

Polaris Group
Meeting Minutes
for the 2023 General Shareholders' meeting

Time: 9:00 a.m. on Monday, June 12, 2023

Place: Rm. 212, 2F., No. 355, Ruiguang Rd., Neihu Dist., Taipei City (t.Hub Taipei)

Actual Place : Rm. 102, 1F., No. 355, Ruiguang Rd., Neihu Dist., Taipei City (t.Hub Taipei)

Method of Meeting Convening: Physical Meeting

Present:

The total outstanding shares: 743,000,460 shares

The total shares represented by shareholders present in person or by proxy: 504,817,429 shares.

The percentage of shares held by shareholders present in person or by proxy: 67.94 %

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.

Chairman: Howard Chen



Recorder: Kay Huang



Board Members Present: Howard Chen (Representative of Gemtek Investment Co. Ltd),

Independent Directors Present (Member of Audit Committee): Way, Tzong Der

Attendance:

Hermes Kung for and on behalf of Global Network Commerce Legal

1. Call the Meeting to Order :

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman Address: (Omitted)

3. Reported Matters

Report No. 1: 2022 Business Reports and Financial Statements.

Explanation : The 2022 Business Reports and Financial Statements are attached at Pages 8-12, Appendix 1.

Report No. 2: Audit Committee's Review Report on the 2022 Financial Statements.

Explanation : The Audit Committee's Review Report on the 2022 Financial Statements is attached at Page 13, Appendix 2.

Report No. 3: Report on the Implementation of Sound Business Plan.

Explanation : This report is based on Taipei Exchange Letter No.: Securities-Counter-Audit-1040037369, point 5, dated January 19, 2016, “The implementation of the sound business plan shall be reported to the Board of Directors quarterly for management and then be proposed on the shareholders’ meeting”.

The Company’s new drug is still under the R&D stage, resulting in no revenue and loss. In order to improve its operation and make up losses, the Company adheres to its primary goal of obtaining global new drug license in the shortest time.

The Company’s mesothelioma clinical trial has made significant progress in 2022 and was unblinded in September 2022. At present, we are actively preparing to apply for BLA, which is expected to be submitted in June 2023.

Soft tissue sarcoma is a US multi-center clinical trial funded by Washington University in St. Louis, USA (Polaris Group only offers ADI-PEG 20). The Phase III clinical trial plan of this trial was approved by FDA on January 21, 2023, and is currently undergoing patient enrollment.

The Company’s hepatic cell carcinoma trial is a collaboration between the Company and Dr. Yeh, Chauting from Taiwan Linkou Chang Gung Memorial Hospital. It will launch the world’s first Phase II/III liver cancer clinical trial designed from a genetic perspective, screening for specific gene markers, and using double-blind methods. This is a randomized trial and is expected to enroll 150 subjects. The trial advances medication strategies from the general population to personalization for better treatment outcomes, also known as “personalized medicine” and “precision medicine”. The clinical trial plan enrolled the first patient in June 2022. The clinical trials are currently being actively planned in Vietnam.

In addition to the research and development of new cancer drugs, Polaris also responded to the government’s determination to promote the biotechnology industry. In 2022, the Company invested in the construction of a commercial mass production plant for the production of protein drugs by microbial fermentation in the Yilan Science Park, Taiwan. It can not only supply the self-developed ADI-PEG 20, but also support the CDMO business. It’s believed that it can create industrial value with high production capacity and low energy consumption.

Report No. 4: Report on the Amendment to the Company’s “Corporate Social Responsibility Best Practice Principles”.

Explanation: The amendments to the Company’s “Corporate Social Responsibility Best Practice Principles” are in accordance with relevant laws and regulations and attached at Pages 23~27, Appendix 4.

Report No. 5: Report on the Amendment to the Company’s “Rules and Procedures of the Board of Directors”.

Explanation: The amendments to the Company’s “Rules and Procedures of the Board of Directors” are in accordance with relevant laws and regulations and attached at Pages 28, Appendix 5.

4. Proposed Matters

1: (Proposed by the Board)

Proposal: Adoption of the 2022 Business Report and Financial Statements.

Explanation: 1. The Company's 2022 annual business report and financial statements have been approved by the Board, and the financial statements have been audited by Accountants, Liang Chan-Nyu and Chien Fan-Ya of PwC Taiwan. Also, Business Report and Financial Statements have been reviewed by the Audit Committee.
2. For the above Business Report, Accountant's Audit Report and Financial Statements, please refer to Pages 8-12 of Appendix 1 and Pages 14-22 of Appendix 3.
3. It's hereby submitted for adoption.

Resolution: The voting results are as follows- 504,404,697 votes were represented at the time of voting, 491,797,054 votes in favor, 182,145 votes against, and 12,425,498 votes abstained. The votes in favor accounted for 97.50% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

2: (Proposed by the Board)

Proposal: Adoption of the Proposal for 2022 Deficit Compensation.

Explanation: 1. The net loss after tax in 2022 was NT\$1,150,433 (in thousands of dollars) and the accumulated deficit of prior year was NT\$9,422,362 (in thousands of dollars) and the accumulated deficit yet to be compensated was NT\$10,572,795 (in thousands of dollars). Please refer to the table below for the Deficit Compensation Statement.
2. Please refer to the 2022 Deficit Compensation Statement as follows:

Deficit Compensation Statement


(Unit: NT\$1,000)

Items	Amount
Unappropriated accumulated deficit of prior years	(9,422,362)
Add: 2022 net loss	(1,150,433)
Deficit yet to be compensated – at the end of 2022	(10,572,795)

Chairman: Howard Chen General Manager: Howard Chen Accounting Supervisor: Kay Huang



3. It's hereby submitted for adoption.

Resolution: The voting results are as follows- 504,404,697 votes were represented at the time of voting, 491,663,792 votes in favor, 285,762 votes against, and 12,455,143 votes abstained. The votes in favor accounted for 97.47% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

5. Discussion Matters

1: (Proposed by the Board)

Proposal: Special Resolution Proposal of the Amendment to the Articles of Incorporation.

Explanation: 1. In order to comply with Taiwan Stock Exchange Corporation's announcement, reference number 1111700674 on March 11, 2022 and reference number and 1111704301 on January 9, 2023 to amend "Checklist of Shareholders' Equity Protection Measures at Foreign Issuer's Domicile", it's proposed to revise the Company's Memorandum of Association and the Articles of Incorporation. The comparison table of amendments to the Articles of Incorporation is shown on Pages 29-32 of Appendix 6.

2. Please discuss and adopt the 10th revision of the Company's Memorandum of Association and the Articles of Incorporation by a Special Resolution to supersede the 9th revision. It's then sent to the British Cayman Islands where the Company is registered for registration.

3. It's hereby submitted for discussion.

Resolution: The voting results are as follows- 504,404,697 votes were represented at the time of voting, 491,721,823 votes in favor, 236,377 votes against, and 12,446,497 votes abstained. The votes in favor accounted for 97.48% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

2: (Proposed by the Board)

Proposal: The Proposal to Handle the Long-term Fund Raising is submitted for discussion.

Explanation: 1. In response to the future capital needs for long-term fund strategic development and operating growth (including but not limited to one or more purposes of increasing the working capital, repaying the loans or satisfying the long-term strategic development needs), in consideration of the internalized and diversified ways of fund raising, it's proposed that the Shareholders' Meeting authorize the Board to handle the cases of Issuance of Ordinary Shares for Participating in Issuance of Global Depositary Receipts (the "GDRs Offering") and / or Capital Increase by Issuing New Shares for Cash Consideration in the R.O.C. and / or Issuing Domestic or Overseas Convertible Bonds depending on the market environment and the Company's capital needs and to issue up to 120,000,000 shares of common stock at the appropriate time and with the appropriate fund raising instrument, in one or in combos, in one or more installments for the purpose of raising the long-term funds.

2. Please refer to page 33~35 of Appendix 7 for the issuance mode and content.

3. It's proposed that the Shareholders' Meeting authorize the Board to formulate, adjust and handle the long-term fund raising plan, including but not limited to the equity fund raising, contracted underwriting, offering price, actual number of shares issued, conditions for issuing, planned items, fund use plan, purpose of fund, amount raised, estimated progress of the use of funds and estimated possible benefits as well as all other matters related to the case. In the future, the chairman shall be authorized to deal with such changes or amendments as instructed by the competent authority, based on operational evaluation, or as required by laws and regulations or objective market environment.

4. In order to complete the fund raising plan, it's proposed to authorize the chairman or the person designated by him/her to represent the Company to handle all matters related to the long-term fund raising and sign the relevant contracts and documents, including but not limited to the approval, negotiation, signing and modification of relevant contracts and documents.
5. Matters not covered herein shall be submitted to the Shareholders' Meeting, which shall authorize the Board to handle at its sole discretion in accordance with relevant laws and regulations.

Summary of Shareholder's Statement

Shareholder account number 21950 proposes to increase the ordinary shares issued from 120,000,000 shares to no more than 200,000,000 shares because Polaris is expanding various clinical trials, and also has plans for the construction of Yilan factory, etc., which requires a huge amount of funds.

Resolution:

The voting results are as follows- 504,404,697 votes were represented at the time of voting, 459,613,360 votes in favor, 0 votes against, and 44,791,337 votes abstained. The votes in favor accounted for 91.11% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

6. Election Matters

1: (Proposed by the Board)

Proposal: Proposal to the General Re-election of the Company's Directors (including Independent Directors).

Explanation:

1. The term of office of the former directors and independent directors expired on February 24, 2023. Therefore, a general re-election is scheduled. The former directors and independent directors shall be discharged upon the election of the new directors and independent directors.
2. In accordance with Article 72 of the Articles of Incorporation, the Company shall set up 7 to 9 directors, including at least 3 independent directors. In response to the general re-election of directors, the number of directors is planned to be 7, including 3 independent directors, for a term of office of three years.
3. The election of the Company's directors (including independent directors) shall be subject to a nominating candidate system and elected from the list of candidate of directors by the Shareholders' Meeting.
4. To coincide with the re-election date of General Meeting of Shareholders, the former directors (including independent directors) shall be dismissed as of the date of the re-election, and the new directors (including independent directors) shall take office as of the date of re-election, with a term of office from June 12, 2023 to June 11, 2026.
5. The list of candidate for directors and independent directors were reviewed and approved by the Board on April 24, 2023. Please refer to Page 36-37 Appendix 8 for that.
6. Please refer to Pages 103 to 106, Annex 3 hereto for the election procedures for the Company's directors.
7. It's hereby submitted for re-election according to the foregoing re-election procedures.

Result of election:

Office Held	Name	Elected votes
Director	Hung Wen Chen	513,836,280
Director	Digital Capital Inc. Representative: Patrick Yang	497,364,226
Director	Mai Investment Co., Ltd Representative: Wayne Lin	493,352,610
Director	Chen, Shyan Tser	491,100,612
Independent director	Way, Tzong Der	483,111,979
Independent director	Chao, Ying Chen	481,287,421
Independent director	Tai, Jang Huei	480,320,451

7. Other Matters

1: (Proposed by the Board)

Proposal: Release the Prohibition on Directors from Participation in Competitive Business.

- Explanation:
- The director of Digital Capital Inc. designated its representative, Dr. Patrick Y. Yang, who represented himself or others within the scope of the Company's business. Without prejudice to the interests of the Company, it is proposed to request the general meeting of shareholders to lift the ban on directors from participating in competitive business in accordance with the provisions of Article 209 of the Company Act.
 - The list of directors who are requested to release the prohibition from participating in competitive business is as follows:

Name	Experiences/Education	Present Positions
Patrick Y. Yang	<ul style="list-style-type: none"> • Ph.D. in Engineering from the Ohio State University • ITRI Laureate • Vice President of Merck • Executive Vice President of Genentech • Technical Operations President of Roche • Executive Vice President of Juno Therapeutics • Advisory Committee Member of Bio Taiwan Committee (BTC) 	<ul style="list-style-type: none"> • National Resilience, Inc. /Founder and Vice-Chairman of National Resilience, Inc. • Acepodia, Inc./Chairman and Co-Founder of Acepodia • Chairman of AltruBio, Inc. • Independent Director of PharmaEssentia • Independent Director of Codexis, Inc. • Independent Director of Sana Biotech • Director of Polaris Group • Independent Director of Antheia, Inc.

Resolution: The voting results are as follows- 504,645,359 votes were represented at the time of voting, 491,264,666 votes in favor, 534,889 votes against, and 12,845,804 votes abstained. The votes in favor accounted for 97.34% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

8. Extemporary Motions :

Summary of shareholders' questions:

- (1) Shareholder account number 3383, asked questions on the company's clinical trials, plant construction plans, future development strategies, and the chairman concurrently serving as the CEO. The above shareholders' questions will be explained by the chairman.
- (2) Other Shareholder asked questions on company's future fundraising plan and method, why not clarify related issues in response to media reports, and the above shareholders' speeches are explained by the chairman.

9. Adjournment: Meeting ended at 10:30 a.m.

(This Minutes of the General Meeting of Shareholders records the essentials and results of the proceedings in accordance with Paragraph 4 of Article 183 of the Company Law. The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video recording.

Appendix 1. 2022 Annual Business Report

Polaris Group

2022 Annual Business Report

2022 was a year of excitement and significance! First of all, the Company's mesothelioma clinical trial, which lasted for 6 years of patient enrollment, was successfully unblinded in September 2022. Next, we will go through FDA's Fast Track authorized, actively accelerating the application for drug certificate. In addition, the Company was listed on the Taiwan Stock Exchange in June 6, officially becoming a listed company! These two major events are undoubtedly the most important milestones since the establishment of Polaris Group!

Below is a report on the 2022 R&D progress and results of the Company.

I. 2022 Business Results

(I) 2022 Business Plan Implementation Results

1. Clinical Trials of ADI-PEG 20

The clinical trials in progress are as follows:

Cancer Type	Stage	Lead Cancer Center	Intervention/Treatment
Soft Tissue Sarcoma	Phase III	University of Washington	ADI-PEG 20 + Gemcitabine + Docetaxel
Glioblastoma	Phase II/III	Linkou Chang Gung Memorial Hospital Taiwan / Global Coalition for adaptive	ADI-PEG 20 + Temozolomide + Radiotherapy
Hepatic Cell Carcinoma	Phase II/III (note)	Linkou Chang Gung Memorial Hospital Taoyuan, Taiwan	Monotherapy (patients with GG Type genotype)
Acute Myeloid Leukemia	Phase I	MD Anderson Cancer Center Houston, Texas, United States	ADI-PEG 20 + Venetoclax + Azacitidine

Note: This is the clinical trial for NDA submission.

2. CDMO of drug development and production services

The OEM partnership between DRX USA and Helix BioMedix, Inc. (hereinafter referred to as Helix) is nearing its final stage; the Company and Nanotein Technologies, Inc. is collaborating to develop nanoprotein products, and Nanotein Technologies, Inc. continues to develop small and medium-sized companies, further providing customized technical services, and has actively negotiated with international distribution companies.

(II) Budget Spending Review

The Company only sets an internal budget plan in 2022, and does not disclose financial forecast data to the public. The overall budget spending situation generally conforms to the plan set by the Company.

(III) Financial Income and Expenditure and Profitability Analysis

The decrease in revenue and operating costs compared to 2021 was mainly due to the decrease in CDMO foundry revenue as the company shifted capacity to manufacturing its own products and DRX USA started to apply for NDA license. The 58% increase in operating expenses compared to 2021 is mainly due to the increase in stock option fees and related expenses for the subscription by employees due to the Group's application for listing, the increase in clinical expenses related to NDA, and the significant increase in personnel in response to future mass production.

Unit: NT\$1,000

Items	FY 2022	FY 2021	Difference of differ	%
Operating income	6,439	15,041	(8,602)	(57.2)
Operating costs	(5,024)	(12,944)	7,920	(61.2)
Operating gross profit	1,415	2,097	(682)	(32.5)
Operating expenses	(1,158,962)	(734,014)	(424,948)	57.9
Operating profit or loss	(1,157,547)	(731,917)	(425,630)	58.2
Non-operating income and expenses	12,648	(7,793)	20,441	(262.3)
Net profit or loss before tax	(1,144,899)	(739,710)	(405,189)	54.8

(IV) R&D Status

For details, please refer to the "2022 Business Plan Implementation Results" above.

II. 2023 Business Plan Outline

(I) Operating Strategy

1. Actively apply to FDA for drug license of mesothelioma.
2. In order to meet the upcoming global launch of ADI-PEG 20 new drugs and the mass production of CDMO business, the construction of a cGMP mass production plant in Taiwan that complies with U.S. FDA regulations will be launched.
3. Strategically plan clinical trials to obtain global drug licenses as soon as possible to benefit cancer patients worldwide.
4. Continue to explore the relationship between ADI-PEG 20 and genes, maximize the therapeutic benefit of patients through genetic testing, so as to achieve the ultimate goal of precision medicine, increase the penetration rate of ADI-PEG 20 in various cancer markets, and ultimately expand the market size.
5. Find and co-development or regional licensing with strategic alliance partners to secure working capital and spread risks.
6. Practically carry out relevant clinical trials on metabolic disease indications, such as severe fatty liver and diabetes, to make ADI-PEG20 the first choice for combination of metabolic therapy and various cancer drugs, so that more patients can benefit.

(II) Expected Sales and Its Basis and Important Production&Sales Policies

The Company's self-developed products are still in the clinical trial stage and have not yet been marketed. At present, the main business income comes from contracting CDMO services. Management sets the Company's operation goals and strategies every year, and then the R&D, manufacturing, and clinical teams in the U.S. and Taiwan propose various R&D and CDMO projects accordingly. The R&D/foundry projects are approved for execution after evaluating feasibility, marketing and financial status.

III. The Company's Future Development Strategy

(I) Clinical Trials for NDA Submission

As a widely effective new cancer drug, ADI-PEG20 has been successfully used in clinical trials of various indications by many international medical centers before. Therefore, ADI-PEG20 has always been highly expected by the international medical community in the field of metabolic therapy for cancer. Therefore, ADI-PEG20 has been highly expected by the international medical community in the field of metabolic therapy for cancer. Now that it's unblinded, the Company will soon obtain the first first-line drug certificate in mesothelioma, which will be a prelude to the widespread application of this drug in cancer metabolic therapy. The primary goal of the future development strategy is to obtain more definite clinical efficacy data in the shortest possible time in order to enhance the value of the Company and make metabolic therapy the main treatment method for cancer. In the future, the Group will focus its resources on accelerating phase II/III clinical trials for lung mesothelial cancer, liver cancer and soft tissue sarcoma. In addition, the Company has commenced Phase II clinical trials for cerebral cancer and joined GBM AGILE platform for the clinical trial of cerebral cancer Phase II/III and acute myeloid blood cancer Phase I. These trials are described as follows:

1. Soft Tissue Sarcoma

The Phase III trial was approved by the US FDA in January 2023 for the treatment of leiomyosarcoma with ADI-PEG 20 combined with Gemcitabine and Docetaxel. The trial was randomized, double-blind, multi-country and multi-center involved, and 300 patients were expected to be enrolled. The primary indicator is Progression Free Survival, and the secondary indicator is Overall Survival.

2. Hepatic Cell Carcinoma

Collaborating with Dr. Yeh, Chauting from Taiwan Linkou Chang Gung Memorial Hospital, the Company will launch the world's first Phase II/III liver cancer clinical trial designed from a genetic perspective, screening for specific gene markers, and using double-blind methods. This is a randomized trial and is expected to enroll 150 subjects. The trial advances medication strategies from the general population to personalization for better treatment outcomes, also known as "personalized medicine" and "precision medicine". Meanwhile, the Company will start patient enrollment in Vietnam in the second half of 2022.

3. Glioblastoma

This clinical trial was conducted with ADI-PEG20 combined with radiotherapy and Temozolomide in the treatment of Glioblastoma, GBM. This case was originally a Phase I clinical trial, and after completing this stage, the evaluable subjects were enrolled. The Phase II clinical trial has been continued, with a change to a control placebo group, randomized allocation, and double-blind trial. It is

expected that the scale of the trial will be expanded, and the number of cases collected globally will be 100. The main evaluation indicator was the Overall Survival, and the trial physician would observe the Progression-free survival, PFS. This experiment was led by Taiwan Linkou Chang Gung Memorial Hospital.

At the same time, the Company joined GBM AGILE, a new clinical trial platform approved by the US FDA, which allows simultaneous evaluation of multiple new drugs for cerebral cancer and sharing of patients in control group. And the platform has signed contracts with major international hospitals in order to quickly recruit patients. The Company aims to recruit 300 patients.

4. Acute Myeloid Leukemia

This is a Phase 1 clinical trial of ADI-PEG 20 in combination with Venetoclax and Azacitidine in patients with acute myeloid leukemia, led by MD Anderson Cancer Center. In addition to evaluating the safety and tolerability of ADI-PEG 20 in combination with Venetoclax and Azacitidine, the efficacy of this combination in the RP2D (recommended phase 2 dose) arm will also be explored. It has been submitted for regulatory review and it's expected to enroll 60 patients.

(II) Contract Development and Manufacturing Organization (CDMO)

In addition to the production of ADI-PEG 20, DRX USA, the Group's subsidiary in Northern California, also has a very mature technology that uses E. coli as a production platform. In November 2019, it officially began to provide contract drug R&D and production services, and received good feedback. This will develop into one of the major businesses of the Group. Subsidiary DRX Chengdu is currently the clinical and production base of the Group's freeze-dried biologicals, responsible for the Group's China ADI-PEG 20 new drug R&D and manufacturing and CDMO business. Negotiations with interested potential clients have begun. The Company's strategy is to develop CDMO business in the United States and Europe with DRX USA as the leading factory. DRX Chengdu, on the other hand, is not only responsible for domestic orders in China, but will also leverage Taiwan's upstream and downstream industries to be a technology development and manufacturing base to provide contract development and manufacturing services.

IV. The Impact of External Competition, Regulations and the General Business Environment

All the biotech and pharmaceutical companies in the world are racing to develop new cancer drugs. It is expected that more and more new anti-cancer drugs will continue to be approved and enter the market. Polaris Group is a comprehensive and vertically integrated new drug research and development company with diversified new drug research and development capabilities. ADI-PEG 20 has a unique mechanism of action and has shown preliminary efficacy and safety in various cancer trials. In addition, ADI-PEG 20 is suitable for use in combination with a variety of other treatments and is therefore considered highly competitive in the future cancer drug market. The Company assumes that after ADI-PEG 20 is approved for marketing, there will be no similar drugs entering the market in the short term. In the matter of regulatory compliance, the Company has experts who are familiar with the drug regulatory systems of various countries, and pay attention to the update of regulatory announcements at any time, striving to be in line with international laws and regulations to ensure a stable operating environment for the Company. The Company's senior management has profound experience in new drug research and development and company operation. They always collect market

information and observe market trends, so that the Company's operations can respond to changes in the business environment in a timely manner, minimize risks, and maintain a high degree of competitive advantage, thus maximizing values for all employees, shareholders and the investors.

Chairman:
Howard Chen



General Manager:
Howard Chen



Accounting Supervisor:
Kay Huang



Appendix 2. Audit Committee's Review Report on the 2022 Financial Statements

Polaris Group

Audit Committee's Review Report

The Board has prepared the Company's 2022 Annual Business Report, Consolidated Financial Statements, Deficit Compensation Statement, etc., of which the Consolidated Financial Statements have been audited by the Accountants , Liang Chan-Nyu and Chien Fan-Ya of PwC Taiwan appointed by the Board, and a review report was then issued accordingly.

The above-mentioned Annual Business Report, Consolidated Financial Statements, Deficit Compensation Statement have been reviewed by the Audit Committee and no irregularities were found. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the report is hereby issued. Please review and kindly approve.

To:

Polaris Group 2023 Annual General Meeting

Polaris Group

Convenor of Audit Committee:

Way, Tzong Der



March 9, 2023

INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Polaris Group

Opinion

We have audited the accompanying consolidated balance sheets of Polaris Group and subsidiaries (the “Group”) as at December 31, 2022 and 2021, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Key audit matter - impairment assessment of property, plant and equipment

Description

The Group is primarily engaged in the research and development of new drugs. The property, plant and equipment currently purchased are mainly used for the purposes of research and development or future production and their utilisation is closely related to the results of the Company's research and development of new drug. The property, plant and equipment amounted to NT\$1,300,049 thousand, constituting 14% of the consolidated total assets as at December 31, 2022. Refer to Notes 4(12) and 4(15) for the accounting policies on the acquisition and subsequent measurement of the property, plant and equipment, Note 5 for the accounting estimation uncertainty of property, plant and equipment and Notes 6(6) and 6(8) for the details and related impairment amount of property, plant and equipment. The management of the Group assesses the recoverable amounts of the property, plant and equipment where there is an indication that they are impaired as the basis of impairment assessment under IAS 36 'Impairment of Assets'. Given that the calculation of recoverable amount is considered to be a critical accounting estimate, involves the management's subjective judgement and contains uncertainty, we consider the impairment assessment of property, plant and equipment a key audit matter of the consolidated financial statements for the year ended December 31, 2022 based on the overall assessment.

How our audit addressed the matter

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

1. Obtained an understanding on and assessed the related policies and procedures of the Group's impairment assessment of property, plant and equipment and obtained an understanding on the Group's procedures of assessing whether there is any indication that each cash-generating unit may be impaired and assessed the reasonableness of the procedures.
2. Obtained an assets appraisal report issued by an external expert appointed by the Group for the cash-generating units with indications of impairment.
3. Conducted the following audit procedures of impairment test in accordance with the assets appraisal report issued by an external expert appointed by the Group:

- (1) Obtained an understanding on and assessed the independence, objectivity and competence of the external expert.
- (2) Obtained an understanding on and assessed the reasonableness of the valuation method adopted in the appraisal report.
- (3) Obtained an understanding on and assessed the reasonableness of the main valuation key assumptions adopted in the appraisal report and recalculated to ascertain the accuracy of the calculation.

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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The 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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 7,224,724	78	\$ 5,877,401	75
1110	Financial assets at fair value through profit or loss - current	6(2)	155,988	2	114,109	2
1170	Accounts receivable, net	6(3)	461	-	4,930	-
1200	Other receivables		60	-	418	-
1410	Prepayments	6(4)	153,825	2	18,954	-
1476	Other current financial assets	6(1) and 8	3,036	-	334,141	4
1479	Other current assets, others		2,122	-	37	-
11XX	Current Assets		<u>7,540,216</u>	<u>82</u>	<u>6,349,990</u>	<u>81</u>
Non-current assets						
1550	Investments accounted for using equity method	6(5)	60,122	1	62,352	1
1600	Property, plant and equipment	6(6)(8)	1,300,049	14	1,297,205	17
1755	Right-of-use assets	6(7)	287,456	3	66,982	1
1780	Intangible assets		174	-	381	-
1920	Guarantee deposits paid	8	23,184	-	7,864	-
1990	Other non-current assets, others	6(9)	8,041	-	37,330	-
15XX	Non-current assets		<u>1,679,026</u>	<u>18</u>	<u>1,472,114</u>	<u>19</u>
1XXX	Total assets		<u>\$ 9,219,242</u>	<u>100</u>	<u>\$ 7,822,104</u>	<u>100</u>
Liabilities and Equity						
Current liabilities						
2100	Short-term borrowings	6(10)	\$ -	-	\$ 277,951	4
2200	Other payables	6(11)	130,057	2	138,652	2
2280	Current lease liabilities		32,635	-	20,167	-
2320	Long-term liabilities, current portion	6(12)	88,138	1	-	-
21XX	Current Liabilities		<u>250,830</u>	<u>3</u>	<u>436,770</u>	<u>6</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	30,848	-	117,261	2
2580	Non-current lease liabilities		230,997	3	21,371	-
2670	Other non-current liabilities, others	6(13)	32,510	-	32,825	-
25XX	Non-current liabilities		<u>294,355</u>	<u>3</u>	<u>171,457</u>	<u>2</u>
2XXX	Total Liabilities		<u>545,185</u>	<u>6</u>	<u>608,227</u>	<u>8</u>
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	6(16)	7,420,484	81	7,188,451	92
3200	Capital surplus	6(17)	11,476,142	124	9,824,000	126
3350	Retained earnings	6(18)				
	Accumulated deficit		(10,572,795)	(115)	(9,422,362)	(121)
Other equity interest						
3400	Other equity interest		350,226	4	(376,212)	(5)
3XXX	Total equity		<u>8,674,057</u>	<u>94</u>	<u>7,213,877</u>	<u>92</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 9,219,242</u>	<u>100</u>	<u>\$ 7,822,104</u>	<u>100</u>

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except loss per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 6,439	-	\$ 15,041	2
5000	Operating costs	6(22)(23)	(5,024)	-	(12,944)	(2)
5900	Gross profit from operations		<u>1,415</u>	-	<u>2,097</u>	-
	Operating expenses	6(22)(23)				
6200	Administrative expenses		(234,991)	(21)	(179,724)	(24)
6300	Research and development expenses		(923,971)	(80)	(554,290)	(75)
6000	Total operating expenses		(1,158,962)	(101)	(734,014)	(99)
6900	Net operating loss		(1,157,547)	(101)	(731,917)	(99)
	Non-operating income and expenses					
7100	Interest income		64,739	6	7,892	1
7020	Other gains and losses	6(20)	(32,285)	(3)	8,191	1
7050	Finance costs	6(21)	(11,051)	(1)	(14,674)	(2)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(8,755)	(1)	(9,202)	(1)
7000	Total non-operating income and expenses		<u>12,648</u>	<u>1</u>	(7,793)	(1)
7900	Loss before income tax		(1,144,899)	(100)	(739,710)	(100)
7950	Income tax expense	6(24)	(5,534)	-	(777)	-
8200	Loss for the year		<u>(\$ 1,150,433)</u>	<u>(100)</u>	<u>(\$ 740,487)</u>	<u>(100)</u>
	Components of other comprehensive income, net, that will not be reclassified to profit or loss					
8361	Exchange differences on translation		\$ 835,691	73	(\$ 135,663)	(18)
	Components of other comprehensive income, net, that will be reclassified to profit or loss					
8361	Exchange differences on translation		(109,253)	(9)	15,791	2
	Other comprehensive income(loss)		<u>\$ 726,438</u>	<u>64</u>	<u>(\$ 119,872)</u>	<u>(16)</u>
8500	Total comprehensive loss		<u>(\$ 423,995)</u>	<u>(36)</u>	<u>(\$ 860,359)</u>	<u>(116)</u>
	Loss per share					
9750	Basic and diluted loss per share	6(25)	<u>(\$ 1.57)</u>		<u>(\$ 1.09)</u>	

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent				Total equity
		Share capital – ordinary share	Capital surplus	Accumulated deficit	Financial statements translation differences of foreign operations	
<u>2021</u>						
Balance at January 1, 2021		\$ 6,529,014	\$ 5,290,730	(\$ 8,681,875)	(\$ 256,340)	\$ 2,881,529
Loss for the year		-	-	(740,487)	-	(740,487)
Other comprehensive loss for the year		-	-	-	(119,872)	(119,872)
Total comprehensive loss		-	-	(740,487)	(119,872)	(860,359)
Issuance of shares	6(16)	640,000	4,480,000	-	-	5,120,000
Exercise of employee stock options	6(15)(17)	19,437	33,229	-	-	52,666
Compensation cost of employee stock options	6(15)(17)	-	21,317	-	-	21,317
Changes in ownership interest in associates accounted for using the equity method	6(5)(17)	-	(1,276)	-	-	(1,276)
Balance at December 31, 2021		<u>\$ 7,188,451</u>	<u>\$ 9,824,000</u>	<u>(\$ 9,422,362)</u>	<u>(\$ 376,212)</u>	<u>\$ 7,213,877</u>
<u>2022</u>						
Balance at January 1, 2022		<u>\$ 7,188,451</u>	<u>\$ 9,824,000</u>	<u>(\$ 9,422,362)</u>	<u>(\$ 376,212)</u>	<u>\$ 7,213,877</u>
Loss for the year		-	-	(1,150,433)	-	(1,150,433)
Other comprehensive income for the year		-	-	-	726,438	726,438
Total comprehensive income(loss)		-	-	(1,150,433)	726,438	(423,995)
Issuance of shares	6(16)	200,000	1,528,539	-	-	1,728,539
Exercise of employee stock options	6(15)(17)	32,033	52,081	-	-	84,114
Compensation cost of employee stock options	6(15)(17)	-	71,522	-	-	71,522
Balance at December 31, 2022		<u>\$ 7,420,484</u>	<u>\$ 11,476,142</u>	<u>(\$ 10,572,795)</u>	<u>\$ 350,226</u>	<u>\$ 8,674,057</u>

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 1,144,899)	(\$ 739,710)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(22)	143,502	153,859
Amortisation expense	6(22)	213	210
Impairment loss	6(8)(20)	-	75,368
Compensation cost of employee stock options	6(15)(23)	37,507	48,026
Interest expense	6(21)	11,051	14,674
Interest revenue		(64,739)	(7,892)
Loss on disposal of property, plant and equipment		570	409
Loss on valuation of financial assets at fair value through profit or loss	6(2)(20)	18,408	1,992
Share of loss of associates accounted for using the equity method		8,755	9,202
Income from Paycheck Protection Program (PPP) loan forgiveness		-	(65,396)
Gain in government grants		(1,630)	(820)
Gain on disposal of investments accounted for using the equity method	6(5)(20)	-	(18,757)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net	6(3)	4,469	(2,614)
Other receivables		358	5,414
Prepayments		(134,871)	(3,350)
Other current assets, others		(2,085)	78
Other non-current assets, others		29,289	(6,452)
Changes in operating liabilities			
Other payables		18,663	2,033
Cash outflow generated from operations		(1,075,439)	(533,726)
Income taxes paid	6(24)	(5,534)	(777)
Interest paid		(12,843)	(12,647)
Interest received		64,739	7,892
Net cash flows used in operating activities		(1,029,077)	(539,258)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(6)(26)	(69,633)	(204,343)
Acquisition of financial assets at fair value through profit or loss	6(2)	(47,546)	(57,893)
Proceeds from disposal of property, plant and equipment		172	-
Acquisition of investments accounted for using the equity method		-	(69,536)
Decrease(increase) in other current financial assets	6(1)	332,010	(332,064)
Decrease(increase) in refundable deposits		(15,320)	(5,961)
Proceeds from disposal of financial assets at amortised cost		-	1,688,864
Net cash flows from investing activities		199,683	1,019,067
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Acquisition of short-term borrowings	6(10)(27)	-	275,615
Repayments of short-term borrowings	6(10)(27)	(299,387)	(21,397)
Acquisition of long-term borrowings	6(12)(27)	-	29,657
Repayments of long-term borrowings	6(12)	-	(86,199)
Payments of lease liabilities	6(7)(27)	(28,491)	(18,998)
Exercise of employee stock options	6(16)	84,114	52,666
Proceeds from issuance of shares	6(16)	1,728,539	5,120,000
Net cash flows from financing activities		1,484,775	5,351,344
Effect of exchange rate changes on cash and cash equivalents		691,942	(104,437)
Net increase in cash and cash equivalents		1,347,323	5,726,716
Cash and cash equivalents at beginning of year		5,877,401	150,685
Cash and cash equivalents at end of year		<u>\$ 7,224,724</u>	<u>\$ 5,877,401</u>

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

Appendix 4. 「 Corporate Social Responsibility Best Practice Principles 」 Amendment comparison table

Polaris Group

The Comparison Table for the Corporate Social Responsibility Best Practice Principles (renamed the “Sustainable Development Best Practice Principles”_ Of the Original and the Amended Articles

Original Article	Amended Article	Note
<p>Title <u>Corporate Social Responsibility Best Practice Principles</u></p>	<p>Title <u>Sustainable Development Best Practice Principles</u></p>	Conform to the amendments to related regulations and business needs.
<p>Article 1 In order to assist companies listed on the Taiwan Stock Exchange Corporation ("TWSE") and GreTai Securities Market ("GTSM") (collectively referred to as "The Company") to fulfill their corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the TWSE and GTSM hereby jointly adopt the Principles to be followed by Polaris Group (The Company). The Company is advised to promulgate their own corporate social responsibility principles in accordance with the Principles to manage their economic, environmental and social risks and impact.</p>	<p>Article 1 The Company in order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company promulgated sustainable development principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies to manage the risks and impact of economic, environmental and social.</p>	Conform to the amendments to related regulations and business needs.
<p>Article 2 Paragraph 1 (omitted). The principles encourage The Company to actively fulfill <u>their corporate social responsibility</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>Article 2 Paragraph 1 (omitted). The principles encourage The Company to actively fulfill <u>sustainable development</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.</p>	Conform to the amendments to related regulations and business needs.
<p>Article 3 In <u>fulfilling corporate social responsibility</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. Paragraph 2 (omitted).</p>	<p>Article 3 In <u>promoting sustainable development</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. Paragraph 2 (omitted).</p>	Conform to the amendments to related regulations and business needs.
<p>Article 4 To implement corporate social responsibility initiatives, the Company are advised to follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare.</p>	<p>Article 4 To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment.</p>	Conform to the amendments to related regulations and business needs.

<p>4.Enhance disclosure of <u>corporate social responsibility</u> information</p>	<p>(A) 3. Preserve public welfare.</p> <p>4. Enhance disclosure of <u>sustainable development</u> information.</p>	
<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>corporate social responsibility</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>corporate social responsibility</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>sustainable development</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>Conform to the amendments to related regulations and business needs.</p>
	<p>Article 6 <u>The Company follows the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance</u></p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 6 The directors of The Company shall exercise the due care of good administrators to urge the company to perform its <u>corporate social responsibility</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>corporate social responsibility</u> policies. The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its <u>corporate social responsibility</u> initiatives: 1.Identifying the company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, systems or relevant management guidelines; 2.Making <u>corporate social responsibility</u> the guiding principle of the company's operations and development, and ratifying concrete</p>	<p>Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies. The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>promotion</u> of its <u>sustainable development</u> initiatives: 1.Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; 2.Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete</p>	<p>Conform to the amendments to related regulations and business needs.</p>

<p>promotional plans for <u>corporate social responsibility</u> initiatives; and 3.Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information. Paragraph 3 (omitted).</p>	<p>promotional plans for <u>sustainable development</u> initiatives; and 3.Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. Paragraph 3 (omitted).</p>	
	<p>Article 8 The Company is advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 7 For the purpose of managing <u>corporate social responsibility</u> initiatives, The Company designate the Administrative Department as an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company are advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with <u>corporate social responsibility</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Article 9 For the purpose of managing <u>sustainable development</u> initiatives, the Company designate the <u>Finance and</u> Administrative Department as an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 8 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.</p>	<p>Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 9 (Omitted).</p>	<p>Article 11 (Omitted).</p>	<p>Item no.adjustment</p>
<p>Article 10 The Company is advised to endeavor to <u>utilize all resources</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 12 The Company is advised to endeavor to <u>consume energy</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 11 (Omitted).</p>	<p>Article 13 (Omitted).</p>	<p>Item no.adjustment</p>

<p>Article 12 The Company designate the Administrative Department as a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.</p>	<p>Article 14 The Company designate the <u>Finance and Administrative Department</u> as a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.</p>	<p>Conform to the amendments to business needs.</p>
<p>Article 13 (Omitted).</p>	<p>Article 15 (Omitted).</p>	<p>Item no.adjustment</p>
<p>Article 14 (Omitted).</p>	<p>Article 16 (Omitted).</p>	<p>Item no.adjustment</p>
	<p>Article 17 <u>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt relevant measures.</u> <u>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u> 1. <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</u> 2. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally imported electricity, heating, or steam.</u> 3. <u>Other indirect emissions: Emissions generated by corporate activities that are not indirect emissions from energy use, but come from emission sources owned or controlled by other companies.</u> <u>The Company is advised to compile statistic on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</u></p>	<p>Conform to the amendments to related regulations and business needs.</p>
<p>Article 15 (Omitted).</p>	<p>Article 18 (Omitted).</p>	<p>Item no.adjustment</p>
<p>Article 16 (Omitted).</p>	<p>Article 19 (Omitted).</p>	<p>Item no.adjustment</p>
<p>Article 17 (Omitted).</p>	<p>Article 20 (Omitted).</p>	<p>Item no.adjustment</p>
<p>Article 18 (Omitted).</p>	<p>Article 21 (Omitted).</p>	<p>Item no.adjustment</p>
<p>None.</p>	<p>Article 27-1 <u>The company is advised to use donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technology services or other support models to continuously inject resources into cultural and</u></p>	<p>Conform to the amendments to related regulations and business needs.</p>

	<u>artistic activities or cultural and creative industries to promote cultural development.</u>	
Chapter 5 Enhancing Disclosure of <u>Corporate Social Responsibility</u> Information	Chapter 5 Enhancing Disclosure of <u>Sustainable Development</u> information.	Conform to the amendments to related regulations and business needs.
Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for The Company and shall fully disclose relevant and reliable information relating to their <u>corporate social responsibility</u> initiatives to improve information transparency.	Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency. <u>Relevant information relating to sustainable development which the Company shall disclose includes:</u> 1. <u>The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.</u> 2. <u>The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</u> 3. <u>Goals and measures for realizing the sustainable development initiatives established by the Company, and promotional in implementation.</u> 4. <u>Major stakeholders and their concerns.</u> 5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</u> 6. <u>Other information relating to sustainable development initiatives</u>	Conform to the amendments to related regulations and business needs.
Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the <u>corporate social responsibility</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>corporate social responsibility</u> initiatives. 2.Major stakeholders and their concerns. 3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4.Future improvements and goals.	Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of their implementation of the <u>sustainable development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals.	Conform to the amendments to related regulations and business needs.
Article 30	Article 30	Conform to the amendments to

<p>The Company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve their established <u>corporate social responsibility</u> framework and to obtain better results from the implementation of the <u>corporate social responsibility</u> policy.</p>	<p>The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>related regulations and business needs.</p>
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Appendix 5. Comparison Table of Amendments to “Rules and Procedures of the Board of Directors”

Polaris Group

The Comparison Table for the Rules of Procedure for Board of Directors Meetings

Original Article	Amended Article	Note
<p>3. The Board of Directors shall meet at least quarterly.</p> <p>The reasons for calling a Board meeting shall be notified to each Director at least seven days in advance, unless such notice is waived by each Director in writing; such waiver shall be deemed in the event that the Director or his proxy attends such Board meeting, other than attendance for the purpose of objecting to the calling of such Board meeting. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be affected by means of electronic transmission.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a Board meeting; none of them may be raised by an extraordinary motion <u>except in the case of an emergency or legitimate reason.</u></p>	<p>3. The Board of Directors shall meet at least quarterly.</p> <p>The reasons for calling a Board meeting shall be notified to each Director at least seven days in advance, unless such notice is waived by each Director in writing; such waiver shall be deemed in the event that the Director or his proxy attends such Board meeting, other than attendance for the purpose of objecting to the calling of such Board meeting. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be affected by means of electronic transmission.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a Board meeting; none of them may be raised by an extraordinary motion.</p>	<p>Conform to the amendments to related regulations.</p>
<p>13. The following items shall be submitted for the Board of Directors’ discussion:</p> <p>...</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board meeting for retroactive recognition.</p> <p>8. Any matter required by Article 14-3 of the Securities and Exchange Act or any law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>...</p>	<p>13. The following items shall be submitted for the Board of Directors’ discussion:</p> <p>...</p> <p><u>6. The board of directors does not have a managing director, the chairman shall be elected or dismissed.</u></p> <p>7. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board meeting for retroactive recognition.</p> <p>9. Any matter required by Article 14-3 of the Securities and Exchange Act or any law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>...</p>	<p>Conform to the amendments to related regulations.</p>

Appendix 6. Comparison Table for the articles of incorporation

Polaris Group

Comparison Table for the “Memorandum of Association and the Articles of Incorporation”

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 32 條	<p>In the event a resolution with respect to any of the matters listed in Article 30(B) and paragraphs (a), (b), (c) or (e) of the preceding Article 31(A) is passed by the Shareholders at a general meeting in accordance with the provisions of these Articles, any Shareholder who has notified the Company in writing of his objection to such resolution prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Shareholder shall have the abovementioned appraisal right if the Shareholders resolves to liquidate or dissolve the Company immediately after the completion of transfer of business or assets under the paragraph (b) of Article 31(A). In the event of a Spin-Off of any part of the Company’s business, a Merger with any other company, an Acquisition, or Share Swap, a Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his Shares at the then prevailing fair price.</p> <p>如股東會依開曼法相關規定就第 30 (B) 條及 31 (A) 條第(a)、(b)、(c)、(e)項所列之議案作成決議者，股東於股東會前已以書面通知本公司反對該項議案之意思表示，並在股東會上再次提出反對意見者，得請求本公司以當時公平價格收買其所有之股份；但股東會依第 31 (A) 條第(b)項規定作成決議，於轉讓本公司營業或資產後，同時解散本公司者，股東不得享有上述請求收買股份之權利。在股東會決議分割業務、與他公司合併、進行收購或股份轉換之情形，股東於股東會集會前或集會中，以書面表示異議，或以口頭表示異議經紀錄，且放棄其表決權</p>	<p>In the event a resolution with respect to any of the matters listed in Article 30(B) and paragraphs (a), (b), (c) or (e) of the preceding Article 31(A) is passed by the Shareholders at a general meeting in accordance with the provisions of these Articles, any Shareholder who has notified the Company in writing of his objection to such resolution prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Shareholder shall have the abovementioned appraisal right if the Shareholders resolves to liquidate or dissolve the Company immediately after the completion of transfer of business or assets under the paragraph (b) of Article 31(A). In the event of a Spin-Off of any part of the Company’s business, a Merger with any other company, an Acquisition, or Share Swap, a Shareholder, who has expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting, <u>and voted against or forfeited his right to vote on such matter</u>, may request the Company to buy back all of his Shares at the then prevailing fair price. <u>The preceding Shares for which voting right has been forfeited, shall not be counted in the number of votes of the Shareholders present in a general meeting.</u></p> <p>如股東會依開曼法相關規定就第 30 (B) 條及 31 (A) 條第(a)、(b)、(c)、(e) 項所列之議案作成決議者，股東於股東會前已以書面通知本公司反對該項議案之意思表示，並在股東會上再次提出反對意見者，得請求本公司以當時公平價格收買其所有之股份；但股東會依第 31 (A) 條第(b)項規定作成決議，於轉讓本公司營業或資產後，同時解散本公司者，股東不得享有上述請求收買股份之權利。在股東會決議分割業務、與他公司合併、進行收購或股份轉換之情形，股東於股東會</p>	<p>為配合臺灣證券交易所 112 年 1 月 9 日臺證上二字第 1111704301 號函公告修正「外國發行人註冊地國股東權益保護事項檢查表」（下稱「112 年股東權益保護事項表」）進行修訂。</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	者，可請求本公司以當時公平價格收買其所有之股份。	集會前或集會中，以書面表示異議，或以口頭表示異議經紀錄，且於股東會投票反對或放棄其表決權者，可請求本公司以當時公平價格收買其所有之股份。 <u>前開放棄表決權之股份數，不算入已出席股東之表決權數。</u>	
第 45 條	<p>For so long as the Shares are listed on a Stock Market, the Company shall prepare a manual for each general meeting and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS or other website designated by the Commission and the TPEX or TWSE at least 21 days prior to an annual general meeting or 15 days prior to an extraordinary general meeting, or other deadline as stipulated in Taiwan Laws from time to time pursuant to the Applicable Listing Rules and other applicable Taiwan Laws.</p> <p>於本公司股份已於股票市場掛牌之期間，本公司召開股東會時應編製股東會議事手冊並準備相關資料，供股東索閱，且應依上市法令及其他應適用之台灣法令，於股東常會開會二十一日前或股東臨時會開會十五日前，或於台灣法令隨時所明定或修改之期限前，公告於公開資訊觀測站或其他主管機關及櫃檯買賣中心或證交所指定之網站上。</p>	<p>For so long as the Shares are listed on a Stock Market, the Company shall prepare a manual for each general meeting and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS or other website designated by the Commission and the TPEX or TWSE at least 21 days prior to an annual general meeting or 15 days prior to an extraordinary general meeting, or other deadline as stipulated in Taiwan Laws from time to time pursuant to the Applicable Listing Rules and other applicable Taiwan Laws. <u>However, if the Company's total paid-in capital exceeds NT\$10 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors exceeds more than 30% of the total number of issued shares as recorded in the Register of Shareholders as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials shall be published on the MOPS or other website designated by the Commission and the TPEX or TWSE at least 30 days prior to an annual general meeting.</u></p> <p>於本公司股份已於股票市場掛牌之期間，本公司召開股東會時應編製股東會議事手冊並準備相關資料，供股東索閱，且應依上市法令及其他應適用之台灣法令，於股東常會開會二十一日前或股東臨時會開會十五日前，或於台灣法令隨時所明定或修改之期限前，公告於公開資訊觀測站或其他主管機關及櫃檯買賣中心或證交所指定之網站上。<u>但本公司於最近會計年度終了日實收資本額達新臺幣一百億元以上或最近會計年度召開股東常會其股東名簿記載之外資及陸資持股比例合計達百分之三十以上時，應於股東常會開會 30 日前完成前開電子檔案之傳送。</u></p>	<p>為配合臺灣證券交易所 111 年 3 月 11 日臺證上二字第 1111700674 號函公告修正「外國發行人註冊地國股東權益保護事項檢查表」（下稱「111 年股東權益保護事項表」）進行修訂。</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 66 條	<p>To the extent permitted by the Law, a Shareholder may exercise his votes by way of electronic transmission. The Company shall facilitate and allow Shareholders to exercise the votes in writing or by way of electronic transmission if the general meeting is held outside of Taiwan. The Company shall specify the method of such exercising of votes in the meeting notice, subject to the Law and the Taiwan Laws.</p> <p>在開曼法允許之範圍內，本公司股東得以電子方式行使表決權。如本公司於台灣境外召開股東會，本公司應提供且允許股東以書面或電子方式行使表決權。本公司應根據開曼法及台灣法令，於股東會召集通知上載明表決權行使方法。</p>	<p>To the extent permitted by the Law, <u>when the Company holds a general meeting, the Company shall provide the Shareholders with a method for exercising their voting power by means of electronic transmission.</u> The Company shall facilitate and allow Shareholders to exercise the votes in writing or by way of electronic transmission if the general meeting is held outside of Taiwan.</p> <p>The Company shall specify the method of such exercising of votes in the meeting notice, subject to the Law and the Taiwan Laws.</p> <p>在開曼法允許之範圍內，本公司應將<u>電子方式列為表決權行使管道之一。</u>如本公司於台灣境外召開股東會，本公司應提供且允許股東以書面或電子方式行使表決權。本公司應根據開曼法及台灣法令，於股東會召集通知上載明表決權行使方法。</p>	為配合 111 年股東權益保護事項表進行修訂。
第 108 條	<p>...(Omitted). A Director who has a personal interest whether directly or indirectly in a matter under discussion at a meeting of the Board, shall declare the nature of his/her/its interest and explain the material information regarding such interest at the same meeting of the Board. Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director, has a personal interest in the matter under discussion at a meeting of the Board, such Director shall be deemed to have a personal interest in such matter. If such personal interest may be adverse to the interest of the Company, such Director cannot cast its/his/her own vote or vote by proxy on behalf of another Director. Such Director shall not be counted in the number of votes of Directors present at the Board meeting (but shall still be counted in the quorum for such meeting). In the event the Company is engaging in any Merger, Acquisition, or Spin-off, each Director shall disclose the material information of his or her personal interest with such transaction, and his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the relevant Board meeting and the meeting of Shareholders.</p>	<p>...(Omitted). A Director who has a personal interest whether directly or indirectly in a matter under discussion at a meeting of the Board, shall declare the nature of his/her/its interest and explain the material information regarding such interest at the same meeting of the Board. Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director, has a personal interest in the matter under discussion at a meeting of the Board, such Director shall be deemed to have a personal interest in such matter. If such personal interest may be adverse to the interest of the Company, such Director cannot cast its/his/her own vote or vote by proxy on behalf of another Director. Such Director shall not be counted in the number of votes of Directors present at the Board meeting (but shall still be counted in the quorum for such meeting). In the event the Company is engaging in any Merger, Acquisition, or Spin-off, each Director shall disclose the material information of his or her personal interest with such transaction, and his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the relevant Board meeting and the meeting of</p>	為配合 112 年股東權益保護事項表進行修訂。

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>... (略) 公司董事對於董事會議之事項，有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就董事會議之事項有個人利害關係，視為董事就該事項有自身利害關係。董事對於董事會之事項，有自身利害關係致有害於公司利益之虞時，不得加入表決，並不得代理他董事行使其表決權。董事會之決議，依前述規定不得行使表決權之董事，不算入已出席董事之表決權數（但仍應計入法定出席人數）。於本公司進行合併、收購或分割時，董事應向董事會及股東會說明其與該交易自身利害關係之重要內容及贊成或反對該交易決議之理由。</p>	<p>Shareholders; <u>and the Company shall disclose the material information of his or her personal interest with such transaction, together with his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the notice to convene a Shareholder Meeting; the material information may be uploaded onto the website designated by the Commission or the Company, and such website shall be indicated in the notice of general meeting.</u></p> <p>... (略) 公司董事對於董事會議之事項，有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就董事會議之事項有個人利害關係，視為董事就該事項有自身利害關係。董事對於董事會之事項，有自身利害關係致有害於公司利益之虞時，不得加入表決，並不得代理他董事行使其表決權。董事會之決議，依前述規定不得行使表決權之董事，不算入已出席董事之表決權數（但仍應計入法定出席人數）。於本公司進行合併、收購或分割時，董事應向董事會及股東會說明其與該交易自身利害關係之重要內容及贊成或反對該交易決議之理由；<u>公司並應於股東會召集事由中敘明董事利害關係之重要內容及贊成或反對併購決議之理由，其內容得置於中華民國證券主管機關或公司指定之網站，並應將其網址載明於通知。</u></p>	

Appendix 7. Explanation on the Issuance Method and Content of Long-term Fund Raising Case

Polaris Group
Explanation on the Issuance Method and Content of Long-term Fund Raising Case

- I. Purpose and Limit of Fund Raising: For the purpose of increasing working capital, improving financial structure and/or researching and developing and /or re-investing new drugs and/or purchasing fixed assets and/or funding the long-term development of the Company, it's proposed that the Shareholders' Meeting authorize the Board to handle the cases of Issuance of Ordinary Shares for Participating in Issuance of Global Depository Receipts (the "GDRs Offering") and / or Capital Increase by Issuing New Shares for Cash Consideration in the R.O.C. and / or Issuing Domestic or Overseas Convertible Bonds (hereinafter referred to as "Long-term Fund Raising Case") depending on the market environment and the Company's capital needs where the common stock to be issued is up to 120,000,000.
- II. Principles of Fund Raising and Handling
 - (I) Handle the Issuance of Ordinary Shares for Participating in Issuance of Global Depository Receipts (the "GDRs Offering")
 1. The GDRs Offering this time will be issued to the public and not reserved for subscription by employees of the Company. In accordance with Article 13 of "Regulations Governing the Offering and Issuance of Securities by Foreign Issuers", it shall be submitted to the shareholders' meeting for a resolution that the original shareholders shall waive their pre-emptive subscription rights and all shall be allocated for public offering as the original securities participating in GDRs Offering.
 2. The price of the GDRs Offering will be determined by taking into account (a) the closing price of the Company's common stock on the pricing date, or (b) the simple arithmetical average closing price of the common stock of the Company on the first, third or fifth trading days prior to the pricing date ((a) or (b) the "Reference Price"). However, the actual offering price shall be determined by the Chairman of the Board of Directors and the foreign lead underwriter according to the prevailing market conditions, and the actual offering price shall not be lower than 90% of the reference price after deducting the value of bonus shares issued as stock dividends and cash dividends or the shares canceled in connection with capital reduction. Should there be any change to relevant ROC laws and regulations, the pricing may be adjusted by the Chairman of the Company or his designated person accordingly. The reference price and the actual issue price are fixed in accordance with the issuing market practices and regulations. If being calculated based on the maximum number of shares issued in the GDRs Offering (i.e. up to 120,000,000 shares), the maximum dilution to the outstanding common stocks of the Company on the date of the regular cessation of shareholder transfer in 2023 will be 16.15%, showing no significant dilution to the original shareholders on the premise of the actual issue price not lower than 90% of the reference price after deducting the value of bonus shares issued as stock dividends and cash dividends or the shares canceled in connection with capital reduction. Therefore, the pricing of GDRs Offering shall be reasonable and shall not have a significant impact on the original shareholders' equity.

(II) Handle the Capital Increase by Issuing New Shares for Cash Consideration in the R.O.C. With respect to the sales of public shares in this Capital Increase by Issuing New Shares for Cash Consideration, any of the book building or public subscription and allotment will be adopted.

1. For the book building

- (1) It is intended that subject to Article 8 of the Articles of Association, the Company may reserve not more than 15% of the total number of new shares to be issued for subscription by the employees of the Company and its subsidiaries, the remaining shares, subject to Section 28-1 of the Securities Exchange Act and Section 13 of Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, It is proposed to the Shareholders' Meeting for a resolution that the original shareholders waive the pre-emptive right to subscribe and handle the public underwriting by way of book building. It is proposed that the Chairman to be authorized by the shareholders' meeting to select investors to purchase unsubscribed shares issued following a waiver or full exercise of pre-emptive rights by the shareholders.
- (2) The pricing of the Capital Increase by Issuing New Shares for Cash Consideration shall be subject to Article 7 of Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities issued by the Taiwan Securities Association (hereinafter referred to as the "Disciplinary Rules"), which shall not be lower than 90% the simple arithmetical average closing price of the common stock of the Company on the first, third or fifth trading days prior to the pricing date after deducting the value of bonus shares issued as stock dividends or (the shares canceled in connection with capital reduction) when reporting a case to the Financial Regulatory Commission, a book-building engagement letter to the Taiwan Securities and an underwriting contract to the Taiwan Securities Association. The actual offering price is to be authorized to be agreed upon by the Chairman or his designee within the foregoing, together with the lead underwriter, after consideration of the circumstances of the book building, offering market conditions and relevant statutory provisions.

2. For the public subscription and allotment

- (1) The Company may, in accordance with Article 8 of the Company's Articles of Incorporation, reserve not more than 15% of the total number of new shares issued for subscription by the employees of the Company and its affiliates and set aside another 10% for public offering; the Company shall allow each shareholder to exercise the pre-emptive right to purchase his/her pro rata portion of the remaining shares. It is proposed that the Chairman shall be authorized by the Shareholders' Meeting to select investors to purchase unsubscribed shares issued following a waiver or full exercise of pre-emptive rights by the shareholders.
- (2) The pricing of the Capital Increase by Issuing New Shares for Cash Consideration shall be subject to Article 6 of Disciplinary Rules, which shall not be lower than 70% the simple arithmetical average closing price of the common stock of the Company on the first, third or fifth trading days prior to the pricing date after deducting the value of bonus shares issued as stock dividends or (the shares canceled in connection with capital reduction) when reporting a case to the Financial Regulatory Commission. The actual offering price is to be authorized to be agreed upon by the Chairman or his designee within the foregoing, together with the security underwriter, after consideration of the marketing conditions.

(III) Handle the Issuing of Domestic or Overseas Convertible Bonds

it's proposed that the Shareholders' Meeting authorize the Board to handle the cases of Issuing Domestic or Overseas Convertible Bonds depending on the market environment and the Company's capital needs where the common stock to be issued is up to 120,000,000 at right time, with right fund raising tools in accordance with relevant laws and regulations and one more more of the following principles. In handling the Issuing Domestic or Overseas Convertible Bonds (hereinafter referred to as the "Convertible Bonds"), the number of common shares to be converted into the Convertible Bonds shall be within the aforementioned 120,000,000 shares and shall be calculated at the conversion price at the time of issuance.

Appendix 8. Educational Background, Experience and Number of Shares Held by Director Candidates

No.	Title of Candidate	Name of Candidate	Educational Background	Experience	Shares Held	Whether he/she have served as an independent director for three consecutive terms/Reason
1	Director	Digital Capital Inc.	—	Juristic-person director of Polaris Group	290,000,000	
		Representative: Patrick Y. Yang	Ph.D. from the Ohio State University	<ul style="list-style-type: none"> • ITRI Laureate • Vice President of Merck • Executive Vice President of Genentech • Technical Operations President of Roche • Executive Vice President of Juno Therapeutics • Advisory Committee Member of Bio Taiwan Committee (BTC) 	0	
2	Director	Mai Investment Co., Ltd.	—	—	40,527,138	
		Representative: Wayne Lin	MBA of University of California of Irvine	<ul style="list-style-type: none"> • Founder and CEO of Cocoweb.com • COO of Polaris Group 	323,628	
3	Director	Howard Chen	Master of Electrical Engineering, National Tsing Hua University	<ul style="list-style-type: none"> • Director of PPI, DRX USA, DRX Chengdu and DRX Shanghai • Chairman of Gemtek Investment Co., Ltd. • Chairman of Gemtek Investment Co., Ltd. • Chairman of Browan Communications, Inc. • Chairman of Antek Networks. Inc • Director of SparkLAN • Director of G-Technology Investment Co., Ltd • Director of Witek Investment Investment Co., Ltd. • Director of Ampak International Holding Ltd. • Director of Primax Communication(B.V.I.) Inc. • Director of Yield Microelectronics(ymc) 	34,700	
4	Director	Chen, Shyan Tser	Department of Chemistry, National Tsing Hua University	<ul style="list-style-type: none"> • Chairman of PPI, DRX USA and TDW PHARMACEUTICALS INC. • Supervisor of DRX Shanghai • Chairman of GlobalSat WorldCom Corporation. • Chairman of Sonix Technology Co., Ltd. 	4,950,000	
5	Independent director	Way, Tzong Der	PhD of Institute of Biochemical Sciences, National Taiwan University	<ul style="list-style-type: none"> • Professor and Head of the Department of Biological Science and Technology, China Medical University 	0	No
6	Independent director	Tai, Jang Huei	<ul style="list-style-type: none"> • PhD candidate in Biochemistry, Brown 	<ul style="list-style-type: none"> • Chairman of SWISSON (HONG KONG) INDUSTRIAL LIMITED • Person-in-charge of IIH ASSETS MANAGEMENT COMPANY 	0	No

			University, USA <ul style="list-style-type: none"> • MBA, Columbia University 	LIMITED <ul style="list-style-type: none"> • Person-in-charge of Territory, INTEGRAL ASIA PACIFIC PARYNERS CORPORTAION and INTEGRAL INVESTMENT HOLDINGS GROUP CO., LTD. 		
7	Independent director	Chao, Ying Chen	<ul style="list-style-type: none"> • Master, Chemical Engineering, National Taiwan University • EMBA, Sun Yat-Sen University 	<ul style="list-style-type: none"> • Factory Director, Plant VI, Taiwan Semiconductor Manufacturing Company • General Manger in Mainland China, Taiwan Semiconductor Manufacturing Company • General Manager of TSMC Solar Ltd. • Board Adviser of DELTA MOBILE SYSTEMS. INC., TAIWAN BRANCH (U.S.A.) • Chairman of HONEST EASE LIMITED 	0	No