ling and David Teng from PwC Taiwan and audit report of unqualified opinion has been issued, it is hereby proposed for acknowledgment.
2. Please refer to Page 16 Attachment 1 and Page 39, Attachment 6 of this manual for the above business report, accountant's audit report and financial statements.

Resolution:

[The second case] (Proposed by Board of Directors)

Cause: 2020 deficit compensation, it is hereby proposed for acknowledgment.

Description: 1. As audited by the accountant, the accumulated losses in 2020 financial statements of the Company is NT\$1,377,935,459, already exceeding one second of the paid-up capital of NT\$1,992,793,740 on February 3, 2021.
2. Please refer to Page 7 of this manual for 2020 Deficit Compensation Table of the Company.

Resolution:

OBI Pharma, Inc.
Deficit Compensation Table
2020

Unit: NT\$

Item	Amount
Beginning loss to be covered	0
Net loss after tax in 2020	(1,377,935,459)
Accumulated ending deficit	(1,377,935,459)

Chairman: Michael N.
Chang

Manager: Michael N.
Chang

Accounting
Officer:

Colin Kao

[The third case] (Proposed by Board of Directors)

Cause: Acknowledge the change in the Company's 2018 cash capital increase plan and request recognition.

Description: 1. The Company's 2018 cash capital increase was declared effective by the Financial Supervisory Commission in letter No. 1080305202 dated March 25, 2019, issued NT\$15,000 thousand shares of common stock at a premium of 135 per share, and the full amount of NT\$2,025,000 thousand was received in June 2019. The cash capital increase is planned to be used for the research and development program of five projects, OBI-866 SSEA-4 active immune-oncology therapy, OBI-999 Globo H antibody drug conjugate, OBI-898 SSEA-4 passive immune- oncology therapy, OBI-998 SSEA-4 antibody drug conjugate, OBI-3424 AKR1C3 enzyme produrg from 2019 to 2023. The total capital requirement is NT \$2,029,105 thousand, and the difference of NT\$4,105 thousand from the cash capital increase is to be financed by the Company's own funds, as described in advance.

2. Reason for plan change :
Since the preclinical trial results of OBI-898 and OBI-998 under the Company's 2018 cash capital increase plan were not as expected, the Company decided to suspend the subsequent development plan in order to protect shareholders' rights and ensure the efficiency of capital utilization. Considering the lack of working capital in the future and the difficulty in obtaining bank financing, we intend to use the unspent balance of the two new drug development programs as of the end of March 2021, totaling NT\$957,115 thousand, to replenish the working capital to maintain the Company's other research and development activities and operational needs. The items and amounts of this change in plan are as follows, please refer to Attachment

7 on page 66 of this booklet for the details of the plan.

Unit: NTD thousand

Item	Project	Original plan amount (A)	Change Amount (B)	New plan after the change (C)=(A)+(B)
1	OBI-866	210,783	-	210,783
2	OBI-999	530,493	-	530,493
3	OBI-898	671,828	(627,655)	44,173
4	OBI-998	350,256	(329,460)	20,796
5	OBI-3424	265,745	-	265,745
6	Working capital	-	957,115	957,115
Total		2,029,105	-	2,029,105

3. This case was announced after the resolution of the Board of Directors of the Company on May 7, 2021, and submitted to the regular shareholders' meeting in 2021 for postponement.
4. The above, to call for recognition.

Resolution:

iii Items for Discussion

[The first case] (Proposed by Board of Directors)

Cause: Amendments to the “Rules of Procedure for Shareholders Meetings” of the Company, it is hereby proposed for discussion.

Description: The reference example of the *Rules of Procedure of Shareholders' Meeting of ○○ Co, Ltd* is amended and published according to ZHENG-GUI-JIAN-TZU No. 10900582661 Announcement issued by the Taiwan OTC Securities Trading Center on June 12th, 2020 and ZHENG-GUI-JIAN-TZU No. 11000519042 Letter on February 9th, 2021, with some articles in the company's *Rules of Procedure of Shareholders' Meeting* being amended simultaneously. Please refer to Appendix 8 on Page 77 of this manual.

Resolution:

[The second case] (Proposed by Board of Directors)

Cause: It is planned to amend some articles of the company's *Method for Election of Directors*, which is submitted for discussion.

Description: The reference example of the *Procedure for Election of Directors of ○○ Co, Ltd* is amended and published according to ZHENG-GUI-JIAN-TZU No. 10900582661 Announcement issued by the Taiwan OTC Securities Trading Center on June 12th, 2020, with some articles in the company's *Method for Election of Directors* being amended simultaneously. Please refer to Appendix 9 on Page 84 of this manual.

Resolution:

[The third case] (Proposed by Board of Directors)

- Cause: It is planned to amend some articles of the company's *Transaction Procedures for Related Parties, Specific Companies and Group Enterprises*, which is submitted for discussion.
- Description: The reference example of the *Operation Specifications Related to Financial Business among Affiliated Enterprises of ○○ Co, Ltd* is amended and published according to ZHENG-GUI-JIAN-TZU No. 10900582661 Announcement issued by the Taiwan OTC Securities Trading Center on June 12th, 2020, with some articles in the company's *Transaction Procedures for Related Parties, Specific Companies and Group Enterprises* being amended simultaneously. Please refer to Appendix 10 on Page 91 of this manual.
- Resolution:

[The third case] (Proposed by Board of Directors)

- Cause: Amendments to the “Rules for Loaning of Funds” of the Company, it is hereby proposed for discussion.
- Description: To cope with the practical operation demands of the company, it is planned to amend some articles in the company’s *Operating procedures for Loan of Funds to Others*. Please refer to Appendix 11 on Page 106 of this manual.
- Resolution:

iv. Elections

[The first case] (Proposed by Board of Directors)

Cause: Hold a by-election for the independent director seat of the 6th Board of Directors of the company

Description: 1. In order to coordinate with the practical operation demands of the company, it is proposed to hold a by-election for the independent director seat, who shall take office on the day after the election by the regular meeting of shareholders in 2021, with the term of office from June 21th, 2021 to June 26, 2022.

2. The independent director of the company is nominated, and the list of candidates has been reviewed and approved by the board of directors on May 7, 2021, with relevant information specified as follows:

List of independent director candidates (No.1):

No.	Account No. (ID Card No.)	Name	Major education background (experience)
1	A12314XXXX	Howard Lee Number of shareholding: 0 shares	Education background: Chemistry (PhD), University of Southern California Experience: Partner of CID-Group Current position: Chairman of Taho Pharmaceuticals Ltd. Chairman of Transwell Biotech Co., Ltd. Independent Director of Sunko Ink Co., Ltd. Independent Director of Genovate Biotechnology Co., Ltd. Independent Director of Taimed Biologics Inc Director of Easywell Biomedicals, Inc Director of Industrial Technology Investment Corporation Director of Amphastar Pharmaceuticals, Inc. Director of Capso Vision Inc. Director of Taiwan Bio Industry Organization

			Director of Taiwan Society For The Chest Care
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Resolution:

v. Other Proposals

[The first case] (Proposed by Board of Directors)

Cause: The release of non-competition restrictions on directors, it is hereby proposed for discussion.

Description

1. In order to meet the actual operational needs of the Company, in accordance with Article 209 of the Company Act, the restriction on non-competition for the independent directors and other directors to be elected at the shareholders' meeting in 2021 is lifted, and the directors of the Company have requested permission from the shareholders' meeting for themselves or others to perform acts within the scope of business of the Company.
2. The list for releasing non-competition restrictions on directors is as shown below:

Name of director	Name of concurrent company/institution	Permitted competition behavior
Howard Lee Independent Director	Taho Pharmaceuticals Ltd.	Chairman
	Transwell Biotech Co., Ltd.	Chairman
	Sunko Ink Co., Ltd.	Independent Director
	Genovate Biotechnology Co., Ltd.	Independent Director
	Taimed Biologics Inc	Independent Director
	Easywell Biomedicals, Inc	Director
	Industrial Technology Investment Corporation	Director
	Amphastar Pharmaceuticals, Inc.	Director
	Capso Vision Inc.	Director
	Taiwan Bio Industry Organization	Director
	Taiwan Society For The Chest Care	Director

Name of director	Name of concurrent company/institution	Permitted competition behavior
Sheng Cheng Investment Co., Ltd. Represent: YEN, YUN	Tanvex BioPharma, Inc.	Director
	Allianz Pharmascience Ltd.	Advisory Committee Member
	StemBios	Chief Scientific Officer
	Fulgent	Chief Scientific Officer
	Calgent Biotechnology Co., Ltd.	Chairman
Sheng Cheng Investment Co., Ltd. Represent: Frank Chen	Obigen Pharma, Inc.	Chairman and CEO

Resolution:

vi Extemporaneous Motions

vii Adjournment

Attachment 1

**2020
Business Report**

OBI Pharma, Inc. 2020 Business Report

Looking back at the year of 2020, the COVID-19 epidemic not only brought an unprecedented impact to the world, but also fundamentally changed the way humans work and live; in terms of the biotech industry, the epidemic made everyone have a deeper understanding of the characteristics, importance and impact of the biotech industry. And 2020 is a crucial year for OBI Pharma, Inc.; our report card not only has many fruitful results, but also accomplished many important transitions.

First of all, as a new drug development company with multiple technologies and targets, we have started our industrial layout since the second half of 2018. We named this "OBI 2.0" plan, and a four-member team was formed by senior executives from R&D, clinical, and commercial development; we first took stock of all products in OBI Pharma, Inc.'s product line, and decided on the development priority of similar products in terms of resources and development progress in hand. Secondly, we take stock of the technology platforms we have, such as monoclonal antibodies, ADCs, bispecific antibodies, etc. We then look internationally to understand the current status of the latest technologies and dosage forms of similar products that compete with us. Based on this, we will then evaluate our products' technical cooperation, licensing opportunities and the scope for introducing second-generation technology improvements, hoping to enhance our product line and expand our development possibilities, such as developing cell therapy or combination drugs for greater development opportunities.

Accordingly, we announced several important plans last September, such as exchanging our equity in AMARAN Biotech by issuing new shares, licensing the gene sequence of the monoclonal antibody OBI-888 designed with Globo H to our subsidiary AP BIOSCIENCES, and collaborating with the Delos team on the development of OBI-999 and other products to promote the expansion of our new cancer products in the Chinese market. In addition, we have licensed the global aesthetic medicine intellectual property rights of the new botulinum toxin formulation OBI-858 to our subsidiary, Dinjin, for subsequent clinical development of OBI-858 for aesthetic medicine indications.

Some of these plans have already been signed and completed, while others are still pending further negotiations or approval by the competent authorities, all of which will be put into practice in the near future. In addition, the important achievement of last year, clinically speaking, the new breast cancer drug Adagloxad Simolenin (OBI-822) was affected by the epidemic and was once announced to stop receiving cases for three months, however, we made full use of the time to communicate with the U.S. FDA and changed the design of the clinical trial protocol and was approved. Last year, the company also obtained approval for trials in South Korea and China, and is

now opening additional trial facilities around the world under a new plan to launch the drug. OBI-888, a new passive immune monoclonal antibody drug, is in Phase II clinical trials in Taiwan and the United States; OBI-866, a new active immune anti-cancer drug based on SSEA-4, and OBI-858, a self-developed botulinum toxin formulation, are in Phase I clinical trials respectively. The Globo H antibody small molecule drug complex OBI-999 was approved by the FDA as an orphan drug for gastric cancer.

In terms of academic and international expansion, in addition to the usual invitation to present at the JP Morgan Healthcare Annual Meeting in January, last year we presented papers on the progress of Adagloxad Simolenin, OBI-999, and OBI-3424 at the ASCO Online Annual Meeting; two papers on Globo H at the American Association for Cancer Research (AACR) Virtual Annual Meeting; a presentation on the new drug OBI-999 at the World ADC 2020 Conference; We also presented preliminary Phase I results of our new generation Globo H active immune anti-cancer drug, OBI-833, at the European Society Meeting of Oncology Asia Annual (ESMO ASIA 2020).

Major operation achievements of the company in 2020 are described as follows:

I. R&D progress of major products

A. Adagloxad Simolenin (OBI-822) Globo H active immunity vaccine

Adagloxad simolenin is a new active immune anti-cancer drug using Globo H as the target of tumor surface sugar molecule. The global phase III clinical trial was suspended in the second quarter due to the COVID-19 epidemic, but was restarted in Taiwan, the United States, Australia, Hong Kong, Ukraine and Russia before the end of the year, and was approved for trials in Korea and China.

Since the initiation of this trial, due to the less-than-expected case intake, we applied to the FDA last year to change the clinical trial protocol from the original randomized, double-blind, placebo-controlled design to a randomized, open, standard of care-controlled design, which has been approved by the FDA and the regulatory authorities of each participating country. The current trial is based on triple negative breast cancer (TNBC) patients with a high risk of recurrence after surgery, who are assessed to have unmet medical needs. Patients with TNBC with a certain amount of Globo H expression on the tumor surface were screened by immunohistochemistry (IHC), which is approved by the FDA.

B. OBI-888 Globo H Passive Immune-oncology Therapy

OBI-888 is a passive immunotherapy monoclonal antibody based on Globo H. It completed the Phase I dose escalation trial in 2019 and is approved for Phase II population expansion stage I clinical trials at nine medical centers in the U.S. and Taiwan, including the University of Texas MD Anderson Cancer Center and Taipei Veterans General Hospital. This stage I trial is conducted in

patients with locally advanced or metastatic solid tumors and uses immunohistochemistry (IHC), an FDA-approved method, to measure the amount of Globo H expression as a screening criterion.

OBI-888 has also been granted orphan drug status by the U.S. FDA for the treatment of pancreatic cancer.

C. OBI-999 Globo H Antibody Drug Conjugate (ADC)

The product uses Globo H antibodies to identify cancer cells with high Globo H expression, and then releases active small molecule chemicals to stop tumor cell division and kill tumor cells. The product has been the subject of a patent application and has received patent approval in South Africa and recently received patent approval in the United States. The product was approved by the FDA last January for orphan drug status for the treatment of gastric cancer; another orphan drug status for the treatment of pancreatic cancer has been approved by the FDA in advance.

OBI-999 is currently in Phase I dose escalation at the University of Texas MD Anderson Cancer Center and continues to be evaluated for dose limiting toxicity; the Company presented a paper at the American Society of Clinical Oncology (ASCO) Annual Meeting last May (2020) describing the progress and preliminary data from the Phase I/II clinical trial of OBI-999.

D. OBI-3424 AKR1C3 Enzyme prodrug

OBI-3424 is a prodrug first-in-class new small molecule drug. It acts selectively on a variety of cancers in which AKR1C3 aldo-keto reductase is over-expressed; it has received orphan drug status from the U.S. FDA for the treatment of hepatocellular carcinoma (HCC) and acute lymphoid leukemia (ALL).

The Phase I/II dose escalation trial was conducted at the MD Anderson Cancer Center at the University of Texas and The James Cancer Hospital and Solove Research Institute at Ohio State University, where it was evaluated for dose limiting toxicity, and the dose limiting toxicity was also assessed.

The Company also presented a paper at the American Society of Clinical Oncology (ASCO) Annual Meeting on Line last May (2020) describing the progress and preliminary data of the Phase I/II clinical trial of OBI-3424.

The OBI-3424 Phase II cohort expansion phase will screen patients with high expression of AKR1C3 enzyme by immunohistochemical staining (IHC) for hepatocellular carcinoma.

E. OBI-833 Globo H-DT active immune-oncology Therapy

The Phase I dose escalation trial of OBI-833 has been evaluated for safety and has been shown to

be safe, and a Phase II cohort expansion trial for lung cancer patients will be initiated immediately. The preliminary evaluation of the efficacy and safety of the product will be completed by the end of 2020, and the results will be presented at the ESMO Asia 2020 conference. An investigator-initiated trial (IIT) on "delaying recurrence of esophageal cancer after surgery" is expected to be conducted in Phase II.

F. OBI-858 Botulinum toxin

This product is the new clostridium botulinum toxin developed by the company by utilizing new strains, and its preparation is predetermined to be used for medical and cosmetic purpose. The Phase I clinical trial was approved by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare in August last year (2020), and was conducted at the Tri-Service General Hospital and Kaohsiung Chang-Gung Memorial Hospital, respectively, and has successfully completed the case intake. It is expected that the safety and efficacy assessment of the subjects will be completed in the third quarter of 2021.

II. Other important R&D progresses

As an innovative cancer immunotherapy development company targeting the Globo series, OBI Pharma, Inc. is not only committed to the development of Globo H target products, but is also actively conducting a number of research and development projects targeting the SSEA-4 glycan molecule, which has a high performance in tumor stem cells, including the active immune anti-cancer drug OBI-866 and the antibody small molecule drug complex OBI-998. Currently, OBI-998 has completed preliminary proof-of-concept in animal models and is undergoing assessment of linker stability and pharmacokinetics and tissue distribution of the released small molecules; OBI-866 receives Phase I clinical trial approval (IND) from the Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare in August 2020 and has been actively accepted.

These first-in-class product developments have enabled OBI Pharma, Inc. to maintain its leadership position in the field of innovative cancer therapeutics with the Globo polysaccharide series as the target.

III. Strategic initiatives

In consideration of new strategy, in respect of personnel and organization in 2020, the company readjusted and rearranged according to the needs at different stages, aiming at improving the fighting capacity of management team.

The safeguard of intellectual property is the value of biotechnology companies, in respond to global market competition, OBI reinforced the patent layout in 2020 and strengthened the protection of

business secrets as well, achieving many substantial progresses; as at the end of 2020, 26 domestic and foreign trademark certificates had been obtained, owning 99 domestic and foreign patents in total. At the same time, we continue to bring in international high-level management personnel to join the management team and enrich our R&D capabilities in order to respond to the globalization of the market and competition.

IV. Corporate governance

Environmental protection and social responsibility have become universal values nowadays, and companies that take from society are not exempted from them. Whether it is investors or the community, the evaluation of corporate investment is no longer limited to the financial performance in the past, but ESG, which means environmental, social and corporate governance, not only is an important indicator of company sustainability, but the government has also urged companies to implement ESG through legislation or evaluation.

In terms of corporate governance, we aim to protect the rights and interests of shareholders, strengthen the functions of the board of directors, respect the rights and interests of stakeholders, and enhance information transparency. In this regard, since there is a high professional threshold in the biotechnology field, OBI Pharma, Inc. places great importance on openness and transparency of information. In addition to releasing important information about the company's progress or explaining it in press releases, OBI Pharma, Inc. also publicly announces and explains the progress of product development and related information to investors and the general public in the form of legal presentations or forums. In order to value the voice of investors, the company also has a dedicated person within the company to handle investor questions, answers and suggestions to promote positive interaction and build mutual trust with both investors.

In addition, in order to implement ESG requirements, in 2020, OBI Pharma, Inc. revises the "Code of Corporate Governance Practices", "Code of Integrity Management" and "Operating Procedures and Conduct Guidelines for Integrity Management" in accordance with the latest laws and regulations of the competent authorities, and establishes the "Handling of Prosecution Cases". In addition, according to the internal control audit plan of legal risk indicators, OBI Pharma, Inc. check the status of implementation of laws and regulations in each department, and hold education and training on integrity management, GDPR, wisdom and finance policies, and business secrecy, etc. to strengthen employees' awareness of legal compliance and to improve and optimize the corporate governance system.

In dealing with stakeholders, the company emphasizes "integrity" as a core value and this as a management principle. The company pays attention to and evaluates the history of contract performance and corporate compliance practices of the counterparties, and selects the partners carefully.

Although the competent authorities do not currently classify biotechnology as a mandatory CSR report publication industry, OBI Pharma, Inc. has been compiling and publishing Taiwan Hodgson CSR reports since 2014 in accordance with the "CSR Report Preparation Practice for Listed Companies" and the "GRI Guidelines" proposed by the Global Sustainability Standards Board, not only to review the implementation of ESG and corporate governance aspects, but also to self-monitor the fulfillment of social responsibility.

Information security is one of the emerging risks faced by modern enterprises, especially that the business secret, technical patent and layout of intellectual property owned by biotechnology industry are important core values, all enterprises will strengthen information security and take significant measures to face the enormous risk. In order to strengthen risk management, OBI enhances the maintenance of information security, and has completed the backup mechanism, disaster preparedness and restoration drill for key systems in 2020; in the face of continuous and complex Internet threats and attacks, OBI Pharma, Inc. has introduced multiple factor authentication and hard disk encryption technology, and will add managed detection and response services this year to strengthen information security defense and processing capabilities.

With hard work and comprehensive performance in these aspects, in the evaluation of corporate governance in 2020, OBI ranked at top 6%~20% in the evaluation of over six hundred OTC-quoted companies, maintaining at the same level as the previous year. We will keep up enhancement and aim for the best quality company.

V. Financial performance

The development of novel anti-cancer drugs are of high uncertainty; thus, the Company is financially conservative.

The consolidated revenues of the Company in 2020 was NT\$1,309,881 thousand; the R&D expenditures was NT\$140,886 thousand, mainly used in new drug research and development projects including OBI-822, OBI-833, OBI-888, OBI-999 and OBI-3424 etc. These products are still in the stage of R&D; the invested R&D expenditure is required for generating product revenues and profit in the future.

Combined financial analysis in 2020 is as shown in the following table:

2020 Analysis item		Analysis on financial capacity and profitability in the last two years		
		2020	(adjusted) 2019	+(-)
Financial structure (%)	Self-owned capital ratio	90.60	91.30	(0.77%)
	Long-term funds to fixed assets ratio	666.41	922.65	(27.77%)
Repaying	Current ratio	1,567.40	2,397.14	(34.61%)

capability (%)	Quick ratio	1,505.45	2,338.17	(35.61%)
Profitability (%)	Return on total assets	(25.14)	(27.88)	9.84%
	Return on total stockholders' equity	(27.69)	(29.89)	7.35%
	Net loss per share (NT\$)	(7.34)	(8.30)	11.57%

VI. Concluding remarks

In the face of the global economic and trade shocks in the past two years, the domestic biotechnology industry has maintained its overall growth trend under the trend of continuous product development; the Executive Yuan has also approved a number of programs to promote the biotechnology industry, listing it as one of the six core strategic industry projects; the new "Biotechnology and New Drug Industry Development Regulations" under revision will seamlessly align with and plan the strategic industry development program for precision health, which is expected to further promote the development of China's biotechnology industry.

Technological innovation is the most important driving force for industrial growth. In recent years, OBI Pharma, Inc. has always focused on the development of first-in-class new anti-cancer drugs, and has continued to make progress and deepen the development of new anti-cancer drugs with the Globo polysaccharide series as the target. In recent years, OBI Pharma, Inc. has expanded its R&D direction from the Globo polysaccharide series to include emerging areas such as AKR1C3 enzymes and bi-specific antibodies, and has been studying the feasibility of future combined cancer drugs, successfully transforming itself into an innovative tumor immunotherapy development platform with multiple technologies and targets.

In the face of the changing environment and international competition, OBI Pharma, Inc. continues to review and revise its resources, product competitiveness, and development strategies on a rolling basis, and last year completed a new strategic layout in the industry for medium- and long-term development planning. We have not only acquired control of our original partner, AMARAN, through a share swap, but also licensed our self-developed botulinum toxin product, OBI-858, to the newly established OBIGEN PHARMA, INC., which will raise funds for its development. In addition, the licensing project with our subsidiary AP BIOSCIENCES and the cooperation project with Delos in the China market are also under active development.

The Company will continue to seek international collaboration opportunities and move forward to become a globally competitive multinational biotech new drug company.

Chairman:

General Manager:

Accounting Officer:

Attachment 2

Audit Committee's Audit Report

Audit Committee's Audit Report

Board of Directors has prepared the 2020 business report, financial statements and deficit compensation table proposals of the Company, among them, the financial statements have been audited by PwC Taiwan, and audit report has been issued. Proposals regarding the above business report, financial statements and deficit compensation table have been audited by Audit Committee, and those proposals are appropriate, it is hereby proposed for supervision pursuant to relevant provisions of Securities Exchange Act and Company Act.

Sincerely submitted to
2021 General Meeting of the Company

OBI Pharma, Inc.

Convener of Audit Committee: Jerry Fong

Member of Audit Committee: Taychang Wang

March 12, 2021

**2020
Report on Implementation of Sound Business
Plans**

OBI Pharma, Inc. and Subsidiaries

Report on Implementation of Sound Business Plans

1. Handled according to “companies shall quarterly submit the implementation of sound business plans to the Board of Directors for control, and submit to Shareholders’ Meeting to report the execution effect, the execution situation shall be evaluated concretely and the opinions of underwriter shall be inquired” of the Jin-Guan-Zheng-Fa-Zi No. 1090372536 Letter issued by Financial Supervisory Commission on November 12, 2020.
2. Differences between the numbers in 2020 financial statement of the Company and the numbers declared in sound business plans are described as follows:

Unit: NT\$ Thousand

Item/Year	2020		
	Number declared in sound business plans	Number in financial statement	Difference
Operating revenue	61,574	140,886	79,312
Operating costs	-	6,469	6,469
Gross profit	61,574	134,417	72,843
Operating expenses			
Administrative expenses	227,123	290,417	63,294
R&D expenses	1,340,254	1,309,881	(30,373)
Total operating expenses	1,567,377	1,600,298	32,921
Operating loss	(1,505,803)	(1,465,881)	39,922
Non-operating income and expenses	68,149	(27,810)	(95,959)
Loss before tax	(1,437,654)	(1,493,691)	(56,037)
Income tax benefit	-	3,794	3,794
Loss for the year	(1,437,654)	(1,489,897)	(52,243)

(1) Operating revenue:

The main difference is the revenue recognized by subsidiary AP BIOSCIENCES as licensing income from Tasly Holding Group. The main difference of US\$2.5 million

was estimated to be transferred to income in 2021 under the originally declared sound operating plan.

(2) Operating costs:

Research and development expenses are mainly due to the fact that the clinical progress of the OBI-822 and OBI-888 projects is behind the original reporting schedule, resulting in the difference in related expenses. Management expenses are mainly due to the issuance of new shares to acquire control of AMARAN, which is an organizational reorganization under common control and should be considered as a merger from the beginning. The financial statements have included the management expenses for AMARAN 2020, however, the amount reported in the sound operating plan is not estimated.

(3) Non-operating income and expenses:

Mainly because the currency mainly held by the Company is US Dollars, due to the exchange rate fluctuation of USD in 2020, making the exchange loss higher than expected.

Generally speaking, the R&D period of new biotechnological drugs is long, and drug administration agencies of each country might amend drug administration laws and regulations and the bottleneck might be encountered in the course of research and development of drugs, all such reasons might make the actual development schedule is not as planned, hence the difference is caused by the change of estimation basis. The Company has established good R&D management, and will carry out professional talents recruitment, cross-department integration, and project management through hierarchical structure, together with phased checking point, the project team will jointly assess the plan progress and output achievement, so as to manage all kinds of variables during the management of research and development.

Attachment 4

**Comparison Table on Amendments to “Rules
of Procedure for Board of Directors Meetings”**

OBI Pharma, Inc.

Comparison Table on the Amendments to "Rules of Procedure for Board of Directors Meetings"

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_12_V9	AD_12_V8	Amended version
Article 1 (Scope of the Code)	Except as otherwise provided by law or the Company's Articles of Incorporation, <u>the main contents of proceedings, operating procedures, matters to be set forth in the minutes, announcements and other matters to be followed by the</u> Board of Directors shall be governed by the provisions of these Rules of Procedure.	Except as otherwise provided by law or the Company's Articles of Incorporation, the proceedings of the Board of Directors of the Company shall be conducted in accordance with the provisions of these Rules of Procedure.	Textual corrections are made as appropriate .
Article 6 (Preparation of documents such as attendance book etc. and director's proxy attendance)	The first item is omitted. A director shall attend the board of directors' meeting in person. If he/she cannot attend the meeting in person, he/she may appoint another director to attend the meeting by proxy in accordance with the scope of <u>authority for convening the meeting</u> as specified in the Company's Articles of Incorporation, and the aforementioned proxy shall be limited to one person's proxy. If a person participates in the meeting by video, he/she shall be deemed to be present in person, but shall pass the sign-in card to the Board of Directors' meeting unit to sign	The first item is omitted. A director shall attend the board of directors' meeting in person. If a director is unable to attend in person, he/she may appoint another director to attend by proxy in accordance with the provisions of the Company's Articles of Incorporation, <u>stating</u> the scope of authorization; the aforementioned proxy shall be limited to one person's proxy. If a director participates in a meeting by video, he/she shall be deemed to be present in person, but shall transmit a sign-in card to the board of directors' meeting unit to sign in on his/her behalf.	Textual corrections are made as appropriate .

	in on his/her behalf. The third item is omitted.	The third item is omitted.	
Article 11 (Conflict of interest system for directors)	The first item is omitted. If a director's spouse, second degree of consanguinity, etc., or a company with which the director has a controlling subordinate relationship, has an interest in the matter of the meeting, the director is deemed to have his or her own interest in the matter. For the resolution of the Board of Directors of <u>the Company</u> , the provisions of Article 180(2) shall apply to the directors who are prohibited from exercising their voting rights in accordance with Article 206(4) of the Company Act.	The first item is omitted. If a director's spouse, second degree of consanguinity, or a company with which the director has a controlling subordinate relationship is interested in the matter of the <u>preceding</u> meeting, the director shall be deemed to have his or her own interest in the matter. The resolution of the Board of Directors shall apply the provisions of Article 180(2) to the directors who are prohibited from exercising their voting rights under the provisions of the <u>preceding two subparagraphs</u> in accordance with Article 206(4) of the Company Act.	The second and third items are amended as appropriate .
Article 16 (Effectiveness and amendment of this Regulations)	These Regulations will become effective for implementation after approved by Board of Directors and submitted to Shareholders' Meeting for report on March 30, 2011. In case of amendment in the future, Board of Directors may be authorized for resolution. The first amendment on December 16, 2011. The second amendment on March 9, 2012. The third amendment on June 26, 2013. The fourth amendment on July 23, 2014. The first amendment on March 8,	These Regulations will become effective for implementation after approved by Board of Directors and submitted to Shareholders' Meeting for report on March 30, 2011. The first amendment on December 16, 2011. The second amendment on March 9, 2012. The third amendment on June 26, 2013. The fourth amendment on July 23, 2014. The first amendment on March 8,	Add and amend some contents to conform to the official version and add the date of amendment .

	2019. <u>The eighth amendment on March</u> <u>12, 2021.</u>		
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Attachment 5

**Amendments to "Rules of Procedure for Board of
Directors Meetings" of the Company**

OBI Pharma, Inc.
Amendments to "Rules of Procedure for Board of Directors
Meetings" of the Company.

Article	After amendment	Before amendment	Reason for amendment
Article 3 (Covered Content)	<p>The directors and managers of the Company recognize their corporate social responsibility and integrity, and in order to implement the spirit of corporate governance and ethical guidelines, have established the following nine items:</p> <p>One. Preventing Conflicts of Interest :</p> <p>1. No director or manager of the Company shall, by virtue of his or her position in the Company, improperly benefit himself or herself, his or her spouse, or a relative within the third degree of consanguinity.</p> <p>Items 2 to 4 are omitted.</p> <p>The second to fifth items are omitted.</p> <p>Six.Prevention of Insider Trading:</p> <p>The directors or managers of the Company shall comply with the laws and regulations related to the prevention of insider trading and other securities laws and regulations regarding the handling of stock trading and confidential</p>	<p>The directors and managers of the Company recognize their corporate social responsibility and integrity, and in order to implement the spirit of corporate governance and ethical guidelines, have established the following nine items:</p> <p>One. Preventing Conflicts of Interest :</p> <p>1. No director or manager of the Company shall, by virtue of his or her position in the Company, improperly benefit himself or herself, his or her spouse, <u>parents, children</u> or relatives within the third degree of consanguinity.</p> <p>Items 2 to 4 are omitted.</p> <p>The second to fifth items are omitted.</p> <p>Six.Prevention of Insider Trading:</p> <p>The directors or managers of the Company are required to comply with laws and regulations related to the prevention of insider trading and other securities laws and regulations regarding the handling of stock trading and</p>	<p>In accordance with the amendment issued by the Notice No. 10900582661 dated June 12, 2020 of the Counter Buyer's Center, considering that parents and children are all relatives within the third degree of kinship, the text of Article 3, Paragraph 1, Subparagraph 1, Item 1 is streamlined.</p> <p>According to the description of the Taiwan Stock Exchange's website announcement - Products and services - Investor education -</p>

Article	After amendment	Before amendment	Reason for amendment
	<p>business information. If the Company has important undisclosed information, the Company shall not engage in securities trading <u>on its own or in the name of others, nor shall the Company pass on important information to third parties</u> until the person or entity authorized to release such information has published it in accordance with the relevant laws and regulations.</p> <p>Seven. Encourage the reporting of any illegal or unethical conduct:</p> <p>The Company shall strengthen the promotion of ethical concepts within the Company and encourage employees to report any suspected or discovered violations of laws, regulations or ethical codes of conduct to the Audit Committee, manager, <u>internal audit supervisor</u> or other appropriate personnel. In order to encourage employees to report violations, <u>the company has established a "Measures for handling reporting cases" that allows anonymous reporting</u> and lets employees know that the Company will make every effort to protect the safety of those <u>who report such</u></p>	<p>confidential business information. In the event that material undisclosed information comes into possession, the Company shall not engage in securities trading until the person or entity authorized to disseminate such information has published it in accordance with the relevant laws and regulations</p> <p>Seven. Encourage the reporting of any illegal or unethical conduct:</p> <p>The Company should reinforce the promotion of ethical concepts within the Company and encourage employees to report any suspected or discovered violations of laws and regulations or the code of ethical conduct to the Audit Committee, manager or other appropriate personnel. In order to encourage employees to report violations, the Management Department should establish relevant procedures or mechanisms and let employees know that the Company will make every effort to protect the safety of those who report such violations from retaliation.</p>	<p>Prevention of insider trading - Introduction to insider trading, the status of what constitutes insider trading is improved.</p> <p>In accordance with the amendment issued by the announcement No. 10900582661 of the Securities and Futures Commission on June 12, 2020, the relevant text is amended by reference to Article 23 of the Code of Integrity of Listed Counter Companies, which allows anonymous reporting</p> <p>The Company is already a listed company, so the</p>

Article	After amendment	Before amendment	Reason for amendment
	<p><u>violations</u> from retaliation.</p> <p>The eighth item is omitted.</p> <p>Nine. Disciplinary measures:</p> <p>In the event that a director or manager violates the Code of Ethical Conduct, the Company shall report the matter to the Board of Directors after ascertaining the relevant evidence, or shall impose punishment in accordance with the relevant regulations of the Company, <u>and shall immediately</u> disclose the title, name, date of violation, reason for violation, code of conduct and handling situation of the violator in the public information observatory. Violators of the Code of Ethical Conduct may file complaints and remedies in accordance with normal channels.</p>	<p>The eighth item is omitted.</p> <p>Nine. Disciplinary measures:</p> <p>In the event that a director or manager violates the Code of Ethical Conduct, the Company shall report the matter to the Board of Directors after ascertaining the relevant evidence, or shall impose punishment in accordance with the relevant regulations of the Company. The Company shall disclose the title, name, date of violation, reason for violation, code of conduct, and the circumstances of the violation on the public information observatory immediately <u>after the public offering of the Company's shares.</u> Violators of the Code of Ethical Conduct may file a complaint for redress through normal channels.</p>	<p>text description before the relevant unpublic offering was deleted.</p>
Article 4 (Procedures for Exemptions)	<p>Exemptions from the Company's Code of Ethical Conduct for directors or managers must be approved by a resolution of the Board of Directors, and information such as the title and name of the person permitted to be exempted, the date the exemption was approved by the Board of Directors, <u>the objections or reservations of</u></p>	<p>Exemptions from the Company's Code of Ethical Conduct for directors or managers must be approved by a resolution of the Board of Directors. The Company shall disclose the titles and names of the persons permitted to be exempted, the date the exemption was approved by the Board of Directors, the period for which the exemption</p>	<p>The Company is already a listed company, so the relevant pre-public offering text description is deleted. In accordance with Article 3 of the Code of Ethics for Listed and</p>

Article	After amendment	Before amendment	Reason for amendment
	<p><u>the independent directors</u>, the period for which the exemption applies, the reasons for the exemption and the criteria for the exemption should be disclosed immediately on the Public Information Observatory. This will enable shareholders to assess the appropriateness of the Board of Directors' resolutions to discourage arbitrary or questionable exemptions from compliance with the Guidelines, and to ensure that any exemptions from compliance with the Guidelines are properly controlled to protect the Company.</p>	<p>applies, the reasons for the exemption and the criteria for the exemption in the Public Information Observatory immediately <u>after the public offering of shares</u>. This will enable shareholders to evaluate the appropriateness of the Board of Directors' resolutions to discourage arbitrary or questionable exemptions from compliance with the Guidelines and to ensure that any exemptions from compliance with the Guidelines have appropriate control mechanisms in place to protect the Company.</p>	<p>Over-the-Counter Companies issued by the Securities and Futures Bureau on June 12, 2010, as amended by the Securities and Futures Commission's Announcement No. 10900582661, the Company shall disclose the dissenting or qualified opinions of its independent directors.</p>
Article 5 (Manner of disclosure)	<p>The Company shall disclose the Code of Ethical Conduct established by the Company on <u>its website</u>, annual report, public prospectus and public information observatory, and the same shall apply when amended.</p>	<p>The Code of Ethical Conduct established by the Company shall be disclosed in the annual report, public prospectus and public information observatory, <u>after the Company's public offering</u>, and the same shall apply when amended.</p>	<p>The Company is already a listed company and should delete the text description before the relevant unpublic offering, and add a new article that should be disclosed on the Company's website in accordance with Article 4 of the reference</p>

Article	After amendment	Before amendment	Reason for amendment
			example of the code of ethical conduct for listed and Over-the Counter companies as amended by the announcement of the Securities and Futures Commission No. 10900582661 dated June 12, 2020.
Article 7	<p>The Guidelines were first established and presented to the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was adopted by the Board of Directors on July 31, 2014 and presented to the Shareholders' Meeting on June 3, 2015.</p> <p>The second amendment was adopted by the Board of Directors on May 13, 2016 and presented to the Shareholders' Meeting on June 27, 2016.</p> <p><u>The third amendment was approved by the Board of Directors on March 12, 2021 and presented to the Shareholders' Meeting on June 21, 2021.</u></p>	<p>The Guidelines were first established and presented to the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was adopted by the Board of Directors on July 31, 2014 and presented to the Shareholders' Meeting on June 3, 2015.</p> <p>The second amendment was adopted by the Board of Directors on May 13, 2016 and presented to the Shareholders' Meeting on June 27, 2016.</p>	Add an amendment date.

2020
Financial Statement and Accountant's Audit
Report

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OBI PHARMA, INC.

Opinion

We have audited the accompanying consolidated balance sheets of OBI PHARMA, INC. and subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors (please refer to the *Other matter* section), we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Key audit matter – Impairment assessment of intangible assets

Description

Refer to Note 4(16) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of intangible assets, and Note 6(6) for account details of intangible assets.

As of December 31, 2020, the balance of the Group's intangible assets amounted to NT\$453,881 thousand. The intangible assets consist of related technologies acquired from other companies for new drug development as well as patents, patented technologies and goodwill arising from equity investments in AP Biosciences, Inc. Since the drug is still under development, no cash inflow can be generated. As of the balance sheet date, the Group determines whether the patents and patented technologies are impaired based on external and internal information. The Group would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. The goodwill is directly assessed for impairment test. Since the impairment assessment performed by management involves critical judgement and has significant effect on value-in-use valuation, we considered the impairment assessment of intangible assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Reviewed the information used by the Group management for impairment assessment of intangible assets (excluding goodwill) including plan and progress for each development project, etc., conducted discussion with management and director of research and development department regarding the information used for impairment assessment of intangible assets, and assessed whether:
 - (1) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.
 - (2) The progress of the major research and development plan has no significant delay.
 - (3) The total market value of the company is higher than the net assets as of the balance sheet date.
2. Performed the following procedures based on the obtained valuation report on goodwill

impairment prepared by external experts:

- (1) Assessed whether the valuation methods adopted are reasonable for the industry, environment and the valued assets of the Group;
- (2) Evaluated the reasonableness of main assumptions used in estimating the value-in-use, including R&D timeline, R&D success rate, market share of products after the receipt of drug permit license and royalty rate.
- (3) Examined model parameters and calculations.
- (4) Compared the discount rate used and assumptions on the capital cost of cash-generating units.
- (5) Verified whether the value-in-use exceeds the book value of equity in AP Biosciences, Inc.

Key audit matter – Accuracy of the subsidiaries’ licensing revenue recognition

Description

The Company’s subsidiary has a new licensing revenue, primarily from patent licensing, in the current year. The licensing revenue amounted to NT\$137,560 thousand for the year ended December 31, 2020. Refer to Note 4(24) for accounting policies on licensing revenue recognition and Note 6(14) for account details of licensing revenue. As the Company recognises revenue in accordance with the terms and conditions specified in each license contract, and the amount of revenue is material to the Group’s consolidated operating revenue, we considered the accuracy of licensing revenue recognition a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Checked the contents of license contracts, and confirmed whether the amounts and timing were recognised in accordance with the accounting treatment for revenue recognition.
2. Obtained proper supporting documents to verify whether the rights and obligations have been transferred.

Key audit matter – Reorganisation of entities under common control

Description

As described in Note 6(22), the Group increased its capital by issuing new shares to acquire shares of Amaran Biotechnology Inc. with the merger effective date set on December 31, 2020. As the transaction pertains to the reorganisation of entities under common control, Amaran Biotechnology Inc. shall be treated as if it had always been consolidated since the beginning. Thus, the Group retrospectively restated the 2019 consolidated financial statements when preparing the Group's 2020 comparative consolidated financial statements.

Since the transaction was considered as a material transaction occurring during the reporting period, we considered the reorganisation of entities under common control a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Interviewed the management to obtain an understanding on the purpose, evaluation process and determination of the consideration of this merger.
2. Reviewed the Merger Agreement and the meeting minutes of the Board of Directors' Meeting to verify whether the matters resolved in the meeting were consistent with the contents stipulated in the Merger Agreement.
3. Reviewed the accuracy of the Company's accounting treatments and records on the merger effective date.
4. Performed the necessary audit procedures on the accounting items in the balance sheet and the statements of comprehensive income on the merger effective date and for the comparative periods in the financial statements.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$924,821 thousand, constituting 14% of the consolidated total assets as at December

31, 2019, and the net operating revenue amounted to NT\$4,714 thousand, constituting 84% of the consolidated total operating revenue for the year then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion (with *Other matter* section) on the parent company only financial statements of OBI PHARMA, INC. as at and for the years ended December 31, 2020 and 2019.

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group'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 generally accepted auditing standards 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 the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

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

David Teng

Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

			December 31, 2020		(Adjusted) December 31, 2019	
Assets		Notes	AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,338,302	63	\$ 4,860,015	75
1110	Financial assets at fair value through	6(2)				
	profit or loss - current		383,531	7	1,394	-
1170	Accounts receivable, net		1,451	-	1,522	-
1200	Other receivables		17,567	-	38,451	-
130X	Inventories		7,358	-	4,200	-
1410	Prepayments		146,603	3	119,425	2
11XX	Total current assets		3,894,812	73	5,025,007	77
Non-current assets						
1517	Financial assets at fair value through	6(3)				
	other comprehensive					
	income-non-current		8,037	-	8,318	-
1600	Property, plant and equipment, net	6(4) and 7	731,193	14	646,566	10
1755	Right-of-use assets	6(5)	187,027	3	219,406	4
1780	Intangible assets, net	6(6)	453,881	9	515,792	8
1900	Other non-current assets	8	64,900	1	71,446	1
15XX	Total non-current assets		1,445,038	27	1,461,528	23
1XXX	Total assets		\$ 5,339,850	100	\$ 6,486,535	100

(Continued)

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)						
Liabilities and Equity		Notes	December 31, 2020		(Adjusted) December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(7)	\$	9,468	-	\$ -
2130	Current contract liabilities	6(14)		-	-	19,410
2150	Notes payable			-	-	193
2170	Accounts payable			157	-	177
2200	Other payables			189,775	3	135,650
2230	Current income tax liabilities			1,112	-	858
2280	Current lease liabilities			37,078	1	41,718
2320	Long-term liabilities, current portion	6(8)		9,000	-	9,711
2399	Other current liabilities			1,898	-	1,908
21XX	Total current liabilities			<u>248,488</u>	<u>4</u>	<u>209,625</u>
Non-current liabilities						
2527	Non-current contract liabilities	6(14)		-	-	58,230
2540	Long-term borrowings	6(8)		35,000	1	43,289
2570	Deferred income tax liabilities			63,196	1	71,629
2580	Non-current lease liabilities			155,407	3	181,506
25XX	Total non-current liabilities			<u>253,603</u>	<u>5</u>	<u>354,654</u>
2XXX	Total liabilities			<u>502,091</u>	<u>9</u>	<u>564,279</u>
Equity attributable to owners of parent						
	Share capital	6(11)				
3110	Common stock			1,992,794	37	1,881,287
	Capital surplus	6(10)(12)				
3200	Capital surplus			3,684,782	69	11,504,987
	Retained earnings	6(13)				
3350	Accumulated deficit		(	1,377,935)	(26)	(8,259,036)
3400	Other equity interest	6(3)	(	16,788)	-	(22,392)
3500	Treasury shares		(	53,831)	(1)	-
31XX	Equity attributable to owners of the parent			<u>4,229,022</u>	<u>79</u>	<u>5,104,846</u>
35XX	Equity attributable to former owner of business combination under common control			<u>-</u>	<u>-</u>	<u>452,434</u>
36XX	Non-controlling interest	4(3)		<u>608,737</u>	<u>12</u>	<u>364,976</u>
3XXX	Total equity			<u>4,837,759</u>	<u>91</u>	<u>5,922,256</u>
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(6) and 9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		\$	5,339,850	100	\$ 6,486,535

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

		Year ended December 31			
Items	Notes	2020		2019(Adjusted)	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(14)	\$ 140,886	9	\$ 5,586	-
5000 Operating costs		(6,469)	-	(12,424)	(1)
5900 Gross profit		134,417	9	(6,838)	(1)
Operating expenses	6(4)(5)(6)(9)(10)(18)(19) and 7				
6200 Administrative expenses		(290,417)	(19)	(312,636)	(18)
6300 Research and development expenses		(1,309,881)	(88)	(1,257,392)	(73)
6000 Total operating expenses		(1,600,298)	(107)	(1,570,028)	(91)
6900 Operating loss		(1,465,881)	(98)	(1,576,866)	(92)
Non-operating income and expenses					
7100 Interest income	6(15)	43,418	3	93,388	6
7010 Other income		8,348	-	2,035	-
7020 Other gains and losses	6(16)	(75,392)	(5)	(234,997)	(14)
7050 Finance costs	6(17)	(4,184)	-	(3,899)	-
7000 Total non-operating income and expenses		(27,810)	(2)	(143,473)	(8)
7900 Loss before tax		(1,493,691)	(100)	(1,720,339)	(100)
7950 Income tax benefit	6(20)	3,794	-	5,591	-
8200 Loss for the year		<u>(\$ 1,489,897)</u>	<u>(100)</u>	<u>(\$ 1,714,748)</u>	<u>(100)</u>
Other comprehensive income (loss), net					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316 Unrealised valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	(\$ 281)	-	\$ 864	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		5,885	1	(1,839)	-
8300 Other comprehensive income (loss) for the year, net		<u>\$ 5,604</u>	<u>1</u>	<u>(\$ 975)</u>	<u>-</u>
8500 Total comprehensive loss for the year		<u>(\$ 1,484,293)</u>	<u>(99)</u>	<u>(\$ 1,715,723)</u>	<u>(100)</u>
Loss attributable to:					
8610 Owners of the parent		(\$ 1,377,935)	(92)	(\$ 1,407,026)	(82)
8615 Former owner of business combination under common control		(79,605)	(6)	(184,356)	(11)
8620 Non-controlling interest		(32,357)	(2)	(123,366)	(7)
Total		<u>(\$ 1,489,897)</u>	<u>(100)</u>	<u>(\$ 1,714,748)</u>	<u>(100)</u>
Comprehensive loss attributable to:					
8710 Owners of the parent		(\$ 1,372,331)	(92)	(\$ 1,408,001)	(82)
8715 Former owner of business combination under common control		(79,605)	(5)	(184,356)	(11)
8720 Non-controlling interest		(32,357)	(2)	(123,366)	(7)
Total		<u>(\$ 1,484,293)</u>	<u>(99)</u>	<u>(\$ 1,715,723)</u>	<u>(100)</u>
Loss per share (in dollars)					
9750 Basic and diluted loss per share		<u>(\$ 7.34)</u>		<u>(\$ 8.30)</u>	

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
	Capital Surplus					Other Equity Interest						
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			Equity attributable to former owner of business combination under common control	Non-controlling interest	Total equity
Notes	Share capital – common stock	Capital surplus, additional paid-in capital	Employee stock options	Others	Accumulated deficit	Financial statements translation differences of foreign operations		Treasury shares	Total			
<u>2019 (Adjusted)</u>												
Balance at January 1, 2019	\$ 1,739,907	\$ 8,284,772	\$ 1,099,675	\$ 145,671	(\$ 6,514,955)	(\$ 1,690)	(\$ 19,727)	(\$ 386,721)	\$ 4,346,932	\$ 699,530	\$ 505,420	\$ 5,551,882
Net loss for the year	-	-	-	-	(1,407,026)	-	-	-	(1,407,026)	(184,356)	(123,366)	(1,714,748)
Other comprehensive income (loss) for the year	-	-	-	-	-	(1,839)	864	-	(975)	-	-	(975)
Total comprehensive income (loss) for the year	-	-	-	-	(1,407,026)	(1,839)	864	-	(1,408,001)	(184,356)	(123,366)	(1,715,723)
Capital increase by cash	6(11) 150,000	1,875,000	-	-	-	-	-	-	2,025,000	-	-	2,025,000
Treasury stock retired	6(11)(12) (8,620)	(41,046)	-	-	(337,055)	-	-	386,721	-	-	-	-
Share-based payment transactions	6(10)(12)(19)	-	8,351	59,730	72,834	-	-	-	140,915	-	13,638	154,553
Shares of the parent company held by subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	-	(62,740)	(30,716)	(93,456)
Balance at December 31, 2019	\$ 1,881,287	\$ 10,127,077	\$ 1,159,405	\$ 218,505	(\$ 8,259,036)	(\$ 3,529)	(\$ 18,863)	\$ -	\$ 5,104,846	\$ 452,434	\$ 364,976	\$ 5,922,256
<u>2020</u>												
Balance at January 1, 2020	\$ 1,881,287	\$ 10,127,077	\$ 1,159,405	\$ 218,505	(\$ 8,259,036)	(\$ 3,529)	(\$ 18,863)	\$ -	\$ 5,104,846	\$ 452,434	\$ 364,976	\$ 5,922,256
Net loss for the year	-	-	-	-	(1,377,935)	-	-	-	(1,377,935)	(79,605)	(32,357)	(1,489,897)
Other comprehensive income (loss) for the year	-	-	-	-	-	5,885	(281)	-	5,604	-	-	5,604
Total comprehensive income (loss) for the year	-	-	-	-	(1,377,935)	5,885	(281)	-	(1,372,331)	(79,605)	(32,357)	(1,484,293)
Effect of reorganisation	6(12)(22) 106,932	336,764	-	-	-	-	-	-	443,696	(372,829)	22,588	93,455
Capital surplus used to cover accumulated deficit	6(12)(13) -	(8,259,036)	-	-	8,259,036	-	-	-	-	-	-	-
Share-based payment transactions	6(10)(12)(19)	4,575	1,468	37,023	17,517	-	-	-	60,583	-	20,813	81,396
Changes in non-controlling interest - effect of subsidiary's issuance of common stock for cash (Note)	-	-	-	31,922	-	-	-	-	31,922	-	(31,922)	-
Disgorgement exercise	6(12) -	-	-	14,137	-	-	-	-	14,137	-	-	14,137
Shares of the parent company held by subsidiaries treated as treasury shares	-	-	-	-	-	-	-	(53,831)	(53,831)	-	(26,511)	(80,342)
Subsidiary increases capital and issues new shares	-	-	-	-	-	-	-	-	-	-	291,150	291,150
Balance at December 31, 2020	\$ 1,992,794	\$ 2,206,273	\$ 1,196,428	\$ 282,081	(\$ 1,377,935)	\$ 2,356	(\$ 19,144)	(\$ 53,831)	\$ 4,229,022	\$ -	\$ 608,737	\$ 4,837,759

Note: It refers to effect of not acquiring shares issued by subsidiaries in proportion to its interest.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before tax		(\$	1,493,691)	(\$	1,720,339)
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation	6(4)(5)		166,964		148,931
Amortisation	6(6)		64,875		64,972
Interest expense	6(17)		4,184		3,899
Interest income	6(15)	(	43,418 )	(	93,388)
Dividend income		(	2,096)		-
Gains on financial assets at fair value through profit or loss	6(2)	(	53,996)		148,356
Compensation cost for share-based payment transactions	6(10)		76,821		153,928
Prepaid equipment transferred to expense			229		-
Changes in operating assets and liabilities					
Changes in operating assets					
Financial assets at fair value through profit or loss	6(2)	(	328,141)		-
Accounts receivable, net			71	(	468)
Inventories		(	3,158)		907
Other receivables		(	1,000 )	(	1,461)
Prepayments		(	27,178 )	(	24,007)
Changes in operating liabilities					
Notes payable		(	193)		193
Accounts payable		(	20)		114
Contract liabilities	6(14)	(	77,640)		77,640
Other payables			49,127		35,901
Other current liabilities-others		(	10 )	(	94)
Cash outflow generated from operations		(	1,668,270 )	(	1,204,916)
Interest received			65,302		94,039
Dividends received			2,096		-
Income tax paid		(	4,385 )	(	2,484)
Interest paid		(	4,184 )	(	3,899)
Net cash flows used in operating activities		(	1,609,441 )	(	1,117,260)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment	6(23)	(	167,160 )	(	58,490)
Acquisition of intangible assets	6(6)	(	2,964 )	(	4,949)
Increase in prepayments for business facilities		(	15,521 )	(	11,051)
Increase in refundable deposits		(	10,258 )	(	4,220)
Net cash flows used in investing activities		(	195,903 )	(	78,710)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from exercise of employee stock options	6(10)		4,575		-
Subsidiary employees execute stock options to pay shares			-		625
Repayment of lease principal	6(5)(24)	(	45,598 )	(	28,311)
Short-term borrowing	6(7)		9,468		-
Repayment of long-term debt	6(8)(24)	(	9,000 )	(	8,999)
Proceeds from cash capital increase	6(11)		-		2,025,000
Increase in capital and issuance of new shares by the subsidiary			291,150		-
Subsidiary holding shares of the parent company are regarded as treasury shares			-	(	93,456)
Disposal of the shares of parent company held by the subsidiary			18,360		-
Disorgement exercise	6(12)		14,137		-
Net cash flows from financing activities			283,092		1,894,859
Effects due to changes in exchange rate			539	(	1,841)
Net (decrease) increase in cash and cash equivalents		(	1,521,713)		697,048
Cash and cash equivalents at beginning of year			4,860,015		4,162,967
Cash and cash equivalents at end of year		\$	3,338,302	\$	4,860,015

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

OBI PHARMA, INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OBI PHARMA, INC.

Opinion

We have audited the accompanying parent company only balance sheets of OBI PHARMA, INC. (the "Company") as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2020 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 parent company only financial statements are stated as follows:

Key audit matter – Impairment assessment of intangible assets and investments accounted for using equity method

Description

Refer to Note 4(15) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of intangible assets, and Note 6(7) in the parent company only financial statements and Note 6(6) in the consolidated financial statements for account details of intangible assets.

As of December 31, 2020, the balance of the Company's intangible assets amounted to NT\$69,010 thousand, which consists of related technologies acquired from other companies for new drug development. The balance of patents, patented technologies and goodwill arising from equity investments in AP Biosciences, Inc. amounted to NT\$250,843 thousand (shown as investments accounted for using equity method). Since the drug is still under development, no stable cash inflow can be generated. As of the balance sheet date, the Company assesses whether there is any indication that the patents and patented technologies are impaired based on external and internal information. The Company would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. The goodwill is directly assessed for impairment testing. Since the impairment assessment performed by management involves critical judgement and has significant effect on value-in-use valuation, we considered the impairment assessment of intangible assets and investments accounted for using equity method a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Reviewed the information used by the Company management for impairment assessment of intangible assets including plan and progress for each development project, etc., conducted discussion with management and director of research and development department regarding the information used for impairment assessment of intangible assets, and assessed whether:
 - (1) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.
 - (2) The progress of the major research and development plan has no significant delay.
 - (3) The total market value of the Company is higher than the net assets as of the balance sheet date.
2. Performed the following procedures based on the obtained valuation report on goodwill

impairment on the reinvestments accounted for using equity method prepared by external experts:

- (2) Assessed whether the valuation methods adopted are reasonable for the industry, environment and the valued assets of the Company;
- (2) Evaluated the reasonableness of main assumptions used in estimating the value-in-use, including R&D timeline, R&D success rate, market share of products after the receipt of drug permit license and royalty rate.
- (3) Examined model parameters and calculations.
- (4) Compared the discount rate used and assumptions on the capital cost of cash-generating units.
- (5) Verified whether the value-in-use exceeds the book value of equity in AP Biosciences, Inc.

Key audit matter – Reorganisation of entities under common control

Description

As described in Note 6(14), the Company increased its capital by issuing new shares to acquire shares of Amaran Biotechnology Inc. with the merger effective date set on December 31, 2020. As the transaction pertains to the reorganisation of entities under common control, Amaran Biotechnology Inc. shall be treated as if it had always been consolidated since the beginning. Thus, the Company retrospectively restated the 2019 parent company only financial statements when preparing the Company's 2020 comparative parent company only financial statements.

Since the transaction was considered as a material transaction occurring during the reporting period, we consider the reorganisation of entities under common control a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- 1. Interviewed the management to obtain an understanding on the purpose, evaluation process and determination of the consideration of this merger.
- 2. Reviewed the Merger Agreement and the meeting minutes of the Board of Directors' Meeting to verify whether the matters resolved in the meeting were consistent with the contents stipulated in the Merger Agreement.
- 3. Reviewed the accuracy of the accounting treatments and records on the merger effective date.
- 4. Performed the necessary audit procedures on the accounting items in the balance sheet and the statements of comprehensive income on the merger effective date and for the comparative periods in the financial statements.

Key audit matter – Accuracy of the subsidiaries' licensing revenue recognition

Description

The Company's subsidiary derives licensing revenue primarily from parent licensing. The licensing revenue amounted to NT\$137,560 thousand for the year ended December 31, 2020. Refer to Note 4(24) in the consolidated financial statements for accounting policies on licensing revenue recognition and Note 6(14) in the consolidated financial statements for account details of licensing revenue. As the Company recognises revenue in accordance with the terms and conditions specified in each license contract, and the amount of revenue is material to the Company's share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method, we consider the accuracy of licensing revenue recognition a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Checked the contents of license contracts, and confirmed whether the amounts and timing were recognised in accordance with the accounting treatment for revenue recognition.
2. Obtained proper supporting documents to verify that the rights and obligations have been transferred.

Other matter – Reference to the audits of other auditors

As described in Note 6(4), we did not audit the 2019 financial statements of an investment accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of Amaran Biotechnology Inc., is based solely on the report of the other auditors. The balance of this investment accounted for using the equity method amounted to NT\$452,434 thousand, constituting 8% of the total assets as at December 31, 2019, and the comprehensive loss recognised from this investment accounted for using the equity method amounted to NT\$184,356 thousand, constituting 13% of the total comprehensive loss for the year then ended.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial

Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

7. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

David Teng

Eileen Liang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

OBI PHARMA, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		(Adjusted) December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,454,956	54	\$ 4,424,629	75
1110	Financial assets at fair value through	6(2)				
	profit or loss - current		382,159	9	-	-
1170	Accounts receivable, net		1,451	-	854	-
1200	Other receivables		14,879	-	37,404	1
1210	Other receivables due from related					
	parties		1,795	-	-	-
1410	Prepayments		131,120	3	114,450	2
11XX	Total current assets		2,986,360	66	4,577,337	78
Non-current assets						
1517	Non-current financial assets at fair	6(3)				
	value through other comprehensive					
	income		8,037	-	8,318	-
1550	Investments accounted for under	6(4)				
	equity method		1,156,711	25	788,320	13
1600	Property, plant and equipment	6(5) and 7	211,646	5	241,259	4
1755	Right-of-use assets	6(6)	80,130	2	118,612	2
1780	Intangible assets	6(7)	69,010	1	87,967	2
1900	Other non-current assets	8	36,368	1	57,750	1
15XX	Total non-current assets		1,561,902	34	1,302,226	22
1XXX	Total assets		\$ 4,548,262	100	\$ 5,879,563	100

(Continued)

OBI PHARMA, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		(Adjusted) December 31, 2019			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2200	Other payables		\$	144,299	3	\$	111,091	2
2220	Other payables - related parties	7		44,157	1		34,623	-
2280	Current lease liabilities			29,108	1		36,965	1
2320	Long-term liabilities, current portion	6(8)		9,000	-		9,711	-
2399	Other current liabilities, others			1,397	-		1,217	-
21XX	Total current liabilities			227,961	5		193,607	3
Non-current liabilities								
2540	Long-term borrowings	6(8)		35,000	1		43,289	1
2580	Non-current lease liabilities			56,279	1		85,387	1
25XX	Total non-current liabilities			91,279	2		128,676	2
2XXX	Total liabilities			319,240	7		322,283	5
Equity								
	Share capital	6(11)						
3110	Common stock			1,992,794	44		1,881,287	32
	Capital Surplus	6(10)(12)						
3200	Capital surplus			3,684,782	80		11,504,987	196
	Retained earnings	6(13)						
3350	Accumulated deficit		(	1,377,935)	(30)	(	8,259,036)	(141)
	Other equity interest							
3400	Other equity interest		(	16,788)	-	(	22,392)	-
3500	Treasury stocks	6(11)	(	53,831)	(1)		-	-
35XX	Equity attributable to former owner of business combination under common control	6(14)		-	-		452,434	8
3XXX	Total equity			4,229,022	93		5,557,280	95
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(7) and 9						
	Significant Events after the Balance Sheet Date	11						
3X2X	Total liabilities and equity		\$	4,548,262	100	\$	5,879,563	100

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

	Items	Notes	2020		2019(Adjusted)	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(15)	\$ 1,489	-	\$ 872	-
5000	Operating costs		-	-	-	-
5900	Net operating margin		1,489	-	872	-
	Operating expenses	6(9)(10)(19) (20) and 7				
6200	General and administrative expenses		(151,737)	(11)	(188,194)	(12)
6300	Research and development expenses		(1,069,086)	(73)	(1,134,337)	(71)
6000	Total operating expenses		(1,220,823)	(84)	(1,322,531)	(83)
6900	Operating loss		(1,219,334)	(84)	(1,321,659)	(83)
	Non-operating income and expenses					
7100	Interest income	6(16)	42,125	3	90,387	6
7010	Other income		5,956	-	4,403	-
7020	Other gains and losses	6(17)	(71,391)	(5)	(83,963)	(5)
7050	Finance costs	6(18)	(2,390)	-	(2,566)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(4)	(212,506)	(14)	(277,984)	(18)
7000	Total non-operating income and expenses		(238,206)	(16)	(269,723)	(17)
8200	Loss for the year		(\$ 1,457,540)	(100)	(\$ 1,591,382)	(100)
	Other comprehensive income (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	(\$ 281)	-	\$ 864	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		5,885	-	(1,839)	-
8300	Other comprehensive income (loss) for the year, net		\$ 5,604	-	(\$ 975)	-
8500	Total comprehensive loss for the year		(\$ 1,451,936)	(100)	(\$ 1,592,357)	(100)
	Loss attributable to:					
	Owners of the parent		(\$ 1,377,935)	(95)	(\$ 1,407,026)	(88)
	Former owner of business combination under common control		(79,605)	(5)	(184,356)	(12)
	Total		(\$ 1,457,540)	(100)	(\$ 1,591,382)	(100)
	Comprehensive loss attributable to:					
	Owners of the parent		(\$ 1,372,331)	(95)	(\$ 1,408,001)	(88)
	Former owner of business combination under common control		(79,605)	(5)	(184,356)	(12)
	Total		(\$ 1,451,936)	(100)	(\$ 1,592,357)	(100)
	Loss per share	6(22)				
9750	Basic loss per share		(\$ 7.34)		(\$ 8.30)	

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Notes	Capital Surplus					Other Equity Interest		Treasury stocks	Equity attributable to former owner of business combination under common control	Total equity
	Share capital - common stock	Additional paid-in capital	Employee stock options	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
<u>2019 (Adjusted)</u>										
Balance at January 1, 2019	\$ 1,739,907	\$ 8,284,772	\$ 1,099,675	\$ 145,671	(\$ 6,514,955)	(\$ 1,690)	(\$ 19,727)	(\$ 386,721)	\$ 699,530	\$ 5,046,462
Net loss for the year	-	-	-	-	(1,407,026)	-	-	-	(184,356)	(1,591,382)
Other comprehensive income (loss) for the year	-	-	-	-	-	(1,839)	864	-	-	(975)
Total comprehensive income (loss) for the year	-	-	-	-	(1,407,026)	(1,839)	864	-	(184,356)	(1,592,357)
Capital increase by cash	150,000	1,875,000	-	-	-	-	-	-	-	2,025,000
Treasury stock retired	6(11)(12) (8,620)	(41,046)	-	-	(337,055)	-	-	386,721	-	-
Share-based payment transactions	6(10)(11)(12)(20) -	8,351	59,730	72,834	-	-	-	-	-	140,915
Shares of the parent company held by subsidiaries treated as treasury shares	6(4) -	-	-	-	-	-	-	-	(62,740)	(62,740)
Balance at December 31, 2019	<u>\$ 1,881,287</u>	<u>\$ 10,127,077</u>	<u>\$ 1,159,405</u>	<u>\$ 218,505</u>	<u>(\$ 8,259,036)</u>	<u>(\$ 3,529)</u>	<u>(\$ 18,863)</u>	<u>\$ -</u>	<u>\$ 452,434</u>	<u>\$ 5,557,280</u>
<u>2020</u>										
Balance at January 1, 2020	\$ 1,881,287	\$ 10,127,077	\$ 1,159,405	\$ 218,505	(\$ 8,259,036)	(\$ 3,529)	(\$ 18,863)	\$ -	\$ 452,434	\$ 5,557,280
Net loss for the year	-	-	-	-	(1,377,935)	-	-	-	(79,605)	(1,457,540)
Other comprehensive income (loss) for the year	-	-	-	-	-	5,885	(281)	-	-	5,604
Total comprehensive income (loss) for the year	-	-	-	-	(1,377,935)	5,885	(281)	-	(79,605)	(1,451,936)
Effect of reorganisation	6(4) 106,932	336,764	-	-	-	-	-	-	(372,829)	70,867
Capital surplus used to cover accumulated deficit	6(12)(13) -	(8,259,036)	-	-	8,259,036	-	-	-	-	-
Share-based payment transactions	6(10)(11)(12)(20) 4,575	1,468	37,023	17,517	-	-	-	-	-	60,583
Changes in ownership interests in subsidiaries (Note)	6(12) -	-	-	31,922	-	-	-	-	-	31,922
Disgorgement exercise	6(12) -	-	-	14,137	-	-	-	-	-	14,137
Shares of the parent company held by subsidiaries treated as treasury shares	6(4) -	-	-	-	-	-	-	(53,831)	-	(53,831)
Balance at December 31, 2020	<u>\$ 1,992,794</u>	<u>\$ 2,206,273</u>	<u>\$ 1,196,428</u>	<u>\$ 282,081</u>	<u>(\$ 1,377,935)</u>	<u>\$ 2,356</u>	<u>(\$ 19,144)</u>	<u>(\$ 53,831)</u>	<u>\$ -</u>	<u>\$ 4,229,022</u>

Note: It refers to effect of not acquiring shares issued by subsidiaries in proportion to its interest.

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019(Adjusted)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 1,457,540)	(\$ 1,591,382)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(19)	105,238	99,648
Amortisation	6(7)(19)	20,774	21,290
Interest expense	6(18)	2,390	2,566
Interest income	6(16)	(42,125)	(90,387)
Dividend income		(2,096)	-
Gains on financial assets at fair value through profit or loss	6(2)	(11,552)	-
Compensation cost for share-based payment	6(10)(20)	38,491	111,096
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(4)	212,506	277,984
Prepaid equipment transferred to expenses		229	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(370,607)	-
Accounts receivable		(597)	18
Other receivables		(214)	(1,092)
Other receivables due from related parties		(1,795)	-
Prepayments		(16,670)	(25,459)
Changes in operating liabilities			
Other payables		34,545	31,504
Other payables-related parties		9,534	14,331
Other current liabilities		180	89
Cash outflow generated from operations		(1,479,309)	(1,149,794)
Interest received		64,864	91,093
Dividends received		2,096	-
Interest paid		(2,390)	(2,566)
Net cash flows used in operating activities		(1,414,739)	(1,061,267)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(4)	(508,537)	(15,545)
Acquisition of property, plant and equipment	6(24)	(15,504)	(27,738)
Acquisition of intangible assets	6(7)	(1,817)	(3,307)
Increase in prepayments for business facilities		(3,203)	(8,958)
Decrease (increase) in refundable deposits		1,380	(1,506)
Net cash flows used in investing activities		(527,681)	(57,054)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of long-term debt	6(8)	(9,000)	(9,000)
Proceeds from exercise of employee stock options	6(10)(11)	4,575	-
Repayment of lease principal	6(6)	(36,965)	(24,224)
Proceeds from cash capital increase	6(11)(12)	-	2,025,000
Disorgement exercise	6(12)	14,137	-
Net cash flows (used in) from financing activities		(27,253)	1,991,776
Net (decrease) increase in cash and cash equivalents		(1,969,673)	873,455
Cash and cash equivalents at beginning of year		4,424,629	3,551,174
Cash and cash equivalents at end of year		\$ 2,454,956	\$ 4,424,629

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

2018 Cash Capital Increase Plan Change

OBI Pharma, Inc.

2018 Cash Capital Increase Plan Change

I. Change of planned projects and reasons

Unit: Thousand (NTD)

Item	Planned Projects	Original Planned Amount (A)	Updated Amount (B)	New plan after change (C)=(A)+(B)
1	OBI-866	210,783	-	210,783
2	OBI-999	530,493	-	530,493
3	OBI-898	671,828	(627,655)	44,173
4	OBI-998	350,256	(329,460)	20,796
5	OBI-3424	265,745	-	265,745
6	Additional working capital	-	957,115	957,115
Total		2,029,105	-	2,029,105

1. Suspension of OBI-898 SSEA-4 passively immunized monoclonal antibody program

OBI-898 is an anti-SSEA4 antibody developed against the SSEA4 sugar antigen to treat cancers with high SSEA4 expression. During the development process, it was found that it has a short half life at metabolic rate of the antibody when it is circulating in rats and primates, is not worthy of the development cost in the future, and so the development process has to be re-adjusted. In addition, the antibody can still be applicable to small molecule drugs complex OBI - 998, so we will continue development and selection of process cell line and multi-dose toxicity test in rats. However, the safety results of the multi-dose toxicological test on OBI-898 antibody in rats were not as good as expected, and the results of single-dose and multi-dose toxicity test on small-molecule drug complex OBI-998 in primates OBI-998 were not as good as expected, so OBI-998 project was discontinued and OBI-898 project was closed subsequently.

2. Suspension of R&D of small-molecule drug complex of OBI-998 SSEA-4 antibody

OBI-998 is a complex that binds small molecule drugs with cytotoxic properties to anti-SSEA4 antibodies by chemical bonding with linkers. It uses highly specific anti-SSEA4 antibodies to target toxic drugs to malignant tumors. During the development, the toxicity of OBI-998 expressed in multi-dose toxicity tests in primate was not only from small-molecule drug MMAE, but also from antibody related immune side effects, so it was decided to discontinue OBI-998 project.

3. Additional working capital

The Company's working capital available at the end of Q1 2021 was insufficient to meet the annual operating requirements. To ensure shareholders' equity and fund utilization efficiency, the Company used the total unspent balance from the two new drug research and development programs as of the end of Q1 2021, totaling TWD 957,115,000, as additional working capital.

II. Planned projects and expected benefits before change

1. Original planned projects and fund use schedule

Unit: Thousand (NTD)

Planned Projects	Expected Date of Completion	Amount Required Total Amount	Estimated Fund Use Schedule																			
			2019				2020				2021				2022				2023			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OBI-866	2023 Q4	210,783	4,788	4,788	4,788	4,788	14,658	14,658	14,658	14,658	22,313	22,313	22,313	22,314	10,346	10,346	10,346	10,347	590	590	590	591
OBI-999	2023 Q4	530,493	34,037	34,037	34,037	34,037	43,095	43,095	43,095	43,095	31,902	31,902	31,902	31,902	11,832	11,832	11,832	11,832	11,757	11,757	11,757	11,758
OBI-898	2023 Q4	671,828	17,407	17,407	17,407	17,407	18,426	18,426	18,426	18,425	40,958	40,958	40,958	40,957	43,063	43,063	43,063	43,062	48,104	48,104	48,104	48,103
OBI-998	2023 Q4	350,256	4,846	4,846	4,846	4,846	2,016	2,016	2,016	2,016	28,291	28,291	28,291	28,291	28,758	28,758	28,758	28,758	23,653	23,653	23,653	23,653
OBI-3424	2023 Q4	265,745	24,628	24,628	24,628	24,628	16,042	16,042	16,042	16,042	14,044	14,044	14,044	14,043	11,021	11,021	11,021	11,020	702	702	702	701
Total		2,029,105	85,706	85,706	85,706	85,706	94,237	94,237	94,237	94,236	137,508	137,508	137,508	137,507	105,020	105,020	105,020	105,019	84,806	84,806	84,806	84,806

2. Estimated Potential Benefits from Original Project

Unit: Thousand (NTD)

Planned Projects	Income Type	2019~2021	2022	2023	2024	2025	2026	Total
OBI-866	License Revenue	-	-	-	397,207	502,793	-	900,000

Planned Projects	Income Type	2019~2021	2022	2023	2024	2025	2026	Total
OBI-999	License Revenue	-	1,170,000	630,000	-	-	-	1,800,000
OBI-898	License Revenue	-	-	-	-	168,000	882,000	1,050,000
OBI-998	License Revenue	-	-	-	-	1,170,000	630,000	1,800,000
OBI-3424	License Revenue	-	210,000	90,000	-	-	-	300,000
Total		-	1,380,000	720,000	397,207	1,840,793	1,512,000	5,850,000

3.Execution of planned projects and fund use as of end of Q1 2001

Unit: Thousand (NTD)

Planned Projects	Estimated Date of Completion	Program Schedule		Execution			Total	Planned Total Amount	Unspent Amount
				2019	2020	2021 Q1			
New Drug OBI-866	2023 Q4	Spent Amount	Estimated	19,152	58,632	22,313	100,097	210,783	185,027
			Actual	8,008	15,944	1,804	25,756		
		Execution Progress (%)	Estimated	9.09	27.82	10.58	47.49		
			Actual	3.8	7.56	0.86	12.22		
New Drug OBI-999	2023 Q4	Spent Amount	Estimated	136,148	172,380	31,902	340,430	530,493	407,851
			Actual	42,270	64,254	16,118	122,642		
		Execution Progress (%)	Estimated	25.66	32.49	6.02	64.17		
			Actual	7.97	12.11	3.04	23.12		
New Drug OBI-898	2023 Q4	Spent Amount	Estimated	69,628	73,703	40,958	184,289	671,828	627,655
			Actual	27,896	15,491	786	44,173		

Planned Projects	Estimated Date of Completion	Program Schedule		Execution			Total	Planned Total Amount	Unspent Amount
				2019	2020	2021 Q1			
			Execution Progress (%)	Estimated	10.36	10.97	6.1	27.43	
			Actual	4.15	2.31	0.12	6.58		
New Drug OBI-998	2023 Q4	Spent Amount	Estimated	19,384	8,064	28,291	55,739	350,256	329,460
			Actual	2,093	15,449	3,254	20,796		
		Execution Progress (%)	Estimated	5.53	2.3	8.08	15.91		
			Actual	0.6	4.41	0.93	5.94		
New Drug OBI-3424	2023 Q4	Spent Amount	Estimated	98,512	64,168	14,044	176,724	265,745	176,062
			Actual	25,968	59,442	4,273	89,683		
		Execution Progress (%)	Estimated	37.07	24.15	5.28	66.5		
			Actual	9.77	22.37	1.61	33.75		
Total		Spent Amount	Estimated		376,947	137,508	857,279	2,029,105	1,726,055
			Actual		170,580	26,235	303,050		
		Execution Progress (%)	Estimated		18.58	6.77	42.25		
			Actual		8.41	1.29	14.94		

4.Achievement of benefits from planned projects as of end of Q1 2021

As of the end of Q1 2021, in accordance with the Company's original schedule of R&D projects, the license revenue from each new drug is expected to be achieved after 2022, so no license revenue has been gained for each new drug R&D project under the funding plan of 2018.

III. Planned projects and expected benefits after change

1.Planned projects and fund use schedule after change

Unit: Thousand (NTD)

Planned Projects	Estimated Date of Completion	Total Amount Required	Estimated Fund Use Schedule																			
			2019				2020				2021				2022				2023			
			Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1
OBI-866	2023 Q4	210,783	4,788	4,788	4,788	4,788	14,658	14,658	14,658	14,658	22,313	22,313	22,313	22,314	10,346	10,346	10,346	10,347	590	590	590	591
OBI-999	2023 Q4	530,493	34,037	34,037	34,037	34,037	43,095	43,095	43,095	43,095	31,902	31,902	31,902	31,902	11,832	11,832	11,832	11,832	11,757	11,757	11,757	11,758
OBI-898	2023 Q4	44,173	0	0	15,843	12,053	4,356	1,250	8,186	1,699	786	-	-	-	-	-	-	-	-	-	-	-
OBI-998	2023 Q4	20,796	0	0	1,351	742	6,469	2,627	2,044	4,309	3,254	-	-	-	-	-	-	-	-	-	-	-
OBI-3424	2023 Q4	265,745	24,628	24,628	24,628	24,628	16,042	16,042	16,042	16,042	14,044	14,044	14,044	14,043	11,021	11,021	11,021	11,020	702	702	702	701
Additional working capital	Q2 2022	957,115	-	-	-	-	-	-	-	-	-	215,832	226,483	219,606	193,322	101,872	-	-	-	-	-	-
Total		2,029,105	63,453	63,453	80,647	76,248	84,620	77,672	84,025	79,803	72,299	284,091	294,742	287,865	226,521	135,071	33,199	33,199	13,049	13,049	13,049	13,050

2.Estimated benefits after change

(1) New drug R&D program

Unit: Thousand (NTD)

Planned Projects	Income Type	2019~2021	2022	2023	2024	2025	2026	Total
OBI-866	License Revenue	-	-	-	397,207	502,793	-	900,000
OBI-999	License Revenue	-	1,170,000	630,000	-	-	-	1,800,000
OBI-3424	License Revenue	-	210,000	90,000	-	-	-	300,000
Total		-	1,380,000	720,000	397,207	502,793	-	3,000,000

(2) Additional working capital

Unit: Thousand (NTD)

Planned Projects	Income Type	2021	After 2022 Interest expenses saved annually
Additional working capital	Interest expenses saved	9,547	12,730

The planned amount for this Additional Working Capital plan is TWD 957,115,000. After transfer to additional working capital, the Company will not need to borrow any money from any external organization. Assuming that the average borrowing rate of the Company in 2020 is 1.35%, it is estimated that interest expenses amounting TWD 12,730,000 will be saved annually, meaning that interest expenses of TWD 9,547,000 will be saved in 2021, and TWD 12,730,000 saved annually after 2022.

IV. Other matters

Cash Capital Increase Plan of OBI PHARMA,INC. for 2018 List of Changes Related Matters

Unit: Thousand (NTD)

Item		Content						Remark
Date of Board Approval		May 7, 2021						
Reason for Change		The results of preclinical tests on OBI-898 and OBI-998 new drug R&D programs under the annual cash capital increase plan of the Company for 2018 were not as expected. To protect shareholders' rights and interests and ensure capital use efficiency, it is decided to suspend the follow-up development plan. In addition, considering the lack of working capital and the difficulty of financing from banks, the unspent fund balance from the aforementioned two new drug R&D programs totaling TWD 957,115,000 as of the end of March 2021 was re-used, under a change plan, as additional working capital to maintain other R&D activities and operation of the Company.						
Planned Projects and Amounts	Before Change	For more details, refer to Sub-section 1. Original planned projects and fund use schedule under Section II. Planned projects and expected benefits before change.						
	After Change	For more details, refer to Sub-section 1. Planned projects and fund use schedule after change under Section II. Planned projects and expected benefits after change.						
	Differential Amount	Item	Planned Projects	Original Planned Amount (A)	Updated Amount (B)	New plan after change (C)=(A)+(B)		
		1	OBI-866	210,783	210,783	-		
		2	OBI-999	530,493	530,493	-		
		3	OBI-898	671,828	44,173	(627,655)		
		4	OBI-998	350,256	20,796	(329,460)		
		5	OBI-3424	265,745	265,745	-		

		6	Additional working capital	-	957,115	957,115		
		Total			2,029,105	0		
Estimated Benefits	Before Change	For more details, refer to Sub-section 2. Estimated Potential Benefits from Original Project under Section II. Planned projects and expected benefits before change.						
	After Change	For more details, refer to Sub-section 2. Estimated benefits after change under Section II. Planned projects and expected benefits after change.						
	Differential Amount	Under this change plan, the estimated license revenues from OBI-898 and OBI-998 new drug R&D programs will be reduced by TWD 2,850,000,000 in total. After transfer to additional working capital, the Company will not need to borrow any money from any external organization, and it is estimated that interest expenses of TWD 9,547,000 will be saved in 2021, and TWD 12,730,000 saved annually later on.						
The favorable/ adverse effect of the change on shareholders' equity		<p>After implementation of preclinical tests on the new drugs OBI-898 and OBI-998, it was considered that the results of pharmacokinetic test on the two new drugs circulating in animals or the toxicological test results are not as good as expected. If the implementation is continued under the original plan, the follow-up R&D is not likely to succeed and is of little commercial development value, so the subsequent development two new drug OBI-898 and OBI-998 were suspended. In addition, in view of the huge capital amount required for new drug R&D and the difficulty in financing, working capital is especially precious, so the Company suspended the follow-up R&D projects in due time as so to effectively reduce risks and ensure shareholders' equity. In addition, the Company currently proceeds with screening and optimization of antibody SSEA-4, and the preliminary research results of OBI-898 and OBI-998 have certain scientific significance, and will be helpful for our future research on SSEA-4.</p> <p>Additionally, in addition to implementation of the new drug R&D projects of 2018, the Company still has to pay for the staff, various service expenses and other R&D costs to maintain its normal operation. However, the company's available fund balance is not enough to meet the operation needs, and for R&D of new drugs the Company has difficulty in financing from banks. Therefore, in view of capital utilization efficiency, the Company will use the remaining funds from the aforementioned plan additional working capital so as to ensure the normal operation of the Company, increase the potential for flexible capital scheduling, and further enhance the ability to respond to industrial risks. Consequently, there</p>						

	would be no significant adverse impact on shareholders' equity after implementation of the change plan.	
Expected schedule after change and completion date	The new plan "Additional Working Capital" after this change is expected to be completed in Q2 2022.	
Execution progress so far	See the following Table 1 for more details	

(Table 1) Execution Progress So Far after the Change Plan

Unit: Thousand (NTD)

Planned Projects	Estimated Date of Completion	Program Schedule		Execution			Total	Planned Total Amount	Unspent Amount
				2019	2020	2021 Q1			
New Drug OBI-866	2023 Q4	Spent Amount	Estimated	19,152	58,632	22,313	100,097	210,783	185,027
			Actual	8,008	15,944	1,804	25,756		
		Execution Progress (%)	Estimated	9.09	27.82	10.58	47.49		
			Actual	3.8	7.56	0.86	12.22		
New Drug OBI-999	2023 Q4	Spent Amount	Estimated	136,148	172,380	31,902	340,430	530,493	407,851
			Actual	42,270	64,254	16,118	122,642		
		Execution Progress (%)	Estimated	25.66	32.49	6.02	64.17		
			Actual	7.97	12.11	3.04	23.12		
New Drug OBI-898	2023 第四季	Spent Amount	Estimated	27,896	15,491	786	44,173	44,173	0
			Actual	27,896	15,491	786	44,173		
		Execution Progress (%)	Estimated	63.15	35.07	1.78	100.00		
			Actual	63.15	35.07	1.78	100.00		
New Drug OBI-998	2023 Q4	Spent Amount	Estimated	2,093	15,449	3,254	20,796	20,796	0
			Actual	2,093	15,449	3,254	20,796		

Planned Projects	Estimated Date of Completion	Program Schedule		Execution			Total	Planned Total Amount	Unspent Amount
				2019	2020	2021 Q1			
		Execution Progress (%)	Estimated	10.06	74.29	15.65	100.00		
			Actual	10.06	74.29	15.65	100.00		
New Drug OBI-3424	2023 Q4	Spent Amount	Estimated	98,512	64,168	14,044	176,724	265,745	176,062
			Actual	25,968	59,442	4,273	89,683		
		Execution Progress (%)	Estimated	37.07	24.15	5.28	66.5		
			Actual	9.77	22.37	1.61	33.75		
Additional working capital	2022 Q2	Spent Amount	Estimated	-	-	-	-	957,115	957,115
			Actual	-	-	-	-		
		Execution Progress (%)	Estimated	-	-	-	-		
			Actual	-	-	-	-		
Total		Spent Amount	Estimated	283,801	326,120	72,299	682,220	2,029,105	1,726,055
			Actual	106,235	170,580	26,235	303,050		
		Execution Progress (%)	Estimated	13.99	16.07	3.56	33.62		
			Actual	5.24	8.41	1.29	14.94		

Attachment 8

**Amendments of the "Rules of Procedure
for Shareholders Meetings"**

OBI Pharma, Inc.
Amendments of the "Rules of Procedure for Shareholders Meetings"

Article	After amendment	Before amendment	Reason for amendment
Article 2	<p>The first, second and third items are omitted.</p> <p>The election or dismissal of directors, supervisors, change of articles of incorporation, reduction of capital, application for suspension of public offering, director's license for non-competition, transfer of capital from surplus to capital, transfer of capital from provident fund to capital, dissolution, merger, demerger, or matters under Article 185(1) of the Company Act, <u>Article 26(1) and 43(6) of the Securities and Exchange Act, Article 56(1) and Article 60(2) of the Guidelines Governing the Offering and Issuance of Securities by Issuers.</u> The matters shall be listed and described in the reasons for the convening of the meeting, and shall not be proposed as a temporary motion.</p> <p>The fifth item is omitted.</p> <p>Shareholders holding at least one percent of the issued shares may propose to the Company a proposal for a shareholders' meeting, limited to one proposal, and any proposal with more than one proposal shall not be included in the proposal. In addition,</p>	<p>The first, second and third items are omitted.</p> <p>The election or dismissal of directors, supervisors, change of articles of incorporation, reduction of capital, application for suspension of public offering, director's license for non-competition, transfer of capital from surplus to capital, transfer of capital from provident fund to capital, dissolution, merger, demerger, or matters under Article 185(1) of the Company Act shall be listed in the cause of call and the main content thereof shall be stated, and shall not be proposed as a temporary motion; <u>the main content thereof may be placed on the website designated by the securities authority or the company, and the website address shall be included in the notice.</u></p> <p>The fifth item is omitted.</p> <p>Shareholders holding at least one percent of the issued shares may propose to the Company a proposal for a shareholders' meeting, limited to one proposal, and any proposal with more than one proposal shall not be included</p>	<p>1. In order to prevent companies from misunderstanding that matters other than those listed in the first paragraph of Article 185 of the Company Law can be proposed in a provisional motion, it is proposed to incorporate the provisions of other laws and regulations that are not allowed to be proposed in the form of a provisional motion as listed in the original article before the amendment, and to adjust the announcement method in accordance with the regulation of the article.</p> <p>2. In accordance with the amendment of Article 172(5) of the Company Law and the letter of</p>

Article	After amendment	Before amendment	Reason for amendment
	the Board of Directors may not include a proposal submitted by a shareholder in any of the circumstances set forth in <u>Article 172-1, Paragraph 4 of the Company Act. Shareholders may propose proposals to promote the public interest or social responsibility of the Company, but the procedure shall be limited to one proposal in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal that exceeds one shall not be included in the motion.</u> The following is omitted.	in the proposal. <u>However, the Board of Directors may include proposals from shareholders to urge the Company to promote the public interest or fulfill its social responsibility.</u> In addition, the Board of Directors may not include a proposal submitted by a shareholder in any of the circumstances set forth in <u>Article 172-1, Paragraph 4 of the Company Act.</u> The following is omitted.	Commercial No. 10700105410 ¹ , the sixth item of this Article is amended.
Article 5	The first and second items are omitted. <u>The shareholder or the proxy appointed by the shareholder (hereinafter referred to as the shareholder) shall attend the shareholders' meeting with the attendance certificate, attendance card or other attendance documents. The Company shall not arbitrarily require any other documents to be provided in support of the shareholders' attendance; the solicitor of a proxy shall bring along identification documents for verification. The Company shall have a signature book for the attending shareholders to sign</u>	The first and second items are omitted. <u>The Company shall maintain a signature book for the attending shareholders to sign in in person or by proxy (hereinafter referred to as shareholders), or for the attending shareholders to sign in on their behalf by submitting a sign-in card. The Company shall deliver the booklet, annual report, attendance card, speech slips, voting ballots and other meeting materials to the shareholders attending the shareholders' meeting; if there is an election of directors, a separate election</u>	This article has been revised to conform to the official version of the text and the number of items.

¹ Article 172.1.5 of the Company Law stipulates: the first shareholder proposal is aimed to urge the company to promote public interests or fulfill its social responsibilities, and the board of directors shall still list it in the proposal. The legislation reason is that "In response to Article 1, the regulation about the company fulfilling its social responsibilities is added. For example, the company shall focus on environmental issues, pollution problems and so on. If the shareholder proposal is aimed to foster the company to promote public interests or fulfill its social responsibilities, the board of directors shall still list it in the proposal, so Item 5 is added." Thus, the shareholders have to put forward suggestive proposals to urge the company to promote public interests or fulfill its social responsibilities. The proposal put forward by the shareholders shall still comply with relevant provisions of Article 172.1 of the Company Law in terms of the procedure. Therefore, according to the first proviso, no matter whether it is a suggestive proposal or not, the number is limited to one. If there is more than one proposal, they shall not be included in the proposal.
(JING-SHANG-TZU No. 10700105410 Letter issued by the Ministry of Economic Affairs)

Article	After amendment	Before amendment	Reason for amendment
	<p><u>in, or the attending shareholders shall pay the signature card to sign in on their behalf.</u></p> <p><u>The Company shall deliver the booklet, annual report, attendance card, speech slips, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting; if there is an election of directors or supervisors, a separate election ballot shall be attached.</u></p> <p>The sixth item is omitted.</p>	<p><u>ballot shall be attached.</u></p> <p><u>Shareholders should present their attendance certificates, attendance cards or other attendance documents to attend the shareholders' meeting. The Company shall not arbitrarily require any other documents to be provided as proof of shareholders' attendance; the solicitor of a proxy shall bring along proof of identity for verification.</u></p> <p>The sixth item is omitted.</p>	
Article 8	<p>The first item is omitted.</p> <p>When the time for the meeting has come, the chairman shall immediately announce the meeting <u>and at the same time announce the number of non-voting shares and the number of shares present and other related information.</u></p> <p>However, if no shareholder representing more than half of the total number of issued shares is present, the chairman may adjourn the meeting for up to two times, and the total time of the adjournment shall not exceed one hour. If less than one-third of the total number of issued shares are still present after the second postponement, the chairman shall declare the meeting adjourned.</p> <p>The following is omitted.</p>	<p>The first item is omitted.</p> <p>When the time for the meeting has come, the chairman shall immediately announce the meeting. However, if no shareholder representing more than half of the total number of issued shares is present, the chairman may adjourn the meeting for up to two times, and the total time of the adjournment shall not exceed one hour. If less than one-third of the total number of issued shares are still present after the second postponement, the chairman shall declare the meeting adjourned.</p> <p>The following is omitted.</p>	To enhance corporate governance and protect the rights and interests of shareholders, the second item is amended.
Article 12	<p>The first, second, third, fourth and fifth items are omitted</p> <p>If there are amendments or substitutions to the same motion, the chairman shall</p>	<p>The first, second, third, fourth and fifth items are omitted</p> <p><u>The motion shall be deemed to have been passed after the chairman's consultation and if</u></p>	This article has been revised to conform to the official version

Article	After amendment	Before amendment	Reason for amendment
	<p>determine the order of voting on them together with the original motion. If one of the motions has already been passed, the other motions shall be considered rejected and no further vote is required.</p> <p><u>The chairman of the board of directors shall designate the persons to supervise and count the votes on the motions, but the supervisors shall be shareholders.</u></p> <p><u>The counting of the votes for the shareholders' meeting or election shall be done in an open place in the shareholders' meeting, and the results of the voting, including the number of votes counted, shall be announced on the spot and recorded after the counting is completed.</u></p>	<p><u>there is no objection from all shareholders present, and shall have the same effect as a poll; if there is any objection, a poll shall be taken in accordance with the preceding paragraph. If there are amendments or substitutions to the same motion, the chairman shall determine the order of voting on them together with the original motion. If one of the motions has already been passed, the other motions shall be considered rejected and no further vote is required.</u></p> <p><u>The chairman of the board of directors shall designate the persons to supervise and count the votes on the motions, but the supervisors shall be shareholders. The counting of the votes for the shareholders' meeting or election shall be done in an open place in the shareholders' meeting, and the results of the voting, including the number of votes counted, shall be announced on the spot and recorded after the counting is completed.</u></p>	of the text and the number of items.
Article 13	<p>In the event that the shareholders' meeting elects directors, the election shall be conducted in accordance with the relevant election regulations established by the Company, and the results of the election shall be announced on the spot, including the list of elected directors and supervisors and the number of their election rights <u>and the list of unsuccessful directors and the</u></p>	<p>In the event that the shareholders' meeting elects directors, the election shall be conducted in accordance with the relevant election regulations established by the Company, and the results of the election shall be announced on the spot, including the list of elected directors and supervisors and the number of their election rights.</p>	To enhance corporate governance and protect the rights and interests of shareholders, the first item is amended.

Article	After amendment	Before amendment	Reason for amendment
	<p><u>number of election rights they received.</u></p> <p>The second item is omitted</p>	The second item is omitted	
Article 14	<p>The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The minutes may be prepared and distributed electronically.</p> <p><u>The Company may distribute the foregoing proceedings by means of announcements entered into the Public Information Observatory.</u></p> <p>The minutes of the meeting shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, main points of the proceedings, and voting results (including the number of votes counted). If there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.</p>	<p>The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The minutes may be produced and distributed electronically and <u>by means of announcements entered into the Public Information Observatory.</u></p> <p>The minutes of the meeting shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, main points of the proceedings, and voting results (including the number of votes counted). If there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.</p> <p><u>If the Chairman consults the shareholders and the shareholders have no objection to the proposal, it shall be recorded as "passed by the Chairman after consulting all shareholders present without objection"; however, if the shareholders have objection to the proposal, it shall be stated that the voting method is adopted and the number of</u></p>	This article has been revised to conform to the official version of the text and the number of items.

Article	After amendment	Before amendment	Reason for amendment
		<u>votes passed and the proportion of votes.</u>	
Article 18	<p>These Regulations shall be effective upon adoption by the shareholders' meeting, and shall be the same when amended.</p> <p>These Regulations were first established and approved by the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was made on June 26, 2013.</p> <p>The second amendment was made on July 23, 2014.</p> <p>The third amendment was made on June 3, 2015.</p> <p>The fourth amendment was made on June 27, 2016.</p> <p>The fifth amendment was made on June 22, 2020.</p> <p><u>The sixth amendment was made on June 21, 2021.</u></p>	<p>These Regulations shall be effective upon adoption by the shareholders' meeting, and shall be the same when amended.</p> <p>These Regulations were first established and approved by the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was made on June 26, 2013.</p> <p>The second amendment was made on July 23, 2014.</p> <p>The third amendment was made on June 3, 2015.</p> <p>The fourth amendment was made on June 27, 2016.</p> <p>The fifth amendment was made on June 22, 2020.</p>	Add an amendment date.

Attachment 9

**Amendments of the “Rules for Election of
Directors”**

OBI Pharma, Inc.
Amendments of the “Rules for Election of Directors”

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V6	OA_9_V5	Amended version
Article 5	<p>The election of directors of the Company <u>shall be conducted</u> in accordance with the <u>procedures</u> of the candidate nomination system as set forth in Article 192-1 of the Company Act.</p> <p>The second item is deleted.</p>	<p>The election of directors of the Company shall be conducted <u>by the shareholders' meeting from among the list of candidates for directorship</u>, using the nomination system set forth in Article 192 of the Company Act, <u>starting from the sixth term of directors. Re-elected for a second term. If a director's term of office expires without re-election, his or her position shall be extended until the time of re-election.</u></p> <p><u>In order to examine the qualifications, academic experience and background of the candidates for independent directors and whether they have any of the matters listed in Article 30 of the Company Law, the Company shall not arbitrarily add other documents to prove the qualifications and shall provide the results of the examination to the shareholders for their reference in order to elect suitable independent directors.</u></p>	<p>In line with the amendment of Article 192-1 of the Company Act to simplify the operational procedures for nominating directors, the first item shall be amended and the second item shall be deleted.</p>
Article 6	If the number of independent directors is less than the number specified in the first proviso of Article 14-2 of the Securities and Exchange Act, they shall be	If the number of independent directors is not sufficient to meet the requirements of the first proviso of Article 14-2 of the Securities and Exchange Act, <u>the</u>	In accordance with the letter No. 1070345233 dated December 19, 107, R.O.C., issued by

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V <u>6</u>	OA_9_V <u>5</u>	Amended version
	re-elected at the latest shareholders' meeting; if all independent directors are dismissed, an extraordinary shareholders' meeting shall be held to re-elect them within 60 days from the date of occurrence of the fact.	<u>relevant provisions of the Taiwan Stock Exchange Listing Examination Guidelines, or paragraph 8 of the "Specific Criteria for Determining the Unsuitability of Listing Provisions in Paragraph 1 of Article 10 of the Guidelines for Examination of Securities Traded by Securities Firms" of the Over-the-Counter Securities Trading Center of the Republic of China</u> , a replacement election shall be held at the most recent shareholders' meeting; if all independent directors are dismissed, an extraordinary shareholders' meeting shall be held within 60 days from the date of such dismissal.	the Financial Supervisory Commission, which requires listed companies to fully establish independent directors, the text of Article 6 is amended.
Article 9	In accordance with the number of seats set forth in the Company's Articles of Incorporation, the election rights of independent directors and non-independent directors shall be calculated separately, and those who receive the highest number of votes representing the right to vote shall be elected in order. If there are more than two persons with the same number of votes and the number of seats exceeds the prescribed number	In accordance with the number of seats set forth in the Company's Articles of Incorporation, the election rights of independent directors and non-independent directors shall be calculated separately, and those who receive the highest number of votes representing the right to vote shall be elected in order. If there are more than two persons with the same number of votes and the number of seats exceeds the prescribed number of seats, the	In accordance with the letter No. 1070345233 dated December 19, 107, R.O.C., issued by the Financial Supervisory Commission, which requires listed companies to fully establish independent directors, the text

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V <u>6</u>	OA_9_V <u>5</u>	Amended version
	<p>of seats, the number of votes shall be drawn by lot by those with the same number of votes, and the chairman shall draw lots on behalf of those who are not present.</p> <p>The second item is deleted.</p>	<p>number of votes shall be drawn by lot by those with the same number of votes, and the chairman shall draw lots on behalf of those who are not present.</p> <p><u>Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately.</u></p> <p>—</p>	<p>of Article 9 is amended and the second item is deleted.</p>
	<p>This article is deleted.</p>	<p><u>Article 11</u> <u>If the electee is a shareholder, the elector shall indicate the name of the electee and the shareholder's account number in the elector column of the ballot paper; if he/she is not a shareholder, he/she shall indicate the name of the electee and the identification number. However, if the government or a shareholder of a corporation is the electee, the name of the government or corporation shall be listed in the name of the electee on the ballot paper, and the name of the government or corporation and the name of its representative may also be listed; if there are several representatives, the names of the representatives shall be added</u></p>	<p>In accordance with the order No. 1080311451 issued by the FSC on April 25, 2019, the election of directors and supervisors of listed (over-the-counter) companies shall adopt a candidate nomination system starting from 2021. The shareholders shall be elected from the list of candidates for directorship, and the shareholders</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V <u>6</u>	OA_9_V <u>5</u>	Amended version
		<u>separately.</u>	can know the name and academic experience of each candidate from the list of candidates before the shareholders' meeting, and the shareholders' account number or ID card number shall be used as a way to identify the candidates, i.e., it is not necessary, then this Article shall be deleted.
Article 11	<p>Article 11</p> <p>An election ballot is invalid if it is one of the following.</p> <p>1.Those who do not use the ballot prepared by the Board of Directors.</p> <p>2.Those who put a blank ballot into the ballot box.</p> <p>3.The handwriting is blurred and illegible or altered.</p> <p>4. If the list of nominees for election does not match <u>the list of candidates for director.</u></p> <p>5. If the number of election rights is not filled in, other words</p>	<p>Article 12</p> <p>An election ballot is invalid if it is one of the following.</p> <p>1.Those who do not use the ballot prepared by the Board of Directors.</p> <p>2.Those who put a blank ballot into the ballot box.</p> <p>3.The handwriting is blurred and illegible or altered.</p> <p>4. If the name of the electee is a shareholder, the name and shareholder number of the electee do not match with the shareholder register; if the electee is not a</p>	<p>In conjunction with the deletion of Article 11, adjust the transfer number.</p> <p>Shareholders may, in accordance with Article 173 of the Company Act, under certain circumstances (e.g., when the Board of Directors is not convened for notice), report to</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V <u>6</u>	OA_9_V <u>5</u>	Amended version
	are written.	<p>shareholder, the name and identification number of the electee do not match.</p> <p>5.The name of the electee (name) or shareholder number (identification number) and the number of voting rights allocated to the electee should be written in addition to other words.</p> <p><u>6. If the name of the electee is the same as that of other shareholders but not identified by the shareholder account number or identification document number.</u></p>	<p>the competent authorities for permission to convene on their own, with the intention of adjusting the first paragraph of this Article. In addition, in accordance with the order No. 1080311451 issued by the FSC on April 25, 2019, the election of directors and supervisors of listed (over-the-counter) companies shall adopt a candidate nomination system from 2021 onwards, and shareholders shall be elected from the list of candidates for directors.</p> <p>Adjust the fourth paragraph and the fifth paragraph of this article, and delete the sixth paragraph.</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	OA_9_V <u>6</u>	OA_9_V <u>5</u>	Amended version
Article 12	Article 12 Omitted	Article 13 Omitted	In conjunction with the deletion of Article 11, adjust the transfer number.
Article 13	Article 13 Omitted	Article 14 Omitted	In conjunction with the deletion of Article 11, adjust the transfer number.
Article 14	<p>Article 14 These Regulations shall be effective upon adoption by the shareholders' meeting, and shall be the same when amended. These Regulations were first established and approved by the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was made on June 26, 2013. The second amendment was made on July 23, 2014. The third amendment was made on June 3, 2015. The fourth amendment was made on June 27, 2016. <u>The fifth amendment was made on March 9, 2021.</u></p>	<p>Article 15 These Regulations shall be effective upon adoption by the shareholders' meeting, and shall be the same when amended.</p> <p>These Regulations were first established and approved by the shareholders' meeting on March 9, 2012.</p> <p>The first amendment was made on June 26, 2013. The second amendment was made on July 23, 2014. The third amendment was made on June 3, 2015. The fourth amendment was made on June 27, 2016.</p>	In conjunction with the deletion of Article 11, adjust the transfer number. Add the date of amendment.

Attachment 10

**Amendments of the “Rules for Transaction with
Related-parties, specified company and Group
Enterprises”**

OBI Pharma, Inc.

Amendments of the “Rules for Transaction with Related-parties, specified company and Group Enterprises”

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
2. Scope of application	Matters related to <u>financial operations between the Company and group companies, specific companies and affiliated companies</u> shall be handled in accordance with the provisions of these operating procedures, <u>unless otherwise provided by law or the Articles of Incorporation.</u>	<u>These measures</u> apply to matters related to <u>financial transactions</u> between the Company and specific companies and relationships of group enterprises.	Revision of content text.
3.Reference Documents	(1)Based on the relevant provisions of <u>international financial reporting standards, international accounting standards, interpretations and explanatory pronouncements endorsed by the Financial Supervisory Commission.</u> (2)In accordance with the relevant provisions of the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers". (三) <u>In accordance with the provisions of Chapter 6 of the Company Act, "Related Companies".</u>	(1)In accordance with the relevant provisions of Statement of Financial Accounting Standards No. 6, "Disclosure of Related Party Transactions". (2)In accordance with the relevant provisions of the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".	Revision and addition of relevant legal provisions.
4. Terms Definition	(1)The specific companies referred to in <u>these operating procedures</u> are defined in accordance with the "Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies". (2)The group companies referred to in <u>these operating procedures</u> are based on the definition of group companies as defined by the Republic of China Securities	(1)The specific companies referred to in <u>these Regulations</u> are defined in accordance with the "Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies" regarding specific companies. (2) The group companies referred to in these Regulations are based on the definition of group	Add the content of affiliated companies in accordance with the "Code of Practice for Intercompany Financial Operations between affiliated companies ".

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p>Over-the-Counter Securities Trading Center.</p> <p>(3)Related party : 1~11 omitted</p> <p>12. <u>The affiliated companies referred to in this operation procedure are those that exist independently and have the following relationships with each other in accordance with Article 369-1 of the Company Act.</u></p> <p>12.1. <u>A company with a controlling and subordinate relationship.</u></p> <p>12.2. <u>Mutual investment companies. In determining the relationship of control and subordination as defined in the preceding paragraph, in addition to the legal form, the substance of the relationship should be considered.</u></p>	<p>companies as defined by the <u>Taiwan Stock Exchange Corporation</u> and the Republic of China Securities Over-the-Counter Securities Trading Center.</p> <p>(3)_Affiliated companies : 1~11 omitted</p> <p>Although there is one of the circumstances in the preceding paragraphs, but can prove that it does not have the ability to control or significant influence, except for this limit; however, when determining whether there is an <u>affiliated company</u>, in addition to paying attention to its legal form, it is still necessary to consider the substantive relationship.</p>	

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
6.Transaction Management Content	<p><u>(1) Internal control systems for affiliated companies, specific companies and group companies</u></p> <p><u>The Company shall establish an effective internal control system, taking into account the operating activities of the Company and the affiliated companies as a whole, and review it from time to time in order to respond to changes in the internal and external environment of the Company and to ensure that the design and implementation of the system are continuously effective.</u></p> <p><u>The Company shall supervise its subsidiaries to establish an effective internal control system after considering the regulations of the government where the subsidiaries are located and the nature of their actual operations; if the affiliated company is a non-public company, it shall still require it to establish an effective internal control system and financial,</u></p>		Transaction management is added in accordance with the "Code of Practice for Intercompany Financial Operations between Affiliated Companies".

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>operational and accounting management system, taking into account the extent of its influence on the Company's financial operations.</u></p> <p><u>(2) Supervision of affiliated companies, specific companies and group companies</u></p> <p><u>In addition to the implementation of the relevant internal control system established by the Company, the Company shall pay attention to the following matters when supervising the management of affiliated companies:</u></p> <p><u>1. The Company shall obtain the appropriate number of seats of directors and supervisors of affiliated companies in proportion to the shares acquired.</u></p> <p><u>2. The directors assigned by the Company to the affiliated companies shall regularly attend the board of directors' meetings of the affiliated companies, and each management shall present the corporate objectives and</u></p>		

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>strategies, financial status, operating results, cash flow, major contracts, etc., in order to supervise the operation of the affiliated companies, and shall identify the causes of abnormalities, make records and report to the chairman or general manager of the Company.</u></p> <p><u>3. The supervisor assigned by the Company to the affiliated companies shall supervise the execution of the business of the affiliated companies, investigate the financial and business status of the affiliated companies, examine the books and documents and audit reports, and may request the board of directors or the manager of the affiliated companies to submit a report, identify the causes of abnormalities, make records and report to the chairman or the general manager of the Company.</u></p> <p><u>4. The Company shall assign suitable personnel to important positions related to the</u></p>		

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>enterprise, such as general manager, treasurer or internal audit supervisor, in order to obtain management, decision making and supervision and evaluation responsibilities.</u></p> <p><u>5. Depending on the business nature, scale of operation and number of employees of each subsidiary, the Company shall instruct them to set up internal audit units and establish procedures and methods for self-inspection of internal control systems.</u></p> <p><u>6. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the Company's internal auditors are required to conduct audits of the subsidiaries on a regular or irregular basis. After reviewing the audit reports, the auditors shall inform each subsidiary to improve the findings and recommendations, and make regular follow-up reports to confirm that they have taken appropriate improvement measures in a timely manner.</u></p>	<p><u>1. Identification and maintenance procedures for affiliated companies, specific companies and group companies</u> (1)~(4)omitted.</p> <p><u>2. Management of transactions of affiliated companies, specific companies and group companies</u> (1)~(4)omitted. (5)Significant property and equity transactions with affiliated companies, specific companies and group companies shall be submitted to the Board of Directors for approval. <u>If necessary, the chairman of the board of directors may make a ruling first and then submit it to the board of directors for approval afterwards.</u> (6)omitted.</p> <p><u>3. Reconciliation,adjustment and liquidation of transactions of affiliated companies, specific companies and group companies</u></p>	Item adjustment. The same below.

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>7. Subsidiaries shall submit financial statements for the previous month on a regular basis (e.g. by the 15th of each month), including balance sheets, income statements, expense schedules, cash receipts and disbursements and estimates, aging analysis of accounts receivable and overdue accounts, aging analysis of inventory, monthly statements of funds lent to others and endorsement guarantees, etc. If there is any abnormality, the analysis report should be reviewed and attached for the Company's control. Other affiliated companies shall also provide the Company's financial statements for the previous quarter on a regular basis (e.g. by the 15th of each quarter), including balance sheets and income statements for the Company's analysis and review.</u></p> <p><u>(3) Management rights and responsibilities of affiliated companies, specific companies</u></p>	<p>(1)~(3)omitted.</p> <p><u>4. Affiliated companies, specific companies and group corporate transaction contract management</u></p> <p>(1)~(5)omitted.</p> <p><u>5. Expression and disclosure of transactions of affiliated companies, specific companies and group companies.</u></p> <p>The following section is omitted.</p>	

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>and group companies should be clearly divided</u></p> <p><u>The manager of the Company shall not be a part-time employee of the manager of the affiliated companies, and shall not operate any business of the same kind as the Company, either by himself/herself or with others, except by resolution of the Board of Directors. The Company shall clearly divide the management rights and responsibilities between the Company and the affiliated companies, and shall avoid mutual use of personnel.</u></p> <p><u>However, if there is a need for support and transfer, the scope of work and its authority, responsibility and cost sharing shall be regulated in advance.</u></p> <p><u>(4) Risk control of affiliated companies, specific companies and group companies</u></p> <p><u>The Company shall establish an effective financial and business communication system with each of its affiliated companies and</u></p>		

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>conduct regular comprehensive risk assessments of its correspondent banks, major customers and suppliers to reduce credit risk. In particular, the company should control the significant financial and business matters of the affiliated companies with financial transactions at all times for risk control.</u></p> <p>(5) Identification and maintenance procedures for affiliated companies, specific companies and group companies (1)~(4)omitted.</p> <p>(6) Management of transactions of affiliated companies, specific companies and group companies (1)~(4)omitted.</p> <p>(5)Significant property and equity transactions with affiliated companies, specific companies and group companies shall be submitted to the Board of Directors for approval in advance.</p> <p>(6)omitted.</p> <p><u>(7)Reconciliation,adjustment and liquidation of transactions of affiliated companies, specific companies and group</u></p>		

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p>companies (1)~(3)omitted. (8) affiliated companies, specific companies and group corporate transaction contract management (1)~(5)omitted. (9) Expression and disclosure of transactions of affiliated companies, specific companies and group companies. The following section is omitted.</p>		
9.Other specifications	<p><u>1. Announcement or reporting matters and time limit</u> <u>(1) The Company shall arrange for each subsidiary to provide necessary financial and business information in a timely manner, or appoint an accountant to audit or review the financial reports of each subsidiary in accordance with the matters to be announced or reported and the time limits stipulated by the Act.</u> <u>(2) The Company shall announce the consolidated balance sheet of the affiliated</u></p>		<p>In accordance with the "Regulations for Related Financial Business Operations between Affiliated Enterprises", other specifications are added.</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>companies, the consolidated income statement of the affiliated companies and the accountant's review report in accordance with the deadline for filing annual financial reports as prescribed by law.If there is an increase or decrease in the number of affiliated companies, they should report the change to the ROC Over-the-Counter Securities Trading Center within two days of the change.</u></p> <p><u>(3) Significant transactions between the Company and its affiliated companies shall be fully disclosed in the annual report, financial statements, the three book forms of affiliated companies and the public prospectus.</u></p> <p><u>(4) In the event of financial liquidity difficulties of an affiliated company, the Company shall obtain its financial statements and related information to assess the impact on the Company's finances, business or operations, and shall take</u></p>	<p>(1) omitted. (2) omitted. (3) omitted. (4) omitted. (5) omitted. (6) omitted. (7) omitted. (8) omitted. (9) omitted. (10) omitted. (11) omitted. (12) omitted. (13)For transactions involving investments between related parties, if a subsidiary holds shares of the parent company, it must follow the provisions of <u>Statement of Financial Accounting Standards No.</u></p>	<p>Item adjustment. The same below.</p> <p>Handle in accordance</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>appropriate measures to protect the Company's claims if necessary. When the above matters happen, in addition to stating the impact on the Company's financial condition in the annual report and public statement, the Company shall immediately publish significant information on the Public Information Observatory.</u></p> <p><u>2. The Company shall announce and report the following information on behalf of its affiliated companies when the following matters arise:</u></p> <p><u>(1) If a subsidiary whose shares are not publicly traded domestically acquires or disposes of assets, makes endorsements and guarantees, or loans funds to others in an amount that meets the criteria for announcement and declaration.</u></p> <p><u>(2) Matters related to bankruptcy or reorganization proceedings of the parent company or subsidiaries in</u></p>	<p><u>30. "Accounting Standards for Treasury Stock".</u></p> <p><u>(14)omitted.</u></p> <p><u>(15)omitted.</u></p> <p><u>(16)omitted.</u></p>	<p>with current international financial regulations.</p> <p>Item adjustment. The same below.</p>

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p><u>accordance with relevant laws and regulations.</u></p> <p><u>(3) Major decisions made by the board of directors of a related company that have a significant impact on the Company's shareholders' equity or securities prices.</u></p> <p><u>(4) The Company's subsidiaries and unlisted parent companies are required to release material information in accordance with the "Procedures for the Verification and Disclosure of Material Information of Listed Companies by the Gretai Securities Market of Republic of China Consortium".</u></p> <p><u>3. omitted.</u></p> <p><u>4. omitted.</u></p> <p><u>5. omitted.</u></p> <p><u>6. omitted.</u></p> <p><u>7. omitted.</u></p> <p><u>8. omitted.</u></p> <p><u>9. omitted.</u></p> <p><u>10. omitted.</u></p> <p><u>11. omitted.</u></p> <p><u>12. omitted.</u></p> <p><u>13. omitted.</u></p> <p><u>14. omitted.</u></p> <p><u>15. For inter-relationship investment transactions, if a subsidiary holds shares of the parent company, the transaction must be handled in</u></p>		

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_10_V4	AD_10_V3	Amended version
	<p>accordance with the relevant provisions of the <u>International Financial Reporting Standards</u>.</p> <p><u>16</u>.omitted.</p> <p><u>17</u>.omitted.</p> <p><u>18</u>.omitted.</p>		
12. Effective and Amendment	<p>The operating procedures are sponsored by the accounting department of the Company.</p> <p>These operating procedures shall be approved by the Board of Directors and submitted to the shareholders' meeting for approval before they are announced and implemented, and the same applies to any amendments.</p> <p>These operating procedures were first established and submitted to the shareholders' meeting on March 9, 2012.</p> <p>The operating procedures were first revised on June 13, 2014.</p> <p>The operating procedures were first revised on June 13, 2014.</p> <p>The second revision of this procedure was made on July 23, 2014.</p> <p>The third revision of this procedure was made on <u>June 21, 2021</u>.</p>	<p>The operating procedures are sponsored by the accounting department of the Company.</p> <p>These operating procedures shall be approved by the Board of Directors and submitted to the shareholders' meeting for approval before they are announced and implemented, and the same applies to any amendments.</p> <p>These operating procedures were first established and submitted to the shareholders' meeting on March 9, 2012.</p> <p>The operating procedures were first revised on June 13, 2014.</p> <p>The second revision of this procedure was made on July 23, 2014.</p>	Add the date of amendment.

Attachment 11

**Amendments to “Rules for Loaning of Funds”
of the Company.**

OBI Pharma, Inc.

Amendments to “Rules for Loaning of Funds” of the Company

Article	Amended article	Existing article	Basis of and reason for amendment
Version	AD_8_V6	AD_8_V5	Amended version
3	<p>(omitted)</p> <p>The lending of funds between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or the lending of funds by foreign companies in which the Company directly or indirectly holds 100% of the voting shares to the Company, shall not be subject to the restrictions set forth in 3.2. However, the total amount of funds lent and the limits of individual objects shall be in accordance with the provision 5 and the term of funds lent shall be limited to <u>three years</u>. (omitted below)</p>	<p>(omitted)</p> <p>The lending of funds between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or the lending of funds by foreign companies in which the Company directly or indirectly holds 100% of the voting shares to the Company, shall not be subject to the restrictions set forth in 3.2. However, the total amount of funds lent and the limits of individual objects shall be in accordance with the provision 5, and the period of funds lent shall be in accordance with the <u>provisions 3 and 6</u>. (omitted below)</p>	<p>In order to increase the flexibility of fund procurement between 100%-owned foreign subsidiaries and their parent company, it is proposed to specify the term of fund dispatching between 100%-owned subsidiaries in accordance with §3 of the Guidelines for Handling Funds Lending and Endorsement Guarantees for Public Companies.</p>
14	<p>These operating procedures were first established and approved by the shareholders' meeting on March 9, 2012. The first amendment was made on June 26, 2013. The second amendment was made on June 13, 2014. The third amendment was made on June 3, 2015. The fourth amendment was made on June 27, 2019. <u>The fifth amendment was made on June 21, 2021.</u></p>	<p>These operating procedures were first established and approved by the shareholders' meeting on March 9, 2012. The first amendment was made on June 26, 2013. The second amendment was made on June 13, 2014. The third amendment was made on June 3, 2015. The fourth amendment was made on June 27, 2019.</p>	<p>Add the date of amendment.</p>

Appendix 1

OBI Pharma, Inc. Articles of Incorporation

Chapter 1: General Principles

- Article 1: The Company is incorporated pursuant to the provisions on limited liability company in Company Act, the Chinese name is 台灣浩鼎生技股份有限公司, and the English name is OBI Pharma, Inc..
- Article 2: The operating businesses of the Company are as follows:
1. IG01010 Biotechnology service.
 2. F108021 Western medicine wholesale.
 3. F107070 Veterinary drug wholesale.
 4. F107080 Environmental drug wholesale.
 5. F208021 Western medicine retail.
 6. F207070 Veterinary drug retail.
 7. F207080 Environmental drug retail.
 8. F401010 International trade.
 9. I103060 Management consulting.
 10. IC01010 Drug inspection.
 11. IG02010 R&D service.
 12. F601010 Intellectual property right
 13. ZZ99999 Apart from the licensing businesses, business not prohibited or restricted by laws and decrees may be operated.
- Article 3: The company sets parent company in Taipei City, when necessary, branch may be incorporated both at home and abroad according to the resolution of the Board of Directors.
- Article 4: The announcement method of the Company shall be handled pursuant to Article 28 of the Company Act and provisions of competent authority in charge of securities.
- Article 5: The total reinvestment amount of the Company is not restricted by Article 13 of Company Act, which prescribed that the reinvestment shall not exceed forty percent of the paid-up capital; and external guarantee may be engaged in according to business needs, and it shall be executed according to endorsement procedures of the Company.

Chapter 2 Shares

- Article 6: The total capital of the Company is NT\$3 billion in 300 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in batches. Among the said total capital, NT\$240 million will be reserved for issuing employee stock option certificate, totally 240 million shares with a par value of NT\$10

per share, the Board of Directors is authorized to issue in batches as needed.

If the Company plans to issue employee stock option certificate with subscription price lower than the closing price of ordinary share on issuing date, pursuant to relevant provisions, it shall be agreed by more than two third of attending shareholders with voting rights in the Shareholders' Meeting attended by shareholders holding the majority of total outstanding shares, and it shall declare for handling in batches within one year as of the date of shareholders' resolution.

If the Corporation plans to buy back shares of the Corporation and transfer them to employees at the price lower than the average price in actual shares buyback, pursuant to relevant provisions, it shall be agreed by more than two third of attending shareholders with voting rights in the last Shareholders' Meeting attended by shareholders holding the majority of total outstanding shares before transfer.

The objects for the Company's issue of new shares for employee subscription, employee stock option certificate, restricted stock grants and transfer of treasury shares to employee may include the employees of controlling or subordinate companies that conforming to certain conditions.

Article 7: The shares of the Company are inscribed shares signed or sealed by the director representing the company, and they will be issued after certification pursuant to law. The shares issued by the Company may be exempted from printing share certificate, but they shall be registered in centralized securities depository enterprise.

Article 8: The change of record of shareholders list of the Company shall be stopped within sixty days before convening General Meeting, within thirty days before convening Interim Meeting, or within five days before the base date on which the Company decides to distribute dividend and bonus or other interests.

Article 9: Handling of stock affairs by the Company shall be subject to the "Guidelines for Handling Stock Affairs of Listed Company" issued by competent authority in charge of securities.

Chapter 3 Shareholders' Meeting

Article 10: Shareholders' Meeting of the Company are divided into the following two types:

1. General Meeting, it shall be convened at least once a year and convened by the Board of Directors within six months after the end of every accounting year.
2. Interim Meeting, it may be convened pursuant to law when necessary.

The adoption of electronic voting by Shareholders' Meeting is listed as

one of the channels for shareholders of the Company to exercise voting rights, relevant operations thereof shall be subject to the regulations of competent authority.

- Article 11: The meeting date, location and convening cause shall be notified to each shareholder 30 days before convening General Meeting and 15 days before convening Interim Meeting of the Company.
- Article 12: When convening Shareholders' Meeting, the Chairman is the chairperson. When the Chairman cannot exercise its function and power when on leave or for a reason, its agency shall be handled pursuant to Article 208 of Company Act.
- Article 13: When a shareholder cannot attend the Shareholders' Meeting for a reason, such shareholder may issue the power of attorney printed by the Company to specify the scope of authorization, and sign or seal it to appoint the agent to attend the Shareholders' Meeting. Apart from pursuant to Article 177 of Company Act, appointment of an agent by shareholders of the Company shall be made in accordance with the “Rules for Listed Company in Power of Attorney Application for Attending Shareholders' Meeting” issued by competent authority.
- Article 14: Every share of shareholders of the Company has one voting right, except for the voting right is restricted or voting right is not available pursuant to Article 179 of Company Act.
- Article 15: Unless otherwise prescribed by Company Law, the resolution of Shareholders' Meeting shall be agreed by more than half of the voting rights of attending shareholders representing more than half of the total outstanding shares.
- Article 16: Resolution of Shareholders' Meeting shall be made into meeting minutes to be sign or sealed by the chairperson, and the preparation and distribution of meeting minutes shall be handled pursuant to Article 183 of Company Act.

Chapter 4 Director

- Article 17: The Company sets 7 directors with 3 years of term of office, who will be elected by Shareholders' Meeting from the competent candidates, reappointment is acceptable if elected successively, if re-election is not carried out upon the expiration of director's term of office, the term of office of the concerned director will be extended until the re-elected director takes office; the election of directors of the Company will adopt candidate nomination system, and Shareholders' Meeting will elect directors from the list of candidates.

Among the director quota mentioned above, the quota of independent director shall not be no less than two and no less than one fifth of the board seats, regarding independent director's professional qualification,

shareholding, part-time restriction, nomination and election method, and other matters shall be complied with, it shall be handled pursuant to relevant regulations of competent securities authority.

1 of Article 17: The Company sets Audit Committee pursuant to 4 of Article 14 of Securities Exchange Act, and the Audit Committee shall comprise of all independent directors.

Audit Committee or member of Audit Committee is responsible for executing the function and power of supervisor pursuant to Company Act, Securities Exchange Act and other legal provisions. Regarding the headcount, term of office, function and power, rules of procedure etc. of Audit Committee, it shall be otherwise formulated in Audit Committee Organizational Regulations.

The Company may otherwise set other functional committees, whose Organizational Regulations will be formulated by Board of Directors before implementation.

Article 18: The Board of Directors is organized by the directors, one Chairman and one Vice Chairman may be mutually elected in the meeting attended by more than two thirds of the directors and agreed by more than half of the attending directors, and the Chairman acts on behalf of the Company externally.

Article 19: The Chairman of the Company shall acts as the chairperson of the Board of Directors meeting, when the Chairman cannot exercise its function and power when on leave or for a reason, its agency shall be handled pursuant to Article 208 of Company Act.

The convening notice of Board of Directors shall be handled pursuant to Article 204 of Company Act, and it shall be made in writing, by email or fax.

Article 20: Director may appoint other director to attend Board of Directors meeting on its behalf through written authorization, provided power of attorney shall be issued for every appointment to specify the scope of authorization, and the appointment is limited to one person.

Article 21: (Deleted)

Article 22: The Company may buy liability insurance for the director within its term of office for the compensation liability shall be borne within its executing business scope, and Board of Directors is authorized to determine the insurance amount and insuring matters thereof.

Article 23: For the remuneration of director, Remuneration Committee will determine according to its value of involvement in and contribution to company operation and by considering the normal industry payment standard, and then propose it to Board of Directors for resolution. The

Company may determine the remuneration of independent director different from that of general director.

Chapter 5 Manager

Article 24: The Company may set the manager, whose appointment, dismissal and remuneration will be handled pursuant to Article 29 of Company Act.

Chapter 6 Accounting

Article 25: The accounting year of the Company starts from January 1 to December 31 of every year. After the end of every accounting year, the Board of Directors shall prepare (1) Business Report; (2) Financial Statements; (3) Proposals for surplus distribution or loss appropriation etc., and submit them to the Audit Committee for examination, and then propose them to the General Meeting for acknowledgment.

Article 26: If the Company has annual profit, it shall be allocated no less than two percent as employee remuneration and no more than two percent as director remuneration. But when the Company still has accumulated losses, it shall reserve the compensation amount in advance.

Employee remuneration will be paid in stock or cash, which shall be resolved by the consent of more than half of attending directors in the board meeting attended by more than two third of directors, and reported to the Shareholders' Meeting.

The object of issuing remuneration in stock or cash mentioned in preceding paragraph may include employees subordinated to the company and conforming to certain conditions, and the conditions and methods thereof will be stipulated by Board of Directors.

1 of Article 26: If the annual general final accounts of the Company have surplus, taxes shall be withheld and accumulated losses shall be covered first, and then 10% will be allocated as statutory surplus reserve, as for the rest thereof, apart from dividend distribution, if there is still surplus, shareholder dividend will be distributed according to the resolution of Shareholders' Meeting.

Article 27: The operating business of the Company belongs to capital intensive industry, and currently the Company is at the stage of operating growth and shall reserve surplus in respond to the funds needed for operating growth and investment, in principle, the Company will adopt balance dividend policy, mutually matched with part stock dividend and part cash dividend, among them, the cash dividend shall not be lower than 10% of the total dividend issued. Provided the type and ratio of such surplus distribution shall be proposed to Board of Directors for drafting a proposal according to the actual profit and capital position of the current year, and then it shall be resolved in Shareholders' Meeting.

Chapter 7 Supplemental Provisions

Article 28: Other matters not covered in this chapter shall be handled according to the provisions of Company Act and relevant laws and decrees.

Article 29: This Articles of Incorporation was formulated on April 18, 2002.
The first amendment on November 17, 2003.
The second amendment on November 13, 2007.
The third amendment on November 13, 2009.
The fourth amendment on June 25, 2010.
The fifth amendment on January 21, 2011.
The sixth amendment on March 9, 2012.
The seventh amendment on February 7, 2013.
The eighth amendment on June 26, 2013.
The ninth amendment on July 23, 2014.
The tenth amendment on June 27, 2016.
The eleventh amendment on June 27, 2019.

OBI Pharma, Inc.

Chairman: Michael N. Chang

Appendix 2 (Before amendment)

OBI Pharma, Inc. Rules of Procedure for Shareholders Meetings

1. Purpose:

In order to establish good Shareholders' Meeting governance system and sound supervision function of the Company, and strengthen management function, it is hereby formulated these Rules pursuant to Article 5 of Listed Company Governance Best Practice Principles to comply with.

2. Scope:

All Shareholders' Meeting convened by the Company shall be handled pursuant to these Rules.

3. Operation description:

Article 1: Unless otherwise prescribed by laws and decrees or regulations, the Rules of Procedure for Shareholders Meetings of the Company shall be formulated according to these Rules.

Article 2: Unless otherwise prescribed by laws and decrees, Shareholders' Meeting of the Company shall be convened by Board of Directors.

Thirty days before convening General Meeting or fifteen days before convening Interim Meeting, the Company shall prepare the cause and description information of proposals such as Shareholders' Meeting meeting notice, proxy form, relevant acknowledgment cases, discussion cases, director election or dismissal matters etc. into electronic file and send it to mops.twse.com.tw. And twenty-one days before convening General Meeting or fifteen days before convening Interim Meeting, the Company shall prepare Shareholders' Meeting meeting handbook and meeting updates into electronic file and send it to mops.twse.com.tw. Fifteen days before convening Shareholders' Meeting, the Company shall properly prepare Shareholders' Meeting meeting handbook and meeting updates for shareholders' reading at any time, and they shall be displayed in the company and its stock affairs agency, and distributed at the scene of Shareholders' Meeting.

Notice and announcement shall specify the convening cause; if agreed by the counterpart, the notice may be served in electronic way.

Appointment or dismissal of a director; amendment of Articles of Incorporation; company dissolution, merge or division; or matters prescribed in each subparagraph of Paragraph 1, Article 185 of Company Act; 1 of Article 26, 6 of

Article 43 of Securities Exchange Act; and 1 of Article 56 and 2 of Article 60 of Guidelines for Issuer to Raise and Issue Negotiable Securities shall be listed in the convening cause, and shall not be proposed based on temporary motions.

Shareholder holding more than one percent of the total outstanding shares may propose General Meeting motion to the Company in writing. But the motion is limited to one, if there is more than one motion, it shall not be included in the proposal. Besides, if the motion proposed by a shareholder has any one of the circumstances as prescribed in Paragraph 4, 1 of Article 172 of Company Act, Board of Directors may not include it in the proposal.

The Company shall announce the motion of accepted shareholder, acceptance place and acceptance period before the book closure day before convening General Meeting; and the acceptance period thereof shall not be less than ten days.

The motion proposed by a shareholder is limited to three hundred words, those exceeding three hundred words will not be included in proposal; the proposing shareholder shall personally or appoint other person to attend the General Meeting, and participate in the discussion of such motion.

The Company shall notify the proposing shareholder the handling result before the notice day of convening Shareholders' Meeting, and list the motion conforming to the provisions of this article in the meeting notice. For the shareholder's motion not listed in the proposal, Board of Directors shall describe the reasons therefor in the Shareholders' Meeting.

Article 3: Upon every Shareholder's Meeting, a shareholder may issue the power of attorney printed by the Company to specify the scope of authorization, so as to appoint the agent to attend the Shareholders' Meeting.

A shareholder is limited to issue one power of attorney to appoint one agent, and the power of attorney shall be served to the Company five days before convening Shareholders' Meeting, in case of repeated power of attorney, the one served first shall prevail. Except for announcing the cancellation of previous appointment.

After the power of attorney has been served to the Company, if a shareholder intends to attend the Shareholders' Meeting in person or exercise its voting right in writing or electronic way, such shareholder shall serve written notice on canceling the power of attorney to the Company two days before convening the Shareholders' Meeting; or the voting right exercised by the attending entrusted agent shall prevail.

Article 4: The convening place of Shareholders' Meeting shall be at the place where the Company locates in or convenient for shareholders to attend and suitable for convening Shareholders' Meeting, and the meeting start time shall

not be earlier than 9:00 am in the morning or 3:00 pm in the afternoon; full consideration shall be given to the opinions of independent director regarding the convening place and time.

Article 5: The Company shall specify the accepted shareholder's reporting time, registration location, and other matters need attention in the meeting notice.

The accepted shareholder's reporting time as mentioned in preceding paragraph shall be at least thirty minutes before meeting start; the registration location shall be marked explicitly, and sufficient competent personnel shall be assigned for handling.

The Company shall set autograph book for attending shareholder or the agent entrusted by shareholder (hereinafter referred to as shareholder) to sign in, or the attending shareholder may submit the sign card instead of sign in.

The Company shall deliver meeting handbook, annual report, certificate of attendance, speech note, vote and other meeting materials to the shareholders attending Shareholders' Meeting; in case of director election, the ballot shall be attached otherwise.

Shareholder shall attend Shareholders' Meeting with certificate of attendance, attendance sign card or other attendance certificates, for the supporting document presented by attending shareholder, the Company shall not arbitrarily otherwise ask for providing other supporting documents; solicitor of proxy solicitation shall bring identity supporting document for checking.

When a shareholder is the government or legal person, representative attending Shareholders' Meeting is not limited to one person. When a legal person is entrusted to attend Shareholders' Meeting, it can only assign one representative to attend.

Article 6: If the Shareholders' Meeting is convened by Board of Directors, the President shall preside the meeting, and the Vice President shall preside the meeting when the President is on leave or unable to preside. If there is no Vice President or the Vice President also is on leave or unable to preside, the President will designate one managing director to preside; if the managing director is not available, designate one director to preside, if the President fails to designate the agent, the managing director or director will mutually designate one person to preside.

For the Shareholders' Meeting convened by Board of Directors, the Chairman should preside in person, and there should be more than half of directors in Board of Directors attending in person, and there should be at least one representative from all kinds of functional committees to attend, and the attending circumstance shall be recorded in the meeting minutes of Shareholders' Meeting. If the Shareholders' Meeting is convened by other person who is entitled to convene other than the Board of Directors, such person

who is entitled to convene shall preside the meeting, when there are more than two such persons, one of them shall be mutually designated to preside.

The Company may assign the appointed lawyer, accounting or relevant personnel to attend the Shareholders' Meeting.

Article 7: The Company shall take sound recording or video recording for the entire meeting process of Shareholders' Meeting, and shall keep it for at least one year. But if a shareholder files a lawsuit pursuant to Article 189 of Company Act, it shall be kept until the end of litigation.

Article 8: The attendance of Shareholders' Meeting shall be subject to the calculation of shares. The attending shares shall be calculated according to the autograph book or the sign card submitted, plus the shares exercising voting right in writing or electronic way.

When it is time for meeting, the chairperson shall immediately declare the meeting open, but if the attending shareholders are not representing the majority of total outstanding shares, the chairperson may announce to postpone the meeting, and its time of postponing is limited to two times. If attending shareholders are still not representing more than one third of the total outstanding shares after postponing for two times, the chairperson will announce that the meeting fails to be convened for lack of a quorum.

If there is still lack of a quorum but attending shareholders are representing more than one third of the total outstanding shares after postponing for two times as mentioned in preceding paragraph, a tentative resolution may be made pursuant to Paragraph 1, Article 175 of Company Act, and the tentative resolution shall be notified to each shareholder to further convene Shareholders' Meeting within one month.

Before the end of the current meeting, if the attending shareholders are representing the majority of total outstanding shares, the chairperson may make a tentative resolution, and propose it again pursuant to Article 174 of Company Act to Shareholders' Meeting for voting.

Article 9: If the Shareholders' Meeting is convened by Board of Directors, its agenda shall be determined by Board of Directors, the meeting shall be proceeded according to the scheduled agenda, and it shall not be changed unless by the resolution of Shareholders' Meeting.

If the Shareholders' Meeting is convened by other person who is entitled to convene other than the Board of Directors, the provisions in preceding paragraph shall apply.

Before the end of official business discussion (including temporary motions) in the scheduled agenda as prescribed in preceding two paragraphs, the chairperson

may not arbitrarily declare meeting adjournment without resolution; if the chairperson declares the meeting adjournment by violating procedures, other members of Board of Directors shall immediately assist attending shareholders to elect one person as the chairperson with the consent of majority attending shareholders with voting rights pursuant to legal procedure to continue the meeting.

For the motion and amendment or temporary motions proposed by shareholders, the chairperson shall give opportunity for sufficient description and discussion, when it is suitable for voting to decide, the chairperson may declare the stop of discussion and propose for voting to decide.

Article 10: Before giving a speech, an attending shareholder shall first fill in speech note to specify the speech topic, shareholder account number (or certificate of attendance number) and account name, and the chairperson will decide its speech order.

If an attending shareholder only submits speech note but does not give a speech, it shall be deemed as unspoken. In case of any discrepancy between speech contents and the record in speech note, the speech contents shall prevail.

For the same motion, the speech of every shareholder shall not exceed two times and no longer than five minutes per time; if the speech of a shareholder violates the regulation or is beyond scope of motion, the chairperson may stop its speech.

When an attending shareholder is giving a speech, unless agreed by the chairperson and speaking shareholder, other shareholders shall not interrupt the speech, and violator shall be stopped by the chairperson.

When a legal person shareholder assigns more than two representatives to attend the Shareholders' Meeting, the same motion can only be spoken by one representative.

After the speech of an attending shareholder, the chairperson shall personally or designate relevant personnel to reply.

Article 11: The voting of Shareholders' Meeting shall be subject to the calculation of shares.

For the resolution of Shareholders' Meeting, the number of shares of shareholders without voting right will not be calculated into the total number of outstanding shares. In respect of meeting matters, if a shareholder itself has interested relationship and thereby is suspected of damaging the interests of the Company, such shareholder shall not join in the voting, nor exercise voting right on behalf of other shareholders.

The number of shares cannot exercise voting right as prescribed in preceding paragraph will not be calculated into the number of voting rights of attending

shareholders.

Except for trust enterprise or the stock affairs agency approved by competent authority in charge of securities, and one person is appointed by more than two shareholders, the agency voting right thereof shall not exceed three percent of the total outstanding shares with voting right, and the exceeding voting right will not be calculated.

Article 12: Shareholders have one voting right per share; except for those shares restricted or without voting right as listed in Paragraph 2, Article 179 of Company Act.

Upon convening Shareholders' Meeting, the Company may exercise its voting right in writing or electronic way; when exercising voting right in writing or electronic way, the exercising method thereof shall be specified in Shareholders' Meeting convening notice. Shareholders exercising voting right in writing or electronic way shall be deemed as attending Shareholders' Meeting in person. But it shall be deemed as waiver regarding the amendment of temporary motions and original proposals of such Shareholders' Meeting, hence the Company should avoid proposing the amendment of temporary motions and original proposals.

If the voting right in preceding paragraph is exercised in writing or electronic way, the declaration of intention thereof shall be served to the company two days before convening Shareholders' Meeting, in case of repeated declarations of intention, the one served first shall prevail. Except for announcing the cancellation of previous declaration of intention.

After a shareholder has exercised voting right in writing or electronic way, if intends to attend the Shareholders' Meeting in person, such shareholder shall cancel the preceding declaration of intention on exercising voting right in the same way as exercising voting right two days before convening Shareholders' Meeting, or the voting right exercised in writing or electronic way shall prevail. If a shareholder exercises voting right in writing or electronic way and entrusts an agent through power of attorney to attend the Shareholders' Meeting, the voting right exercised by the attending entrusted agent shall prevail.

Unless otherwise prescribed by Company Act or this Articles of Incorporation, the voting of proposal shall be agreed and passed by the majority attending shareholders with voting right. Upon voting, after the chairperson or its designated personnel has announced the total number of voting rights of the attending shareholders case by case, shareholders will vote to decide case by case, on the same date after convening Shareholders' Meeting, the shareholders' agreement, objection and waive results shall be input at mops.twse.com.tw.

The proposal will be deemed as passed if agreed by all attending shareholders per the consultation of the chairperson, and the validity thereof shall be the same as voting table; in case of any disagreement, the voting method prescribed in

preceding paragraph shall be adopted for voting to decide. Apart from the proposals listed in the agenda, for other proposals proposed by a shareholder or amendment or replacement of original proposals, there shall be other shareholders to support such proposals. When there is an amendment or replacement for the same proposal, the chairperson will decide its voting order together with the original proposal. If one of the proposals has been passed, the other proposals will be deemed as overruled, and voting therefor will no longer be necessary.

The scrutinizing and counting personnel of proposal voting will be designated by the chairperson, but the scrutinizing personnel shall be of shareholder identity. The counting shall be open in the place of Shareholders' Meeting, the voting result shall be reported at the scene, and the record thereof shall be made.

Article 13: In case of director election in Shareholders' Meeting, it shall be handled according to relevant election procedures stipulated by the Company, and the election result shall be announced on the spot.

The ballot of election matters mentioned in preceding paragraph shall be kept properly after sealed and signed by scrutinizing personnel, and it shall be kept for at least one year. But if a shareholder files a lawsuit pursuant to Article 189 of Company Act, it shall be kept until the end of litigation.

Article 14: All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of the meeting, and the minutes shall be distributed to the shareholders within 20 days after the meeting. The record and distribution of minutes may be made in electronic way or through the announcement input at mops.twse.com.tw.

The minutes shall be recorded actually according to the meeting date, location, name of chairperson, resolution method, essentials of discussion process and its results, during the duration of the Company, it shall be kept permanently.

For the resolution method mentioned in preceding paragraph, the chairperson has consulted with shareholders for opinions, if shareholders have no objection to the proposal, "Passed upon the agreement by all attending shareholders per the consultation of the chairperson" shall be recorded; but if shareholders have any disagreement with the proposal, the voting method, the number of pass voting right and the proportion thereof shall be specified.

Article 15: For the number of shares obtained by solicitor and the number of shares represented by entrusted agent, the Company shall prepare statistical table according to the prescribed form on the date of convening Shareholders' Meeting, and it shall be clearly revealed in the place of Shareholders' Meeting. For the resolution matter of Shareholders' Meeting, if it is significant

information pursuant to the provisions of laws and decrees and the provisions of Taiwan Stock Exchange Corporation (Juridical Person ROC GreTai Securities Market), the Company shall transmit the contents to mops.twse.com.tw within the specified time.

Article 16: Meeting affairs personnel handling Shareholders' Meeting shall wear ID or arm-badge.

The chairperson may command picketer or security guard to assist to maintain meeting place order. When assisting in maintaining order on the spot, picketer or security guard shall wear the arm-badge with "Picketer" character or ID.

If the meeting place is equipped with amplification system, when a shareholder does not use the equipment configured by the Company to give a speech, the chairperson may stop it.

If a shareholder violates rules of procedure and disobeys the correction by chairperson, interrupting the proceeding of meeting and disobeying after being stopped, the chairperson may command picketer or security guard to ask such shareholder to leave the meeting place.

Article 17: During the meeting, the chairperson may announce the rest at appropriate time, in case of force majeure circumstance, the chairperson may judge to temporarily stop the meeting, and announce the time for meeting continuation as the case may be.

Before the end of official business discussion (including extemporary motions) in the agenda scheduled by Shareholders' Meeting, if the meeting place is not available for continuous use at that time, Shareholders' Meeting may make a resolution to find another place to continue the meeting.

Shareholders' Meeting may make a resolution to postpone or continue the assembly within five days pursuant to Article 182 of Company Act.

Article 18: These Rules will be implemented after the approval of Shareholders' Meeting, and the same shall apply upon amendment.

These Rules was first formulated and passed by on March 9, 2012.

The first amendment on June 26, 2013.

The second amendment on July 23, 2014.

The third amendment on June 3, 2015.

The fourth amendment on June 27, 2016.

Appendix 3 (Before amendment)

OBI Pharma, Inc. Procedures for Election of Directors

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Article 1: In order to elect directors in a just, fair and open way, it is hereby formulated these Procedures pursuant to Article 21 and Article 41 of "Listed Company Governance Best Practice Principles".

Article 2: Unless otherwise prescribed by laws and decrees or regulations, the election of directors of the Company shall be handled according to these Procedures.

Article 3: The election of director of the Company shall give consideration to the overall allocation of Board of Directors. The member composition of Board of Directors shall give consideration to diversification, and appropriate diversified policy shall be prepared regarding its operation, operating pattern and development needs, and it is better to include but not limited to the following two main standards:

1. Basic conditions and value: gender, age, nationality and culture etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, financing, marketing or science and technology), professional skills and industrial experience etc.

Members of Board of Directors shall generally possess the knowledge, skills and accomplishments necessary for duty execution, overall abilities shall be possessed by them are as follows:

1. Operation judgment ability.
2. Accounting and financial analysis ability.
3. Operating management ability.
4. Crisis management ability.
5. Industry knowledge.
6. International market view.
7. Leadership.
8. Decision-making ability.

Among directors, there shall be majority seats without family relationships such as spouse or relatives within second-degree etc.

Board of Directors of the Company shall consider adjusting member composition of Board of Directors according to the results of performance appraisal.

Article 4: Qualifications of independent directors of the Company shall comply with the provisions of Article 2, Article 3 and Article 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Listed Companies".

The election of independent directors of the Company shall comply with the

provisions of Article 5, Article 6, Article 7, Article 8 and Article 9 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Listed Companies", and it shall be handled pursuant to Article 24 of "Listed Company Governance Best Practice Principles".

Article 5: The election of director of the Company adopts the candidate nomination system as prescribed in 1 of Article 192 of Company Act, Shareholders' Meeting will elect the director from the list of candidates, reappointment is acceptable if elected successively, if re-election is not carried out upon the expiration of director's term of office, the term of office of the concerned director will be extended until the re-elected director takes office.

In order to examine the qualification criteria, education and experience background of the candidates of independent director, and whether they have the circumstances as listed in Article 30 of Company Act, the Company shall not arbitrarily add other supporting documents of qualification criteria, and shall provide the examination result to the shareholders for reference, so as to elect the competent independent director.

Article 6: If directors are dismissed for a reason and thereby causes less than five directors, the Company shall conduct by-election in the most recent Shareholders' Meeting. But if the vacancy of directors reaches to one third of the seats stipulated in Articles of Incorporation, the Company shall convene Interim Meeting for by-election within sixty days as of the date of event.

If the number of independent directors is less than the number as prescribed in the proviso of Paragraph 1, 2 of Article 14 of Securities Exchange Act, relevant provisions of Taiwan Stock Exchange listing examination rules or provisions of Paragraph 8 of ROC GreTai Securities Market "Specific Identification Criteria on Inappropriate OTC Listing as Prescribed in Each Subparagraph of Paragraph 1, Article 10 of Examination Rules for Trading of Securities on Over-the-Counter Markets", the Company shall conduct by-election in the most recent Shareholders' Meeting; when all independent directors are dismissed, the Company shall convene Interim Meeting for by-election within sixty days as of the date of event.

Article 7: The Company shall adopt cumulative voting system for election of directors, every share has the election right of electing the same number of directors, it may elect one person intensively, or elect several persons separately.

Article 8: Board of Directors shall prepare and elect the ballots of same number of directors, and fill in the weight number thereof to distribute to shareholders attending Shareholders' Meeting, the inscription of elector may be replaced by the certificate of attendance number printed on the ballot.

Article 9: Directors of the Company will calculated the election rights of independent

directors and non-independent directors respectively according to the quota stipulated in Articles of Incorporation, those who got ballots representing more election weight number will be elected successively and respectively, if more than two candidates are getting the same weight number and exceeding the stipulated quota, candidates getting the same weight number will be decided by drawing, and the chairperson will make the draw on behalf of those who fail to attend.

Independent directors and non-independent directors shall be elected concurrently, and election quota will be calculated separately.

Article 10: Before the start of election, the chairperson shall designate several scrutinizing and counting personnel of shareholders identity to execute all kinds of relevant duties. The ballot box shall be prepared by Board of Directors and opened by scrutinizing personnel for verification in public before voting.

Article 11: If the candidate of the election is of shareholder identity, elector shall fill in the account name and shareholder's account number of such candidate in the candidate column in ballot; if it is not of shareholder identity, the name and ID document number of the candidate shall be filled in. But when the candidate is government or legal person shareholder, the candidate name column in ballot shall be filled in the name of such government and legal person, or the name of representative of such government or legal person; when there are several representatives, the names of representatives shall be filled in respectively.

Article 12: The ballot will be invalid in case of any one of the following circumstances:

1. Not use the ballot prepared by Board of Directors;
2. Input the blank ballot into ballot box.
3. The handwriting is illegible and unidentifiable or has been altered.
4. If the filled in candidate is of shareholder identity, and its account name and shareholder's account number is not consistent with those in shareholders list; if the filled in candidate is not of shareholder identity, its name, ID document number is not conforming per checking.
5. Apart from filling in the account name (name) or shareholder account number (ID document number) of the candidate and the allocated election weight number, other texts are written.
6. The name of the filled in candidate is the same as other shareholders' name, but the shareholder account name or ID document number has not been filled in for identification.

Article 13: After voting, the ballot box shall be opened and ballots shall be counted on the spot, and the chairperson shall announce the results thereof on the spot, including the list of elected directors and elected weight number.

The ballot of election matters mentioned in preceding paragraph shall be kept

properly after sealed and signed by scrutinizing personnel, and it shall be kept for at least one year. But if a shareholder files a lawsuit pursuant to Article 189 of Company Act, they shall be kept until the end of litigation.

Article 14: For the elected director, Board of Directors of the Company will issue the notice of election.

Article 15: These Procedures will be implemented after the approval of Shareholders' Meeting, and the same shall apply upon amendment.

These Procedures were first formulated and passed by Shareholders' Meeting on March 9, 2012.

The first amendment on June 26, 2013.

The second amendment on July 23, 2014.

The third amendment on June 3, 2015.

The fourth amendment completed on June 27, 2016.

Appendix 4

OBI Pharma, Inc. Shareholdings of All Directors

1. The paid-up capital of the Company is NT\$1,992,793,740 only, the total outstanding shares are 199,279,374 shares.
2. Subject to the provisions of Article 26 of Securities Exchange Act and Implementation Rules for Listed Company Directors and Supervisors' Shareholding Proportion and Examination
 - (1) The total shareholdings of all non-independent directors of the Company shall not be less than 11,956,762 shares of outstanding shares of the Company.
 - (2) The Company sets Audit Committee, hence the statutory shareholding of supervisor is not applicable.
3. As at the book closure day of this General Meeting, the shareholdings of directors of the Company recorded in shareholders list are as follows:

Title	Name	Number of shareholding	Shareholding ratio
Chairman	Yi Tai Investment Co., Ltd. Representative: Michael N. Chang	25,765,032	12.92%
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng		
Director	Sheng Cheng Investment Co., Ltd. Representative: Lung-Yen Cho	2,924,071	1.47%
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen		
Independent Director	Jerry Fong	-	-
Independent Director	Taychang Wang	-	-
Independent Director	(vacancy)	-	-
Shareholdings of all independent directors		28,689,103	14.39%

Notes: The book closure period of this General Meeting is from April 23, 2021 to June 21, 2021