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

Stock code：4180

TWi Pharmaceuticals, Inc.

Handbook for the 2017

Annual General Meeting of Shareholders

(Translation)

Date and time of the meeting : 9:00 a.m. on 12 June 2017

Location：2F, No.12, Zhouzi St., Neihu Dist., Taipei City

TWi Pharmaceuticals, Inc.

Meeting Agenda for 2017 Annual General Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Reports on Company Affairs：

1. 2016 Business Report.
2. 2016 Audit Committee's Review Report.
3. Report on Accumulated Losses Reaching One-Half of Paid-in Capital and Execution Status of the Improvement Plan of the Operation of the Company for the fourth quarter 2016.
4. Report on the Implementation for Treasury Share Buyback Program.
5. Amendment to the Operation with Integrity & Good Faith Guidelines.
6. Amendment to the Ethical Behavior Guidelines.

IV. Proposals：

1. Adoption of the 2016 Business Report, Financial Statements and Consolidated Financial Statements.
2. Adoption of the Proposal for 2016 Deficit Compensation.
3. Amendments to the Plan of Use of Fund of Capital Increase through New Share Issuance in order to Facilitate the Issuance of Overseas Depositary Receipts.

V. Discussions：

1. Amendment to the Company's Articles of Incorporation.
2. Amendment to the Procedures for Election of Directors.
3. Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
4. Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

VI. Questions and Motions

Reports on Company Affairs

Item No. 1：2016 Business Report.

Explanation：

2016 Business Report can be found on page 8 of this Handbook under Appendix I.

Item No. 2：2016 Audit Committee's Review Report.

Explanation：

2016 Audit Committee's Report can be found on page 14 of this Handbook under Appendix II.

Item No. 3：Report on Accumulated Losses Reaching One-Half of Paid-in Capital and Execution Status of the Improvement Plan of the Operation of the Company for the fourth quarter 2016.

Explanation：

1. Per 23 November 2012 Letter No. Financial-Supervisory-Securities-Corporate1010054096 of the Financial Supervisory Commission, the accumulated losses and the execution status of the improvement plan of the operation of the Company for the fourth quarter 2016 have been approved by the 17th Meeting of the Ninth Term Board of Directors of the Company on March 23, 2017.
2. Additionally, the Company's non-compensated losses accumulated at the end of 2016 is NT$2,931,067,288, which has exceeded one half of its paid-in capital, hence it is required to make a report to this general meeting of shareholders in accordance with Article 211 of the Company Act.
3. Accumulated losses and the execution status of the improvement plan of the operation of the Company for the fourth quarter 2016 can be found on page 15 of this Handbook under Appendix III.

Item No. 4：Report on the Implementation for Treasury Share Buyback Program.

Explanation:

1. Pursuant to the board resolution on November 4, 2016 of the Company, in order to safeguard the company credit and rights and interests of shareholders, the Company will buy back the -issued and outstanding shares of the Company. As at the buyback

period on January 6, 2017, the Company has bought back 2,278,000 shares, and the average buyback price is NT$105.53 per share.

2. Implementation for treasury share buyback program can be found on page 25 of this Handbook under Appendix IV.

Item No. 5：Amendment to the Operation with Integrity & Good Faith Guidelines.

Explanation:

1. With the setup of Audit Committee on June 8, 2016 by the Company, therefore, it is necessary to add provisions of audit committee and delete relevant provisions of supervisors in the Company's "Operation with Integrity & Good Faith Guidelines" to meet the actual needs.

Item No. 6：Amendment to the Ethical Behavior Guidelines.

Explanation:

1. With the setup of Audit Committee on June 8, 2016 by the Company, therefore, it is necessary to add provisions of audit committee and delete relevant provisions of supervisors in the Company's "Ethical Behavior Guidelines" to meet the actual needs.

Proposals

Item No. 1：Adoption of the 2016 Business Report, Financial Statements and Consolidated Financial Statements. (Proposed by the Board of Directors)

Explanation:

1. The Company's 2016 Business Report, Financial Statements, and consolidated Financial Statements have been properly prepared. The above mentioned Financial Statements and consolidated Financial Statements were audited and certified by Certified Public Accountants, Teng, Sheng-Wei and Liang, Hua-Ling of PwC Taiwan, and an audit report with unqualified opinion was issued.
2. The Company's 2016 Business Report, Financial Statements, and consolidated Financial Statements have been approved by the Audit Committee's and 17th Meeting of the Ninth Term Board of Directors of the Company on March 23, 2017. No significant discrepancy has been found. The 2016 Audit Committee's Review Report is attached as Appendix II in this

Handbook. Please review and ratify.

3. We enclose herewith the Company's 2016 Business Report. Please refer to Appendix I in this Handbook. The Company's 2016 Independent Auditor's Report on Financial Statements and the above-mentioned Financial Statements can be found on the M.O.P.S. website (http://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=4180&year=105&seamon=&mtype=A&)

Resolution:

Item No. 2：Adoption of the Proposal for 2016 Deficit Compensation. (Proposed by the Board of Directors)

Explanation:

1. In its 2016 final report, which has been duly audited and certified by certificated public accountants, the Company has the net loss after tax for the current period of NT$221,681,720, and, together with accumulated deficits during previous years, non-compensated losses accumulated at the end of year 2016 is NT$2,931,067,288. The capital surplus of NT$0 used to cover accumulated deficits has been approved by the 17th meeting of the Ninth Term Board of Directors of the Company on March 23, 2017. Please refer to the Company's 2016 Deficit Compensation Statement as follows:

TWi Pharmaceuticals, Inc.

2016 Deficit Compensation Statement

In New Taiwan Dollars

Unappropriated retained earnings (or accumulated deficit) of prior years	(2,711,176,829)
Add: Actuarial gain arising from the pension plan	2,022,895
(less): Recognition of change in equity ownership of the Subsidiaries	(231,634)
Unappropriated retained earnings (or accumulated deficit) after adjustment at the beginning of the period	(2,709,385,568)
Add: Net profit (loss) after tax for the period	(221,681,720)
Non-compensated losses accumulated at the end of the period	(2,931,067,288)
Add: Capital surplus used to cover accumulated deficits	0
Unappropriated retained earnings (or accumulated deficit) at the end of the period	(2,931,067,288)

Resolution:

Item No. 3：Adoption of Amendments to the Plan of Use of Fund of Capital Increase through New Share Issuance in order to Facilitate the Issuance of Overseas Depositary Receipts. (Proposed by the Board of Directors)

Explanation:

1. Pursuant to the resolution of 15th Board of Directors Meeting of the 9th Session on November 30, 2016, the Company shall amend " the 2015 Plan of Use of Fund of Capital Increase through New Share Issuance in order to Facilitate the Issuance of Overseas Depositary Receipts".
2. The updated version of "the Plan of Use of Fund of Capital Increase through New Share Issuance in order to Facilitate the Issuance of Overseas Depositary Receipts " can be found on page 26 of this Handbook under Appendix V.

Resolution:

Discussions

Item No. 1：Amendment to the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Explanation:

1. In order to improve the corporate governance, the Company plans to adopt the candidate nomination system for the election of Directors. Therefore the "Articles of Incorporation" of the Company shall be revised to record the nomination system in accordance with the provisions specified in the Item No. 1 , Article 192-1 of "Company Act" .
2. The comparison of the current and amended "Articles of Incorporation" of the Company can be found on page 31 of this Handbook under Appendix VI.

Resolution:

Item No. 2：Amendment to the Procedures for Election of Directors. (Proposed by the Board of Directors)

Explanation:

1. With the amendment of certain clauses in the "Articles of Incorporation" of the Company to

adopt the candidate nomination system for the election of Directors, it is proposed to revise the content of clause for "the Procedures for Election of Directors" of the Company for compliance with the actual requirements.

2. The comparison of the current and amended "the Procedures for Election of Directors" of the Company can be found on page 33 of this Handbook under Appendix VII.

Resolution:

Item No. 3：Amendment to the Operational Procedures for Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Explanation:

1. With the amendment of certain clauses in the "Regulations governing the Acquisition and Disposal of Assets by Public Companies", it is proposed to revise the Company's "Operational Procedure for Acquisition and Disposal of Assets" for compliance with the actual requirements.

Resolution:

Item No. 4：Proposal for release the prohibition on the Company's directors or representatives thereof from participation in competitive business (Proposed by the Board of Directors)

Explanation:

1. Article 209 of the Company Act states that, "A director who acts for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. In order to be aided from the professional expertise and relevant experience of the Company's directors, and under the premise of no violation to the interests of the Company, it was requested that the Shareholders' Meeting agree on releasing the non-competition restrictions of the Company's Directors. The act of participation in competitive business of the Directors is as in the following table:

Name of director	Act of participation in competitive business	Name of institutional shareholder represented	Business invested by such institutional shareholder
Chen, Chih-Ming	1. Chairman of Xin Chen Investment Co., Ltd. 2. Director of Hefei NORATECH Pharmaceutical Co. Ltd. 3. Director of Great Success Holdings Ltd. 4. Director of Twin City Management Ltd. 5. Director of Shining Armour Holding Inc. 6. Director of Summer Breeze Development Ltd. 7. Director of AG Global Inc. 8. Director of Calchen Holdings Co. Ltd. 9. Director of Ahura Assets Limited. 10. Chairman of Hefei Xin Chen Business Management Consultant Co., Ltd.	-	-
Liu, Nien-Hua	G.M. of NRT Pharmaceuticals,Inc.	Opulent Assets Holdings Ltd.	1. AG Global Inc. 2. NRT Pharmaceuticals,Inc.
Sun, Ching-Feng	Independent director of ASLAN Pharmaceuticals.	-	-
Lin, Dong-Han	Corporate Director's Representative of Formosa Laboratories, Inc.,	-	-
Su, Yu-Hui	Corporate Director's Representative of Eminent Venture Capital Corp.,	-	-

Resolution:

Questions and Motions

Appendix I

TWi Pharmaceuticals, Inc.

2015 Business Report

I. 2016 Business Report

(I) Implement Results of Business Plan

In 2016, the Company's operating performance showed a consolidated operating revenue of NT$743,778 thousand, an increase by 70.06% compared with NT$437,368 thousand in 2015, and a consolidated operating loss of NT$685,584 thousand in the period, a decrease by 22.78% compared with NT$887,873 thousand in 2015. With four products of full year of sales in the US market, operating income grew significantly over the previous year; however, it was still insufficient to fully cover the operating expenses and in the state of operating losses due to that the economies of scale was not reached. This resulted in operating losses mainly caused by the Company's continuous investment in the R & D expenses of high-tech-threshold special generic drugs in the US market. Besides, with the PIV drug applications filed with the United States, the litigation-related expenses occurred from the law suit with the brand pharmaceutical manufacturer. The protection mechanism of 30 months auto-stay period set up by the United States delays launch time of generic drugs, which also results in the status that the Company's R & D investment cannot immediately generate revenue. As such, although the Company has filed 14 ANDA applications which have been accepted by the US FDA for review up to the end of 2016, only 4 products are sold on the market so that the economies of scale has not been reached and the Company was still in operating losses. In the future, with the granting of drug licenses, new drugs will enter the market and the operation conditions of the Company shall continue to improve. In addition, the subsidiary of the Company, TWi Biotechnology, Inc, continues to invest in the development of new drugs. With the progress of the research and development process in each drug development program, the required R & D investment also increases. The product cycle of new drug development is longer than that of generic drugs and currently it is still in the R & D investment stage with no product launching in the market to generate income, which also further increases the R & D costs and the operating loss of the Company.

In 2016, the Company endeavored to develop product project following a sound business plan. Up to the fourth quarter of 2016, a total of 14 special generic drug applications were filed with the U.S. FDA and accepted for review. Another special generic drug application, TWi-015, was also filed at the end of 2016 and accepted by the US FDA for review in February 2017. Among which, 5 special generic drugs have

successfully obtained the U.S. FDA approval, with 4 of those 5 special generic drugs having been sold in the U.S. In respect of TWi Bio's R&D drugs, the main development status has also been carried forward to the pre-clinical or clinical stages (for important R&D statuses please refer to Point (III) as described below). It is expected that, as the Company's own R&D generic drugs are launched in the U.S. market, its profit benefits will gradually improve and bring rewards to the shareholders.

(II) Financial income or expenditure and profitability Analysis

In 2016, on the Company's consolidated financial income and expenditure, the main expenditure items are R&D investment in special generic drugs with high-tech thresholds and new drugs. The Company's investment in R&D aims at accumulating the energy of future product launches and growth in operating income.

Item		2015	2016
Financial structure	Debt-Asset Ratio	7.06%	5.77%
	Ratio of Long-term Capital to Fixed Assets	526.69%	715.67%
Solvency	Current Ratio	1,542.18%	1,509.92%
	Quick Ratio	1,486.65%	1,460.19%
Profitability	Return on Assets	-7.52%	-4.13%
	Return on Shareholders' Equity	-8.31%	-4.41%
	Basic Earnings Per Share	$-2.99	$-1.76

(III) Research and Development Status

1. Special generic drugs

The progress of drug application submission and litigation of the Company in 2016 are summarized as follows:

(1) The Company won the patent litigation of generic drug, Zolpidem Tartrate sublingual tablet, against the brand pharmaceutical manufacturer. Currently it is under review by US FDA and the Company will continue to prepare for the pre-launch works of that generic drug.

(2) The Company's generic drug, Cyclosporine ophthalmic emulsion, is currently under review by the US FDA, and the patent infringement suit filed against the Company by the brand pharmaceutical manufacturer, Allergan, Inc., has entered into a settlement agreement, which will allow the US FDA to approve the generic drug of the Company after 180 days after the launch of the First to File (FTF). And if the US FDA confirmed that there is no FTF 180-day exclusive right applicable in this drug, the drug approval time may even be earlier. The

Company will continue to prepare for the drug review and the pre-launch works of this drug.

(3) The submission of the generic drug, Testosterone (whose brand is owned by AbbVie Inc.), filed by the Company is currently under review by the US FDA, and the Company has filed the PIV certification for the patents in the Orange Book. The patent infringement suit filed against the Company to delay the launch time of the drug by the patent owners (Unimed Pharmaceuticals, LLC, Besins Healthcare Inc. and Besins Healthcare Luxembourg SARL) has entered into a settlement agreement. This will allow the US FDA to approve the generic drug of the Company after 180 days after the launch of the First to File (FTF). The Company will continue to prepare for the drug review and the pre-launch works of this drug.

(4) Due to the preliminary injunction filed by Par Pharmaceutical, Inc. on the Company's special generic drug, Megestrol Acetateoral suspension, which delayed the launch time of the Company's product and caused losses, the Company has filed a request for damage compensation. The litigation has been ruled by the Maryland Court that Par Pharmaceutical, Inc. shall pay US$ 12.7 million to the Company for the damages. Both parties eventually reached a settlement to withdraw the litigation, and Par Pharmaceutical, Inc. has paid US$ 12.7 million in compensation plus accrued interest to the Company.

(5) The submission of the generic drug, Testosterone (whose brand is owned by Eli Lilly), filed by the Company is currently under review by the US FDA, and the Company has filed the PIV certification for the patents in the Orange Book. The patent infringement suit was filed by Eli Lily and the patent owner , Acrux DDS PTY LTD, against the Company to delay the launch time of the drug of the Company. Since the product has not been sold on the market yet, there is no issue of patent infringement indemnification. The Company will continue to prepare for the works for drug approval review and patent litigation.

(6) The Company has filed drug application for the generic drug TWi-015 at the end of 2016 and it has been accepted by the US FDA for review in February 2017. The Company will continue to prepare for the works for drug approval review.

2. New drugs

(1) Gout phase II clinical trial of AC-201CR candidate drug was completed.

(2) China clinical trial application of AC-201CR candidate drug for gout is under review by CFDA.

(3) Clinical trials of AC-201CR candidate drug for hemophilia joint disease has been approved by the Taiwan Food and Drug Administration (TFDA) of

Ministry of Health and Welfare..

(4) New drug approval of Goodrein (AC-201) oral capsules for treatment of degenerative osteoarthritis is under review by TFDA.

(5) Global Phase II / III clinical trials of AC-203 for treatment of Hereditary Epidermolysis Bullosa Simplex (EBS) has been approved by the US FDA.

(6) Phase II clinical trial application of AC-203 candidate drug for bullous pemphigoid is filed with TFDA.

(7) Drug dosage formulation development of AC-701 candidate for treatment of skin toxicity such as rash and paronychia caused by targeted therapy is under process.

(IV) Implementation Results of Budget

In 2016, the Company only developed its internal budget targets and did not make financial forecasts open to the public. The overall implementation results were generally consistent with the range defined by the Company.

II. 2017 Business Plan

(I) Operating Principle

The Company is a professional drug development and manufacturing company. It focuses on the R&D and commercialization of drugs and engages in operation of products covering special generic drugs and new drugs. The operating principles are respectively described as follows:

1. Special generic drugs:

(1) Continue to strengthen the high-tech-threshold products in US market and develop other potential markets.

(2) Target the markets where there are limited competitors.

(3) Expand the range of dosage forms and product portfolio.

(4) Expand the global outreach through drug licensing, co-marketing, strategic alliance along with other business models.

2. New drugs

(1) Advance the clinical trials progress of the targeted indications for each candidate drug.

(2) Use existing drug molecules to continue to find the indications with development potentials, such as the disease that currently does not have drugs to cure or that of emerging medical needs.

(3) Make the development strategy for each new candidate drug and seek

international partners at appropriate time to perform various types of development cooperation or licensing transactions.

(4) Continue to introduce or develop other candidates for new drugs or drug molecules to expand the R & D pipeline.

(5) Deeply cultivate Taiwan biotechnology industry to become a world-class new drug development company.

(II) Key production and distribution strategies

1. As of now, there are 3 self-owned generic drugs sold through the self-sale platform and sales team deployed by the TWi US in the US market; in addition, the Company also sells its generic drug through cooperation with the international pharmaceutical company. There is 1 launched self-owned generic drug sold in the US market by this mode.
2. There are 3 self-owned generic drugs and 1 CMO generic drug sold in the US market are manufactured in the Chung-Li plants; in addition, another self-owned generic drug was co-developed with and is manufactured by the strategic partner and there are still other products which are or will be developed by this mode.
3. The Company will integrate and strengthen its internal senior and professional R&D team, expand the scope of the dosage forms and product portfolio, and enhance the global outreach through drug licensing, co-marketing and strategic alliance along with other business models.

(III) Future Development Strategy

1. Continue to focus on special generic drugs of innovative prescription and maintain the momentum of around 3-5 ANDA filings with the U.S. FDA per year
2. Expand the technical platform to local / percutaneous absorption preparations, semi-solid dosage forms, eye drops and other special generic drug products to further expand the niche market.
3. With operation headquarter in Taiwan to conduct international mergers and acquisition, enter the international market outside the United States and the Greater China and become one of the global integrated pharmaceutical companies.
4. Form strategic alliance with Taiwanese pharmaceutical companies to lead them into the US market in response to the "Diamond Action Plan for Biotech Takeoff".
5. Promote the clinical trial process of new drug candidates and license them to the international top-level pharmaceutical companies to conduct the follow-up development.

(IV) Sales volume forecasts and their bases of major products

The Company did not prepare 2016 financial forecasts to public, so financial and business forecast figures are not applicable. The Company's management team makes the overall short-, medium- and long-term R&D objectives and strategies, and then the special generic drug and new drug R&D team proposes R&D project plans, feasibility analysis, and financial evaluation. After a full discussion, the management team will determine the R&D plan, resource allocation, and R&D schedule to be implemented in the end.

III. Impact from external competitive environment, regulatory environment, and overall business environment

The U.S. FDA started to collect application filing fees and maintenance fees from generic pharmaceutical companies who applied for ANDA and who manufacturing generic drugs in October 2012 in accordance with the Generic Drug User Fee Act (GDUFA) to speed generic drug license review and manufacturing site audit. Although such Act increase the costs of development of generic drugs, the future generic drugs market competition reduces at the same time, and the future development of the overall industry will be benefited given that the processing time for issuing drug licenses can be shortened.

In addition, the economic instability in the global market results in changes in consumers' health and medical expenditure. The governments of countries are all dedicated to reducing health care costs and promote the use of generic drugs to replace expensive original brand-name drugs. The Company devoted itself to offering diversified innovative special generic drugs for consumers' choices and aggressively grabbed the market share. Moreover, the Company, through drug R&D at its subsidiary, TWi Bio, makes R&D in innovative drugs for diseases with unmet medical needs as a goal to create a blue ocean for drugs.

Finally, the Company hereby on behalf of all directors expresses the sincerest gratitude to all shareholders, ladies, gentlemen, employees and colleagues for your contributions and efforts to the development of the Company for a long time, and thank you for your encouragement and support to us. The Company will continue to strive for developing commercialized products, and bring the maximum benefits for the shareholders and all employees.

Appendix II

TWi Pharmaceuticals, Inc.

Audit Committee's Review Report

The proposals on 2016 Business Report, consolidated and stand-alone financial statements and Deficit Compensation Table etc. of the Company have been prepared and submitted by Board of Directors of the Company, among them, the consolidated and stand-alone financial statements have been audited by accountant Teng, Sheng-Wei and Liang, Hua-Ling from PwC Taiwan and audit report has been issued. Proposals regarding the above Business Report, consolidated and stand-alone financial statements and Deficit Compensation Table have been reviewed by Audit Committee, and those proposals are appropriate. It is hereby proposed for supervision pursuant to Article 14 of Securities Exchange Act and Article 219 of Company Act.

TWi Pharmaceuticals, Inc.

Convener of Audit Committee: Su, Yu-Hui
Member of Audit Committee: Sun, Ching-Feng
Member of Audit Committee: Lin, Dong-Han

March 23, 2017

Appendix III

TWi Pharmaceuticals, Inc.

Report on Accumulated Losses and the 4th Quarter 2016 Execution Status of Improvement Plan of the Operation of the Company

One. Company Introduction

The Company is committed to the development of sustained-release and controlled-release dosage forms, high-tech-threshold and niche-type special generic drugs mainly at the US generic drug market, which includes the generic drugs of Abbreviated New Drug Application (ANDA) in Paragraph IV. The Company is the leading pharmaceutical company in Taiwan with comprehensive drug research, development and manufacturing operations, focusing on the US special generic drugs. In addition, the Company has also been actively involved in the research and development of pharmaceuticals in various fields through the establishment of the following subsidiaries.

The Company's subsidiary, TWi Biotechnology, Inc. ("TWi Bio") focuses on the development of new drugs. The Company expects that, through the development of new drugs by the subsidiary, it can enhance its future explosive growth in addition to the relatively stable revenue injected from the development of special generic drugs in the future to become a comprehensive research-based pharmaceutical company while maintaining its leading status in Asia.

TWi Pharmaceuticals USA, Inc. (hereinafter referred to as "TWi US") is the subsidiary set up by the Company at the end of 2013. As of now, there are 3 self-owned generic drugs sold through the self-sale platform and sales team deployed by the TWi US in the US market.

Hainan Visum Pharmaceutical Co., (hereinafter referred to as "Visum") is the subsidiary acquired by the Company in 2014. Visum is also a company focusing on developing high-entry-barrier generic drugs. In addition to several drug applications filed with China FDA, there is one product that was filed with the US FDA in cooperation with the Company. Afterwards the Company has adjusted the strategic positioning of Visum as the pure CMO of the Company for the said cooperated product, maintained and ensured the existing CMO relationship, and introduced local strategic investors in China to assist in the future development of Visum in China market. The Company has signed the equity transfer agreement with the strategic investors at the end of December 2016, under which the Company will dispose all 65.58% shareholding in Visum.

I. The Company's current products (services)

Products	Description
Product R&D in oral controlled release dosage forms	Development and process improvement of sustained release dosage forms, enhancement of drug stability, increase of drug bioavailability, control of drug absorption rate, control of drug blood concentration, and further reduction of side effects thereby
Product R&D in semi-solid dosage forms	Through the sustained/control release platform, development of the percutaneous absorption preparations, gels, ointments, patches and others used for the effects of local/entire area of the body.
Ophthalmic medication	Eye disease related indications

In addition, Up to the end of 2016, a total of 14 special generic drug applications were filed with the U.S. FDA which were accepted for review. Another special generic drug application, TWi-015, was also filed at the end of 2016 and accepted by the US FDA for review in February 2017. Among which, 5 special generic drugs have successfully obtained the U.S. FDA approval, with 4 of those 5 special generic drugs having been sold in the U.S. The relevant information of products of the Company are listed below:

Generic Name	**Indication**
Cyclobenzaprine ER capsules (Note 1)	Muscle Relaxant
Cyclosporine ophthalmic emulsion	Chronic Dry Eye
Dexlansoprazole DR capsule	GERD
Diltiazem HCl ER capsule	Vasospatic Agina, Hypertension
Donepezil 23mg Tablet (Note 2)	Alzheimer's Disease
Guanfacine ER tablet (Note 3)	ADHD
Lidocaine patch 5%	Post-herpetic Neuralgia
Megestrol Acetate 125mg/ml Oral Suspension (Note 4)	Anorexia, Cachexia, or significant unexplained weight loss for AIDS patients
Nifedipine Extended-Release Tablet (Note 5)	Vasospatic Angina, Hypertension
Oxcarbazepine ER Tablets	Epilepsy
Testosterone Gel, 1.62%	Hypogonadism
Testosterone Transdermal Solution, 30 mg/1.5 mL	Hypogonadism
TWi-011 (Note 6)	Hypertension

Generic Name	Indication
TWi-015 (Note 7)	Depressive Disorder
Zolpidem Tartrate sublingual tablet	Insomnia

Note 1: The Company has obtained the drug license in February 2013 and reached a settlement agreement in patent litigation with the brand company for such product which will be sold in the U.S. market before the patent expires.

Note 2: The Company has obtained the drug license in October 2014 for such product. This generic drug has been sold in the U.S. market.

Note 3: The Company has obtained the drug license in June 2015 for such product. This generic drug has been sold in the U.S. market.

Note 4: The Company has obtained the drug license in August 2014 for such product. This generic drug has been sold in the U.S. market.

Note 5: The Company has obtained the drug license in April 2014 for such product. This generic drug has been sold in the U.S. market.

Note 6: The Company, in cooperation with the subsidiary of Hainan Visum, has filed the special generic drug application with the US FDA.

Note 7: The Company has filed the special generic drug application with the US FDA and at the end of 2016 which was accepted by the US FDA for review in February 2017.

II. New products (services) which are planned to develop

The Company's special generic drug projects currently under development are described as follows:

Products	Description
Product R&D in oral controlled release dosage forms	Development and process improvement of sustained release dosage forms, enhancement of drug stability, increase of drug bioavailability, control of drug absorption rate, control of drug blood concentration, and further reduction of side effects thereby
Product R&D in semi-solid dosage forms	Through the sustained/control release platform, development of the percutaneous absorption preparations, gels, ointments, patches and others used for the effects of local/entire area of the body.
Ophthalmic medication	Eye disease related indications

In addition, the main new drugs which are planned to develop by the Company's subsidiary, TWi Bio, are listed as follows:

Project	Mechanism of action	Adaptation disease
AC-201	Interleukin-1β regulator	Diabetes mellitus type 2 and Prevention of acute gout

Project	Mechanism of action	Adaptation disease
AC-203	Interleukin-1β regulator	Simplex hereditary epidermal decomposition blisters disease
AC-701	Inflammatory cytokine controlled drug	Skin side effects occurred in targeted cancer therapy

Two. Reasons for Losses in the Past Years

Up to the end of 2016, the Company still shows a loss. It is mainly because after equity reorganization through a horizontal spin-off with its former parent company, Anchen Inc. in 2010, the Company has invested R&D in special generic drugs with high-tech thresholds and/or PIV products on its own. The Certification of patent on the Reference Listed Drug listed on the Orange Book is required in applications for such generic drugs for the sales license to be obtained from the U.S. FDA. In 2016, with four products of full year of sales in the US market, operating income grew significantly over the previous year; but it was still insufficient to fully cover the operating expenses and in the state of operating losses due to the economies of scale not being reached. This results in operating losses mainly caused by the Company's continuous investment in the R & D expenses of high-tech-threshold special generic drugs in the US market. Besides, with the PIV drug application filed with the United States, the litigation-related expense occurred due to the law suit with the brand pharmaceutical manufacturer. The 30-month protection mechanism of the auto-stay period set up by the United States delays the launch time of generic drugs, resulting in the status that the Company's R & D investment cannot immediately generate revenue. Although the Company has filed 14 drug applications which were accepted by the US FDA for review up to the end of 2016, along with another special generic drug application, TWi-015, filed at the end of 2016 and accepted by the US FDA for review in February 2017, only 4 products are sold on the market so that the economies of scale has not been reached and the Company was still in operating losses. In the future, with the granting of drug licenses, new drugs will enter the market and the operation conditions of the Company shall continue to improve. In April 2010, the Company began to research and develop its own products after completion of an equity reorganization through a horizontal spin-off with its former parent company, Anchen Inc.. From 2010 to 2016, the total R & D expenditure was about NT$ 3 billion, of which the R & D expenditure reached NT$ 410 million in 2016.

Besides, the Company's subsidiary, TWi Bio engages in new drugs development. The period for the development of new drugs is longer than that of generic drugs, and investments involved in a single product are larger. TWi Bio is still at the new drug

R&D investment phase, and its products have not yet been on the market or yielded any sustained licensing revenue. Therefore, it is still at a state of losses. TWi Bio has a total of approximately NT$0.7 billion in R&D expenditure from its establishment in 2010 to 2016, while the number is approximately NT$0.1 billion in 2016, which is another reason for the loss of the Company.

In 2014, in response to the needs for the overall operational development, the Company acquired Visum, its subsidiary in Mainland China who also developed generic drugs with high-entry barriers. The Company has held accumulated 65.58% equity interest in this subsidiary as of end of 2016. The above investments also have put the Company at a loss.

Three. Expected Future Improvement Plan

The Company currently has 15 special generic drugs that have been filed with the US FDA and under review, of which five special generic drugs were successfully approved by the US FDA. The IMS Health statistics shows that for the Company's generic drugs which are currently under review or were already approved, the total sales reaches approximately US$ 6.7 billion over the past year in the US market. The Company's profitability will show and feedback to all shareholders of the Company after the special generic drugs of Company's own research and development are gradually approved and sold in the US market.

In terms of special generic drug, the Company will continue to strengthen the high-tech-threshold products in US market, expand into other potential markets, collect and analyze market trends at any time, and focus on the markets with limited competitors. In addition, the Company will integrate and strengthen its internal senior and professional R&D team, expand the scope of the dosage forms and product portfolio, and enhance the global outreach through drug licensing, co-marketing and strategic alliance along with other business models.

In terms of new drug development, the product development strategy is divided into two directions. One is to develop the Company's own new drugs. Due to integration of its internal rich experiences in drug formulation and patent laws and regulations the Company is able to develop the new treatment drugs of new indication and/or new formulation to connect with the international trend of new drug development. The other strategy is to introduce potential projects through external sources to conduct subsequent pre-clinical and clinical trials as well as build up the relevant patent protections by utilizing the Company's experiences in the laws and regulations of domestic and international new drug

development. After the new drugs pass the Phase I to II clinical trials, the strategy is to actively look for the international large pharmaceutical companies to continue the follow-up development processes and commercialization. Therefore, in addition to early receiving the royalties to realize the profit of the new products, this strategy can also provide with more flexibility in developing new drugs, to increase the success rate of new drug development, and connect with the world trend.

The Company plans to, in the short term, take use of part profits derived from its own generic drugs launched in the U.S. market to support the R&D investment required by the development of new drugs, while in the medium- and long-term, the license revenue of new drugs and royalty revenue of products going on the market will help the Company have a significant growth in profits to bring rewards to all shareholders of the Company.

The Company's future development strategies and main points of the plans are hereby described as follows:

i. Continue to focus on special generic drugs of innovative prescription and maintain the momentum of around 3-5 ANDA filings with the U.S. FDA per year.

ii. Expand the technical platform to local / percutaneous absorption preparations, semi-solid dosage forms, eye drops and other special generic drug products to further expand the niche market.

iii. With operation headquarters in Taiwan, to conduct international mergers and acquisitions, to enter the international market outside the United States and in Greater China, and to become one of the global integrated pharmaceutical companies.

iv. Form strategic alliance with pharmaceutical companies in Taiwan to bring them to the U.S. market in response to the "Diamond Action Plan for Biotech Takeoff"

v. Promote the clinical trial process of candidates for new drugs and license them to the international top level pharmaceutical companies to conduct the follow-up development.

In order to implement the improvement plan, concerning the financial performance of overall operation, the Company conducts regular analysis and management tracking of the budget number and actual number, current period number and previous period number, and the number of current month and the number of same period of the previous year of the operations, to propose the necessary improvement and adjustment action in order to enhance business operation performance and report to the Board of Directors on a quarterly basis. In addition, since the Company's future growth and profitability mainly depend on the success of the R & D projects, and the nature of drug research and development is of considerable risk and uncertainty , compared to other business

activities, monitoring and management of R & D projects is the focus the Company emphasizes mostly. For the R & D projects, the Company regularly convenes R & D management meetings to grasp the progress of each R & D project at any time. It also convenes regular review meetings of R & D projects, not only to select projects with technology development and financial profit potentials to introduce into R & D pipeline, but also to evaluate each project in the R & D list for the value of continuous development. For the project that has R & D bottlenecks difficult to breakthrough or has lost financial value, the Company will put stop-loss point timely to avoid unnecessary waste of resources. In addition, after the establishment of the US sales team, the team will feedback market demand information as the basis for selection of R&D projects to avoid the decoupling of R & D investment and the market demand. All these aforementioned measures are meant to continue to improve the financial and business conditions, and constantly strive for better operation efficiency.

Four. Status of Implementation of 4th Quarter 2016

The 4th quarter 2016 execution status of improvement plan of the operation of the Company is described as follows:

i. The consolidated operating income for 2016 was NTD 743,778 thousand, an increase of 70.06% compared with NTD 437,368 thousand in the same period of 2015. In 2016, the Company's contracted manufactured product, Divalproex Sodium ER antiepileptic drug, still maintains a certain sales volume since its launch to market. However, the growth source of revenue is mainly from the complete annual sales performance of four self-owned generic drugs, respectively Guanfacine ER Tablet, Donepezil Hydrochloride ER Tablet, Nifedipine ER Tablet and Megestrol Acetate Suspension. In the future, with continuous addition of new sales items into market, it is expected to drive the future revenue growth.

ii. Consolidated operating gross profit for 2016 was NTD 258,340 thousand, an increase of 100.22% compared with NTD 129,026 thousand in the same period of 2015. The increase in operating gross profit was mainly due to a complete year of sales performance of the Company’s own products in 2016. In the future, the Company will continue to increase sales items and make every effort to increase the proportion of products with high profit margins in the sales mix to achieve the goal of profit improvement.

iii. In 2016, the Company’s consolidated operating loss and consolidated net loss before tax were NT$685,584 thousand and NT$298,462 thousand, respectively, a decrease

of 22.78% in the operating loss and 32.66% in the net loss before tax compared with NT$887,873 thousand in the consolidated operating loss and NT$443,198 thousand in the consolidated net loss before tax at the corresponding period in 2015. The decreases in the Company's net operating loss and loss before tax were mainly due to the fact that the operating profit brought from the Company's own R&D products sold on the market filled part of the huge expenditure required for R&D investments. Also it is due to the indemnification won from the lawsuit against the brand pharmaceutical company that injected the non-operating income source.

The difference between the Company's 2016 realized operating results and 2016 forecast results described in the Improvement Plan of the Operation of the Company attached with the application for 2016 first employee stock options filed in September 2016 is described as follows:

i. The realized consolidated operating income for 2016 was NTD 743,778 thousand, a decrease of 0.82% compared with NTD 749,911 thousand forecast in the Improvement Plan of the Operation of the Company. Through the efforts of the US sales team. The operation performance has been improved significantly. The 2016 sales has materially reached the expectation and the Company will continue to strive for the product sales to increase the market share.

ii. The realized consolidated operating gross profit for the year 2016 was NTD 258,340 thousand, a decrease of 12.23% compared with NTD 294,324 thousand forecast in the Improvement Plan of the Operation of the Company. The difference was caused by the decrease in prices of part of the products since the end of the second quarter in 2016 that resulted in the lower gross margin than that of the original forecast starting from the third quarter. Another reason is that in the fourth quarter, the delivery schedule of the contracted manufactured product, Divalproex Sodium ER antiepileptic drug, was delayed until the first quarter of 2017. However, the fixed manufacturing costs were still needed to be amortized and recognized. The Company will continue to strive for raising the revenue levels and maintaining and increasing the percentage of high-margin products in our sales portfolio.

iii. In 2016, the realized consolidated operating expense was NT$943,924 thousand, decrease by 16.88% compared with NT$1,135,627 thousand as estimated for 2016 in the Improvement Plan of the Operation of the Company. It is mainly because the Company continues to control the operating expenditure and carefully manage the selection of R&D cases and advancement of progress to ensure the improvement of sales management and R&D efficiency.

iv. In 2016, the consolidated operating loss and consolidated net loss before tax were NT$685,584 thousand and NT$298,462 thousand, respectively, a decrease of 18.51% in the consolidated operating loss and 50.09% in the consolidated net loss before tax compared with NT$841,303 thousand in the consolidated operating loss and NT$598,013 thousand in the consolidated net loss before tax as estimated for 2016 in the Improvement Plan of the Operation of the Company. The decrease in the consolidated operating loss and consolidated net loss before tax is due to the factors mentioned in the above I to III. Moreover the depreciation of the US dollar resulting in foreign exchange losses and indemnification income coming from the lawsuit against the brand pharmaceutical company also caused influence on the non-operating profit..

The Company still showed a loss at the end of fourth quarter 2016, which is mainly caused by the Company's continuous investment in the R & D expenditure of high-tech-threshold special generic drugs in the US market, the litigation expenses, and the protection mechanism of 30 months auto-stay period set up by the United States that resulted in the Company's investment in research and development not being able to generate revenue immediately. Although the Company has filed 14 drug applications which were accepted by the US FDA for review up to the end of 2016, and there is another special generic drug, TWi-015, filed at the end of 2016 and accepted by the US FDA for review in February 2017, only 4 products are sold on the market so that the economies of scale has not been reached and the Company is still in operating losses. In the future, with the granting of drug licenses, new drugs will enter the market and the operation conditions of the Company shall continue to improve. At that time, the Company's profit benefits will gradually improve and bring rewards to all the shareholders of the Company.

Five. Conclusion

The company is mainly engaged in the research and development of high-entry barrier generic drug products, and it takes a considerable period of time for the US FDA to review and approve such type of drugs, which delays the launch time of the generic drugs results in the company's R & D investment being unable to generate revenue immediately, and makes the Company in operating losses during the drug review period. So far there are five ANDA products approved and another 10 ANDA products are under review. Therefore, with the warming up of the sales of existing launched drugs and addition of newly approved products in the future, the Company's operating will improve, and at that time, the Company's profitability will gradually increase and bring rewards to all the shareholders of the Company.

In addition, with the R&D progress at the clinical development stage, the subsidiary, TWi Bio, will seek to build strategic partnership or joint development with international pharmaceutical companies for early realization of profits from new drugs through the relevant licensing revenue. And profit for the disposal of Visum equity will be recognized after completion of the equity transactions. We hope that these subsidiaries could ultimately generate returns on their investments and bring profits to the Company.

Appendix IV

TWi Pharmaceuticals, Inc.

Report on the Implementation for Treasury Share Buyback Program

First Treasury Share Execution Period Expiry and Execution Situation	
Buyback purpose	Safeguard company credit and shareholder's rights and interests
Buyback period	From November 7, 2016 to January 6, 2017
Buyback interval price	NT$80-120
Class and quantity of shares bought back	2,278,000 ordinary shares
Dollar amount of shares bought back	NT$240,401,995
Average buyback price per share	NT$105.53
Quantity of shares eliminated and transferred	0
Accumulated quantity of company shares held	2,278,000 ordinary shares
Proportion of accumulated quantity of company shares held in total shares issued	1.79%
Expected buyback quantity	5,000,000 ordinary shares
Implementation ratio	45.56%

Appendix V

TWi Pharmaceuticals, Inc.

Details of the Amended Plan of Use of Fund of Capital Increase through New Share Issuance in order to Facilitate the Issuance of Overseas Depositary Receipts

(1) Total Funds Needed: NTD 3,461,947 thousand.

(2) Funding Sources:

A. Capital increased through new share issuance in order to facilitate the issuance of overseas depositary receipts (GDRs), under which 14,400 thousand shares were issued at NTD 197 per share with par value of NTD 10 for each share and a total amount of NTD 2,836,800 thousand was raised.

B. The residual NTD 625,147 thousand funded by other funding sources such as owned funds, bank loans or other domestic issuance plans.

(3) The difference in the use of funds before and after the amendment is shown in the table below:

Unit: NTD Thousand

Funding Sources / Plan Items	Amount Before Amendment			Amount After Amendment			Amount of Differences			Audit Results:
	Overseas Depository Receipt	Bank Loans / Own Funds	Total Amount	Overseas Depository Receipt	Bank Loans / Own Funds	Total Amount	Overseas Depository Receipt	Bank Loans / Own Funds	Total Amount	
Research and Development of Special Generic Drugs	1,236,800	625,147	1,861,947	1,236,800	625,147	1,861,947	-	-	-	The Amount changed reached more than 20% of the capital funds raised
Establishment of New Factory and Purchase of Machinery Equipment	1,236,800	487,368	1,724,168	-	-	-	(1,236,800)	(487,368)	(1,724,168)	
Reinvestment in Hainan Visum Pharmaceutical Co.	363,200	255,200	618,400	-	-	-	(363,200)	(255,200)	(618,400)	
Material Purchase in Foreign Currency for the Launched Products	-	-	-	1,600,000	-	1,600,000	1,600,000	-	1,600,000	
Total	2,836,800	1,367,715	4,204,515	2,836,800	625,147	3,461,947	-	(742,568)	(742,568)	

(4) The Use of Fund Plan and Use of Fund Schedule are shown in the Tables below:

Unit: NTD Thousand

Item	Expected Completion Date	Total Funds Needed	Expected Use of Funds Schedule					
			Year 2015	Year 2016				Year 2017
				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Research and Development of Special Generic Drugs	4th Quarter 2021	1,861,947	25,498	45,377	62,050	33,898	124,613	128,784
Material Purchase in Foreign Currency for the Launched Products	1st Quarter 2019	1,600,000	-	-	-	-	-	65,061
Total		3,461,947	25,498	45,377	62,050	33,898	124,613	193,845

Unit: NTD Thousand

Item	Expected Completion Date	Expected Use of Funds Schedule							
		Year 2017			Year 2018				Year 2019
		2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Research and Development of Special Generic Drugs	4th Quarter 2021	128,784	128,784	128,784	93,545	93,545	93,545	93,545	64,496
Material Purchase in Foreign Currency for the Launched Products	1st Quarter 2019	66,780	66,780	100,711	130,904	318,770	318,770	318,770	213,454
Total		195,564	195,564	229,495	224,449	412,315	412,315	412,315	277,950

Unit: NTD Thousand

Item	Expected Completion Date	Expected Use of Funds Schedule							
		Year 2019			Year 2020				Year 2021
		2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Research and Development of Special Generic Drugs	4th Quarter 2021	64,496	64,496	64,496	59,343	59,343	59,343	59,343	46,460

Item	Expected Completion Date	Expected Use of Funds Schedule							
		Year 2019			Year 2020				Year 2021
		2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Material Purchase in Foreign Currency for the Launched Products	1st Quarter 2019	-	-	-	-	-	-	-	-
Total		64,496	64,496	64,496	59,343	59,343	59,343	59,343	46,460

Unit: NTD Thousand

Item	Expected completion date	Expected Use of Funds Schedule		
		Year 2021		
		2nd Quarter	3rd Quarter	4th Quarter
Research and Development of Special Generic Drugs	4th Quarter 2021	46,460	46,460	46,459
Material Purchase in Foreign Currency for the Launched Products	1st Quarter 2019	-	-	-
Total		46,460	46,460	46,459

(5) Reasons for the Amendments

A. Purchase and Installation of Machinery Equipment:

The original strategic plan of the Company is to build its own injectable factory to expand into the injectable products. It is expected for the Company to continue investing resources in developing injectable products for at least 3 to 5 years, and maybe make profits and get returns for as long as 5 to 10 years. This strategy was originally to achieve the target of diversification of product dosage form and the pursuit of maximum mid–to-long term benefits after the products are successfully developed. However, it is required to invest large amount of resources in the short-term and sacrifice the short-term financial performance. With the new launch of the Company's own products in the US market, the Company will shift from the R & D investment period into the harvest period. Since the strategy to establish the Company’s own factory at this time will offset the financial performance improvement brought by the launch of new products, considering to maintain a stable operation mode and protect shareholders' equity, the Company would like to moderately adjust the development strategy in response to the change of environment, from the original one which main focuses on long-term growth to the more balanced one which considers both short-term and long-term growth.

Therefore, the Company would like to change its strategy to form strategic corporation with the external third parties who already have factory and equipment to expand the Company's pipeline into non-oral dosage forms (including injectables, pastes, patches and eye drops, etc.). Although the downscale in self-investment will lead to reduced expected return in the future, it will also reduce and diversify the investment risk of highly involvement in setting up the in-house manufacturing capacity for injectable products. On one hand, this will improve short-term profitability by curtailing the depreciation expense to be recognized in the future, which is caused by the large capital expenditures.. At the same time, this adjustment can also achieve the original strategic objectives of expanding the Company's product pipeline into more diversified product dosage forms. Therefore, it is intended to adjust the original plan of establishing the Company's own factory and equipment.

B. Reinvestment of Visum

Since the Company has adjusted the strategic development positioning of Visum, the Company will not continue to invest in Visum and will dispose all the equities of Visum the Company holds. Therefore the original use of funds to invest in Visum shall be amended.

(6) Expected Potential Benefits

The total amount of funds raised after this amendment is equivalent to NTD 3,461,947 thousand, of which 1,861,947 thousand is expected to be invested in research and development of special generic drugs while the other 1,600,000 thousand is expected to be used for the material purchase in foreign currency for the launched products. The expected potential benefits are as follows.

A. Research and Development of the Special Generic Drugs:

The Company plans to invest NTD 1,861,947 thousand in the research and development of special generic drugs. The benefit is the revenue and profit to be generated, which mainly comes from the successful development and approval of drugs, smooth production and product sales on the market.

B. Material Purchase in Foreign Currency for the Launched Products:

The Company already has four own products and a CMO product sold on the US market. According to the market share and sales growth rate of current

launched products and the sales forecast of new products launched in the coming future, the overall sales and size of procurement will increase substantially from the current level. Therefore, the Company plans to reserve NTD 1,600,000 thousand to support the funding requirements for material purchase in foreign currency for the launched products both currently and in the coming future.

Appendix VI

TWi Pharmaceuticals, Inc.

Comparison Table of Amendments to Articles of Incorporation

Current Edition	Revised Edition	Reason and Explanation for Revision
Chapter IV Director and Audit Committee		
Article 16 The Company shall have a board consisting of three (3) to seven (7) directors, to be elected at the shareholders' meeting. The tenure of office of the directors shall be no more than three (3) years, and they shall be eligible for re-election. The Company shall appoint at least three (3) independent directors which may be within the number of directors specified in this Article 16 and shall constitute one-fifth (1/5) or more of the total number of directors. The Company shall adopt a candidate nomination mechanism for the election of the independent directors and the shareholders shall elect the independent directors from the list of independent director candidates so nominated.	Article 16 The Company shall have a board consisting of three (3) to seven (7) directors, to be elected at the shareholders' meeting. The tenure of office of the directors shall be no more than three (3) years, and they shall be eligible for re-election. The Company shall appoint at least three (3) independent directors which may be within the number of directors specified in this Article 16 and shall constitute one-fifth (1/5) or more of the total number of directors. The Company shall adopt a candidate nomination mechanism for the election of the ~~independent~~ directors (including independent directors) and the shareholders shall elect the ~~independent~~ directors from the list of ~~independent~~ director candidates so nominated.	In order to improve the corporate governance, the candidate nomination system for the election of Directors is established in accordance with the Item No. 1, Article 192-1 of the "Company Act".
Chapter VII Supplemental Provisions		
Article 27 The Articles of Incorporation were agreed upon and signed on the November 7, 1997. The First Amendment was made on the March 30, 1998. The Second Amendment was made on the May 16, 1998. The Third Amendment was made on the June 25, 1998. The Fourth Amendment was made on the March 10, 1999. The Fifth Amendment was made on the June 10, 2000. The Sixth Amendment was made on	Article 27 The Articles of Incorporation were agreed upon and signed on the November 7, 1997. The First Amendment was made on the March 30, 1998. The Second Amendment was made on the May 16, 1998. The Third Amendment was made on the June 25, 1998. The Fourth Amendment was made on the March 10, 1999. The Fifth Amendment was made on the June 10, 2000. The Sixth Amendment was made on	The date of the nineteenth amendment to Articles of Association is added.

Current Edition	Revised Edition	Reason and Explanation for Revision
the November 26, 2001. The Seventh Amendment was made on the February 28, 2002. The Eighth Amendment was made on the June 16, 2002. The Ninth Amendment was made on the June 7, 2003. The Tenth Amendment was made on the October 23, 2003. The Eleventh Amendment was made on the May 10, 2006. The Twelfth Amendment was made on the September 1, 2006. The Thirteenth Amendment was made on the February 26, 2010. The Fourteenth Amendment was made on the March 2, 2011. The Fifteenth Amendment was made on the June 20, 2012. The Sixteenth Amendment was made on the January 11, 2013. The Seventeenth Amendment was made on the June 2, 2015. The Eighteenth Amendment was made on the June 8, 2016.	the November 26, 2001. The Seventh Amendment was made on the February 28, 2002. The Eighth Amendment was made on the June 16, 2002. The Ninth Amendment was made on the June 7, 2003. The Tenth Amendment was made on the October 23, 2003. The Eleventh Amendment was made on the May 10, 2006. The Twelfth Amendment was made on the September 1, 2006. The Thirteenth Amendment was made on the February 26, 2010. The Fourteenth Amendment was made on the March 2, 2011. The Fifteenth Amendment was made on the June 20, 2012. The Sixteenth Amendment was made on the January 11, 2013. The Seventeenth Amendment was made on the June 2, 2015. The Eighteenth Amendment was made on the June 8, 2016. The Nineteenth Amendment was made on the June 12, 2017.	

Appendix VII

TWi Pharmaceuticals, Inc.

Comparison Table of Procedures for Election of Directors

Current Edition	Revised Edition	Reason and Explanation for Revision
The Procedures for Election of Directors were agreed upon and signed on the April 19, 2012. The First Amendment was made on the June 10, 2013. The Second Amendment was made on the June 8, 2016.	The Procedures for Election of Directors were agreed upon and signed on the April 19, 2012. The First Amendment was made on the June 10, 2013. The Second Amendment was made on the June 8, 2016. The Third Amendment was made on the June 12, 2017.	The date of the third amendment to Procedures for Election of Directors is added.
Article 7 The election of Directors of the Company uses cumulative voting method, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The election of the Independent Directors of the Company uses the candidate nomination mechanism, and the shareholders shall choose the list of candidates for Independent Directors. (The following is not revised)	Article 7 The election of Directors of the Company uses cumulative voting method, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The election of Directors of the Company uses the candidate nomination mechanism, and Directors shall be elected in the shareholders meeting from the list of candidates of Directors. (The following is not revised)	With amendment of certain clause in the "Articles of Incorporation " of the Company, the content of this clause shall be amended accordingly fto meet the actual requirements

TWI PHARMACEUTICALS, INC.

ARTICLES OF INCORPORATION

Chapter I General Provisions

Article 1 The Company shall be named TWI PHARMACEUTICALS, INC. and incorporated as a company limited by shares in accordance with the Company Law of the Republic of China (the "ROC").

Article 2 The Company shall engage in

(1) IZ299990 Other Industry and Commerce Services Not Elsewhere Classified (Development and Transfer of Pharmaceuticals).

(2) F108021 Wholesale of Drugs and Medicines.

(3) F208021 Retail Sale of Drugs and Medicines.

(4) F108031 Wholesale of Drugs, Medical Goods.

(5) F208031 Retail sale of Medical Equipment.

(6) F401010 International Trade.

(7) F108040 Wholesale of Cosmetics.

(8) F208040 Retail Sale of Cosmetics.

(9) F102170 Wholesale of Food and Grocery.

(10) F203010 Retail sale of Food and Grocery.

(11) IG01010 Biotechnology Services.

(12) I301010 Software Design Services.

(13) C802041 Drugs and Medicines Manufacturing.

(14) ZZ99999 Any business not prohibited or restricted by law other than the types of business requiring special permission.

Article 3 The Company's head office shall be located in Taipei City. The board of directors of the Company (the "Board") may decide to establish branch offices or representative offices in or outside the ROC and the incorporation, deregistration or relocation of such branch offices or representative offices are subject to the resolutions of the Board and the approval of the relevant authorities.

Article 4 The Company may also make investments in another company through acting as a shareholder with limited liability of the investee company, and such investment may exceed forty percent (40%) of the paid-in capital of the Company, notwithstanding Article 13 of the Company Law. The Board is hereby authorized to make such investments according to the actual needs of the Company.

Article 5 The Company may provide guarantees to others in accordance with the "Procedures for Endorsement and Guarantee" of the Company.

Chapter II Shares

Article 6 The Company's total authorized capital is NT$2,000,000,000, divided into 200,000,000 shares, each with a par value of NT$10. The total authorized capital shall be paid in instalments. The Board is hereby authorized to issue the unissued shares in accordance with the actual needs of the Company's business.
20,000,000 shares of the aforesaid total authorized capital are reserved for employee stock options and the Board is hereby authorized to issue in instalments in view of the actual needs.

Article 6-1 If the Company would like to issue employee stock options where the exercise price for such options is lower than the weighted average trade price for the Company's shares during the period preceding the issuance date, its net value per share as reported in the financial reports for the most recent fiscal period, audited or reviewed by a CPA, or, in the event the shares of the Company are traded on Taiwan Stock Exchange or GreTai Securities Market, the closing price of the shares of the Company as of the issuance date, such issuance shall be approved by a resolution passed by a two-thirds (2/3) or more vote of the shareholders at a shareholders' meeting attended by the shareholders who represent more than one-half (1/2) of the total outstanding shares of the Company before such employee stock options can be issued.

Article 7 The Company's share certificates shall bear shareholder's names, serially numbered, signed, and sealed by three (3) or more directors and certified by the certification authority approved by the government before they can be issued. After the public offering of the shares of the Company, the Company may issue shares without printing share certificates for the shares issued, but the Company shall engage a centralized securities depository institution to handle the recording or depository matters.

Article 8 No transfer of shares shall be permitted within thirty (30) days prior to the date of a regular shareholders' meeting, or within fifteen (15) days prior to the date of a special shareholders' meeting, or within five (5) days prior to the record date fixed for distributing dividends, bonuses, or other benefits. After the public offering of the shares of the Company, no transfer of shares shall be permitted within sixty (60) days prior to the date of a regular shareholders' meeting, or within thirty (30) days prior to the date of a special shareholders' meeting, or within five (5) days prior to the record date fixed for distributing dividends, bonuses, or other benefits.

Article 9 After the public offering of the shares of the Company, any matter in relation to shareholder services shall be conducted in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 9-1 If the Company would like to revoke the public offering of the shares of the Company, such proposal shall be submitted to the shareholders' meeting for approval. No change can be made to this Article during the period that the shares of the Company are traded on the Emerging Stock Market, Taiwan Stock Exchange or GreTai Securities Market.

Chapter III Shareholders' Meetings

Article 10 Shareholders' meetings include regular shareholders' meeting and special shareholders' meeting. The Company shall in each year hold a shareholders' meeting as its regular shareholders' meeting no later than six (6) months after the close of each financial year. Save as herein otherwise provided, a special shareholders' meeting may be called by the Board as they consider necessary.
The shareholders' meeting notice may be in writing or by way of electronic transmission.

Article 11 When a shareholder is unable to attend the shareholders' meeting, he or it may appoint another person his/her/its proxy to attend the meeting. The proxy form, to be printed by the Company, shall state the scope of authorization covered by the proxy. Except for complying with Article 177 of the Company Law and Article 25-1 of Securities and Exchange Act of the ROC, all matters concerning proxies shall also be in compliance with "ROC Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 12 Unless there is any restriction on the voting right of the shares or occurrence of any matter as specified in Article 179 of the Company Law, every shareholder entitled to vote shall have one vote for each share of which he/her/its is the holder.

Article 13 Unless otherwise provided for in the Company Law and these Articles, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who shall hold more than one-half (1/2) of the total number of shares issued and outstanding.

Article 14 The shareholders' meeting convened by the Board shall be presided over by the Chairman of the Board. If the Chairman is on leave or if, for any reason, he is unable to perform his duties, the chairman may designate one of the other directors to act on his behalf. Without such a designation, the chairman of the meeting shall be elected by and from among the other directors. In case the shareholders' meeting is convened by a person with the power to convene a shareholders' meeting other than the Board, such meeting shall be chaired by such person, and if there are more than two (2) persons with such power, the chair shall be elected among such persons.

Article 15 The shareholders' meeting shall be conducted in accordance with "Rules and Procedures of Shareholders' Meetings" of the Company.

Chapter IV Directors and Audit Committee

Article 16 The Company shall have a board consisting of three (3) to seven (7) directors, to be elected at the shareholders' meeting. The tenure of office of the directors shall be no more than three (3) years, and they shall be eligible for re-election. The Company shall appoint at least three (3) independent directors which may be within the number of directors specified in this Article 16 and shall constitute one-fifth (1/5) or more of the total number of directors. The Company shall adopt a candidate nomination mechanism for the election of the independent directors and the shareholders shall elect the independent directors from the list of independent director candidates so nominated.

Article 16-1 The Company proposes to establish an audit committee in accordance with the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. Matters relating to number and term of office of audit committee members, powers of the audit committee, rules of procedure for meetings of the audit committee shall be governed by an audit committee charter.

Article 17 During the term of directors, the Company may purchase and maintain insurance for the benefit of each director or each supervisor against any liability incurred by him/her in his/her capacity as a director or supervisor.

Article 18 The Board is constituted by the directors. The Chairman of the Board shall be elected from among the directors by a majority vote at a meeting attended by two-thirds (2/3) or more of the directors. If the Chairman of the Board takes leaves or is unable to perform his/her duties with cause, his proxy shall be determined pursuant to Article 208 of the Company Law.

Article 19 The notice for the meeting of the Board shall state the reasons and agenda of the meeting, and shall be sent to each member of the Board and seven (7) days prior to the meeting, provided that such period for advance notice may be shortened in case of emergency. Such notice may be in writing, email or facsimile.

Article 20 Except as otherwise provided in the Company Law, meetings of the Board shall be called by its Chairman. Except as otherwise provided in the Company Law or these Articles, resolutions at the meetings of the Board shall be adopted by a majority vote at a meeting attended by more than one-half (1/2) of the directors.
A director may appoint another director his or her proxy to attend a directors' meeting. The proxy shall accept the appointment of one director only.

Article 21 The Board of Directors of the Company shall as necessary in view of the needs for business operation establish other functional committees. The establishment and powers of the relevant committees shall be conducted in conformity with the regulations prescribed by the Competent Authority.

Article 22 The remuneration of directors of the Company is authorized to be determined by the Board of Directors in consideration of the extent of their participation in the Company's operation and value of contribution as well as the standards of domestic and foreign industries, and remuneration of independent directors may be different from that of general directors reasonably decided at its discretion.

Chapter V Manager

Article 23 The Company may have one General Manager and several vice general mangers. The General Manager shall be appointed, dismissed and compensated in accordance with Article 29 of the Company Law.

Chapter VI Accounts

Article 24 The Company's fiscal year commences from January 1 and ends on December 31. At the close of each fiscal year, the Board of Directors shall prepare the following statements and records and shall submit the same to a general meeting of shareholders for ratification:

(1) Business Report ;

(2) Financial Statements; and

(3) Surplus earning distribution or loss off-setting proposals.

Article 25 The Company shall, after its accumulated losses have been covered by the before-tax profit of the current year before deducting the amount distributed to employees' compensation and remuneration to directors and supervisors, withdraw 1% to 10% of the amount of balance thereof, if any, as employees' compensation and not more than 5% as remuneration to directors and supervisors.

The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors, determine the ration for profit distribution as employees' compensation and remuneration to directors and supervisors and the form of profit distribution as employees' compensation either in shares or in cash; and a report of such distribution shall be submitted to the shareholders' meeting.

Qualification requirements of employees entitled to receive shares or cash as their compensation include the employees of subsidiaries of the Company meeting certain specific requirements.

Article 25-1 The Company shall, after its losses have been covered and all taxes and dues have been paid, and at the time of allocating the net profit on the general final report, first set aside ten percent of such profits as a legal reserve, and set aside or reverse another sum as special reserve in accordance with laws and regulations or the rules prescribed by the competent authority. The remaining balance, if any, plus the accumulated retained earnings of prior years as accumulated distributable earnings, except for retaining an appropriate amount being delivered to the shareholders' meeting for resolution after a proposal for distribution of profits depending on operational needs adopted by the Board of Directors, shall be distributed as dividends to shareholders subject to the resolution of the shareholder' meeting.

The percentage of the amount of surplus earnings distributed to dividend to shareholders accounted for the earnings after tax in the current year shall not be less than 10% as a principle. Among which, the amount of cash dividends shall be not less than 10% of the total amount of cash dividends and stock dividends, provided, however, that stock dividends will be distributed instead when less than NT$0.1 per share of cash dividends, and the ration of distribution thereof may be adjusted depending on the Company's future earnings and financial status. Where there are future substantial capital expenditures and R&D projects, dividends to shareholders may be distributed fully as stock dividends upon approval of the shareholders' meeting. The Company shall not pay dividends or bonuses, if there are no surplus earnings.

Chapter VII Supplementary Provisions

Article 26 Matters not covered by the Articles of Incorporation, shall be dealt with according to the provisions of the Company Law.

Article 27 The Articles of Incorporation were agreed upon and signed on the November 7, 1997.

The First Amendment was made on the March 30, 1998.

The Second Amendment was made on the May 16, 1998.

The Third Amendment was made on the June 25, 1998.

The Fourth Amendment was made on the March 10, 1999.

The Fifth Amendment was made on the June 10, 2000.

The Sixth Amendment was made on the November 26, 2001.

The Seventh Amendment was made on the February 28, 2002.

The Eighth Amendment was made on the June 16, 2002.

The Ninth Amendment was made on the June 7, 2003.

The Tenth Amendment was made on the October 23, 2003.

The Eleventh Amendment was made on the May 10, 2006.

The Twelfth Amendment was made on the September 1, 2006.

The Thirteenth Amendment was made on the February 26, 2010.

The Fourteenth Amendment was made on the March 2, 2011.

The Fifteenth Amendment was made on the June 20, 2012.

The Sixteenth Amendment was made on the January 11, 2013.

The Seventeenth Amendment was made on the June 2, 2015.

The Eighteenth Amendment was made on the June 8, 2016.

TWI PHARMACEUTICALS, INC.

Chen Chih-Ming, Chairman

Shareholding Status of all Directors

Base date: April 14, 2017

Title	Name	Date of Election	Number of Shares Held when Elected		Current Shares Held	
			Number of Shares	% of Total Capital at that Time	Number of Shares	% of Total Capital at that Time
Chairman	Chen,Chih-Ming	2015.6.2	4,393,460	3.88	4,361,460	3.42%
Director	British cayman islands, TWi Pharmaceuticals Holding Inc. Representative: Xie,Jian-Bo	2015.6.2	29,146,782	25.77	29,146,782	22.88%
Director	Opulent Assets Holdings Ltd. Representative: Ma,Hai-Yi	2015.6.2	28,460,824	25.16	28,460,824	22.34%
Director	Opulent Assets Holdings Ltd. Representative: Liu,Nian-Hua	12015.6.2	28,460,824	25.16	28,460,824	22.34%
Independent Director	Sun,Ching-Feng	12015.6.2	-	-	-	-
Independent Director	Lin,Tung-He	2016.6.8	-	-	-	-
Independent Director	Su,Yu-Hui	2016.6.8	-	-	-	-
Total			62,001,066	54.81	61,969,066	48.65%

Total Shares of Common Stock Issued as of June 2, 2015: 113,123,654 Shares;

Total Shares of Common Stock Issued as of June 8, 2016: 127,412,530 Shares;

Total Shares of Common Stock Issued as of April 14, 2017: 127,388,919 Shares;

Note：1. The total statutory number of shares should be held by all Directors of the Company are 8,000,000 shares, and all Directors held 61,969,066 shares as of April 14, 2017.

2. The Company has set up the Audit Committee, so the statutory number of shares should be held by the Supervisors does not apply.

3. The shareholding of Independent Directors is not included in the number of shares held by the Directors.