

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: 2021-07-15
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SUBJECT COMPANY

Taiwan Liposome Company, Ltd.

CIK: 1722890 | IRS No.: 000000000 | State of Incorporation: F5 | Fiscal Year End: 1231
Type: SC 13D | Act: 34 | File No.: 005-90905 | Film No.: 211092731
SIC: 2834 Pharmaceutical preparations

Mailing Address
2F, 3 YUANQU STREET
NANGANG DISTRICT
TAIPEI CITY F5 11503

Business Address
2F, 3 YUANQU STREET
NANGANG DISTRICT
TAIPEI CITY F5 11503
886 2 2655 7377

FILED BY

Lin Chang-Hai

CIK: 1813691
Type: SC 13D

Mailing Address
2F. NO. 3
YUANQU ST., NANGANG
DIST.
TAIPEI F5 105

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No.)***

Taiwan Liposome Company, Ltd.
(Name of Issuer)

**Common Shares, par value NTS10 per share
American Depositary Shares each representing Two Common Shares**
(Title of Class of Securities)

874038102**
(CUSIP Number)

**Baker McKenzie LLP
Attn: Roger Bivans
1900 North Pearl
Suite 1500
Dallas, TX 75201
(214) 978-3000**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

July 5, 2021
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

** This CUSIP number applies to the Issuer's American Depository Shares. Each American Depository Share represents two Common Shares.

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Chang-Hai Lin
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
(3)	SEC use only
(4)	Source of funds (see instructions) OO
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)
(6)	Citizenship or place of organization Republic of China (Taiwan)
Number of shares beneficially owned by each reporting person with:	(7) Sole voting power 5,302,946 Common Shares
	(8) Shared voting power 23,893,657 Common Shares
	(9) Sole dispositive power 5,302,946 Common Shares
	(10) Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.
(14)	Type of reporting person (see instructions) IN

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Yuhua Lin	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 3,408,200 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 3,408,200 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Taiping Wu	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 2,247,820 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 2,247,820 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Yanhui Lin	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 884,130 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 884,130 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Chinnu Lin	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,494,972 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,494,972 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Chinpen Lin	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 2,689,234 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 2,689,234 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Chenghsien Lin	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,339,958 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,339,958 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Tienhuo Chen	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,844,332 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,844,332 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons George Yeh	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF; AF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,353,753 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,353,753 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Leemei Chen	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) PF	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,089,954 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,089,954 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Topmunnity Therapeutics Taiwan Limited	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) WC	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 263,905 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 263,905 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) CO	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Champions Management Co., Ltd.	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) WC	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 0 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 0 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) CO	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Hongtai Investment Co., Ltd.	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) WC	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 0 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 0 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) CO	

SCHEDULE 13D

CUSIP No.874038102

(1)	Names of reporting persons Keelung Hong	
(2)	Check the appropriate box if a member of a group (see instructions) (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC use only	
(4)	Source of funds (see instructions) OO	
(5)	Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or place of organization Republic of China (Taiwan)	
Number of shares beneficially owned by each reporting person with:	(7)	Sole voting power 1,974,453 Common Shares
	(8)	Shared voting power 23,893,657 Common Shares
	(9)	Sole dispositive power 1,974,453 Common Shares
	(10)	Shared dispositive power 23,893,657 Common Shares
(11)	Aggregate amount beneficially owned by each reporting person 23,893,657 Common Shares	
(12)	Check if the aggregate amount in Row (11) excludes certain shares (see instructions) <input type="checkbox"/>	
(13)	Percent of class represented by amount in Row (11) 28.39% of the total number of Common Shares (including the underlying shares represented by the American Depositary Shares), based on a total of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020, based on information provided by the Issuer. Beneficial ownership information is presented as of December 31, 2020.	
(14)	Type of reporting person (see instructions) IN	

EXPLANATORY NOTE

Certain common shares, par value of NT\$10 each (the “Common Shares”) and American Depository Shares (“ADS”), each representing two Common Shares, of Taiwan Liposome Company, Ltd., a company limited by shares organized under the laws of Taiwan (the “Issuer”), to which this statement on Schedule 13D (this “Statement”) relates, were previously reported by Chang-Hai Lin, a Reporting Person, on a Schedule 13G filed with the Securities and Exchange Commission.

On July 5, 2021, (a) Teal Sea Holding Corp., an exempted company organized under the laws of Cayman Islands (“Teal Sea”), (b) TLC BioSciences Corp., an exempted company organized under the laws of Cayman Islands, (c) Sea Crest Holding Corp., an exempted company organized under the laws of Cayman Islands (“Cayman 2”), (d) Woods Investment Company, Ltd. (森投資股份有限公司), a limited liability company organized under the laws of Taiwan (“Bidco”), (e) each of Chang-Hai Lin, Yuhua Lin, Chenghsien Lin, Tienhuo Chen, Chinpen Lin, Taiping Wu, Chinnu Lin and Yanhui Lin (each, a “Major Shareholder”, and collectively, the “Major Shareholders”), (f) Dr. Keelung Hong and George Yeh (each, a “Management Party”, and collectively, the “Management Parties”) and (g) and PAG Growth Lynx Holding (BVI) Limited, a limited liability company organized and existing under the laws of British Virgin Islands (“PAG”), entered into a securities purchase agreement (the “Purchase Agreement”). The Purchase Agreement is included in this filing as Exhibit 99.2.

On or around July 5, 2021, Bidco and the Issuer entered into a share swap agreement, pursuant to which Bidco will issue Series B special shares (“Bidco Series B Special Shares”) to the shareholders of the Issuer (including certain Reporting Persons) in exchange for all of the issued Common Shares in a share swap transaction under the laws of Taiwan (the “Share Swap”) and the Issuer will become wholly owned by Bidco at the completion of the Share Swap. At the completion of the Share Swap, Bidco will issue one Bidco Series B Special Share in exchange for each issued and outstanding Common Share.

In accordance with the terms of Bidco Series B Special Shares, each holder will have the right to convert Bidco Series B Special Shares into the same number of common shares, par value NT\$10 per share, issued by Bidco (“Bidco Common Shares”) within a certain period, and the remaining Bidco Series B Special Shares will be redeemed by Bidco for cash payments after the end of such period (the “Bidco Share Redemption”) at a redemption price of NT\$100 per share (the “Bidco Redemption Price”).

Each of the Major Shareholders, George Yeh and certain other shareholders of the Issuer and investors have entered into an investment agreement with Bidco (the “Investment Agreement”), pursuant to which each such shareholder agrees to subscribe to and purchase Series A-1, A-2 and A-3 special shares of Bidco (the “Bidco Series A-1, A-2 or A-3 Special Shares”, as applicable, and together, “Bidco Series A Special Shares”) in a total amount equal to NT\$1,567,000,000, for the purpose of funding the redemption by Bidco of the Bidco Series B Special Shares issued for the Share Swap. The form of Investment Agreement is included in this filing as Exhibit 99.3.

After the completion of the Share Swap and the Bidco Share Redemption, each holder of Bidco Common Shares and Bidco Series A Special Shares, including each of the Major Shareholders and the Management Parties and each other holder of Bidco Series B Special Shares who elects to convert into Bidco Common Shares (each such holder, a “Rollover Shareholder”), will participate in a series of rollover transactions such that (i) the Bidco Common Shares and Bidco Series A-1 Special Shares held by each of the Major Shareholders and the Management Parties will be rolled over into the same number of ordinary shares and Series A preferred shares, respectively, issued by Teal Sea, and (ii) the Bidco Common Shares, Bidco Series A-2 Special Shares and Bidco Series A-3 Special Shares held by the Rollover Shareholders other than the Major Shareholders and the Management Parties (the “Other Rollover Shareholders”) will be rolled over into the same number of ordinary shares, Series A preferred shares and Series B preferred shares, respectively, issued by Cayman 2 (the “Rollover Transactions”).

At the completion of the Rollover Transactions, the Rollover Shareholders will own all of the issued shares of Teal Sea and Cayman 2, which will own all of the issued shares of TLC BioSciences, which in turn will own all of the issued shares of Bidco.

After the completion of the Rollover Transactions, subject to the conditions set forth in the Purchase Agreement, TLC BioSciences will allot and issue to PAG a certain number of Series A-1 preferred shares, par value of US\$0.0001 each, of TLC BioSciences (the “Series A-1 Preferred Shares”) in consideration of the surrender of an exchangeable note to be entered into among Teal Sea, TLC BioSciences and PAG (the “Note”).

In preparation for the Bidco Share Redemption, Teal Sea has agreed to issue and sell to PAG the Note, which is exchangeable into Series A-1 Preferred Shares, in the principal amount of US\$36 million. The proceeds from the sale of the Note will be used by Teal Sea to extend a loan to TLC BioSciences, which will in turn be used by TLC BioSciences to extend a loan to Bidco, which will be used by Bidco to fund part of the consideration payable for the Bidco Share Redemption. The remaining portion of the consideration payable by Bidco for the Bidco Share Redemption will be funded by the Major Shareholders and certain Other Rollover Shareholders (as defined below) by way of subscription for Bidco Series A Special Shares in a total amount equal to NT\$1,567,000,000 at a per-share subscription price equal to the Bidco Redemption Price (collectively, the “Bidco Investment”). Any amount of the Bidco Investment in excess of the total amount of cash required for the Bidco Share Redemption minus the principal amount of the Note will be returned to the Major Shareholders in redemption for Bidco Series A Special Shares based on the subscription price.

To effect the Rollover Transactions, (i) Teal Sea will borrow funds pursuant to certain bridge loans and use the proceeds to subscribe for ordinary shares (in number equal to the total number of ordinary shares issued by Teal Sea) and Series A-2 Preferred Shares (in number equal to the number of Series A preferred shares issued by Teal Sea) issued by TLC BioSciences, and (ii) Cayman 2 will borrow funds pursuant to certain bridge loans and use the proceeds to subscribe for ordinary shares (in number equal to the number of ordinary shares issued by Cayman 2), Series A-3 Preferred Shares (in number equal to the number of Series A preferred shares issued by Cayman 2) and Series B Preferred Shares (in number equal to the number of Series B preferred shares issued by Cayman 2), in each case issued by TLC BioSciences at a per-share price equal to the USD equivalent of the Bidco Redemption Price. TLC BioSciences will use the proceeds from such subscriptions to acquire all of the issued shares of Bidco from the Rollover Shareholders. The Rollover Shareholders will then use the proceeds from the sale to subscribe for ordinary shares issued by Teal Sea or Cayman 2, as applicable, except that (a) with respect to the Bidco Series A-1 Special Shares, the Major Shareholders will receive Series A preferred shares issued by Teal Sea, and (b) with respect to the Bidco Series A-2 Special Shares and Bidco Special A-3 Special Shares, the Other Rollover Shareholders will receive Series A preferred shares and Series B preferred shares, respectively, issued by Cayman 2. The Series A preferred shares of each of Teal Sea and Cayman 2 will be exchanged for Series A-2 Preferred Shares and Series A-3 Preferred Shares, respectively, of TLC BioSciences. The ordinary shares of each of Teal Sea and Cayman 2 and the Series B preferred shares of Cayman 2 will be exchanged for ordinary shares of TLC BioSciences before the completion of an initial public offering of TLC BioSciences. Teal Sea and Cayman 2 will use the proceeds of the subscription to repay the bridge loans and cause the bridge loan lender to release all security interest received on the bridge loan. The per-share price for the subscription of shares of Teal Sea, Cayman 2 or TLC BioSciences shall be equal to the USD equivalent of the Bidco Redemption Price.

The foregoing summary is qualified in its entirety by the full text of the Purchase Agreement and the Investment Agreement, which are filed as exhibits to this Statement and incorporated herein by reference.

Item 1: Security and Issuer

This Statement relates to the Common Shares of the Issuer, which has its principal executive offices at 11F-1, No. 3 Yuanqu Street, Nangang District, Taipei City, Taiwan 11503, Republic of China (Taiwan). The Issuer’s ADS are traded on the Nasdaq Global Market under the symbol “TLC”. Each ADS represents two of the Common Shares of the Issuer.

Item 2: Identity and Background

This Statement is being filed jointly by:

- Chang-Hai Lin;
- Yuhua Lin;
- Taiping Wu;
- Yanhui Lin;
- Chinnu Lin;
- Chinpen Lin;
- Chenghsien Lin;
- Tienhuo Chen;
- George Yeh;
- Leemei Chen;
- Topmunnity Therapeutics Taiwan Limited;
- Champions Management Co., Ltd.;
- Hongtai Investment Co., Ltd.; and
- Keelung Hong

(collectively, the “Reporting Persons”).

The Reporting Persons have entered into a Joint Filing Agreement, dated as of July 13, 2021, a copy of which is attached as Exhibit 99.1 to this Statement, pursuant to which they have agreed to file this Statement jointly in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934.

The name, business address, present principal occupation or employment (including the name, principal business and address of any corporation or other organization in which such employment is conducted) and place of citizenship of each Reporting Person and each executive officer and director of each Reporting Person (each of such directors and officers, a “Covered Person” and collectively, the “Covered Persons”) are set forth on Schedule A attached hereto, which is incorporated into this Item 2 by reference.

Neither the Reporting Persons nor, to the Reporting Persons’ knowledge, any Covered Person has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3: Source and Amount of Funds or Other Considerations

The Common Shares of the Issuer that are the subject of this Schedule 13D were previously acquired by the Reporting Persons from the Issuer using personal funds. The purchases of Common Shares by Chang-Hai Lin were previously reported on a Schedule 13G filed by Chang-Hai Lin on January 13, 2020.

The information set forth under the Explanatory Note and Items 4 and 6 of this Statement is incorporated herein by reference.

Item 4: Purpose of Transaction

The Reporting Persons initially acquired the Common Shares reported in this Statement for investment purposes.

The purpose of the transactions described in this Statement is to facilitate the Reporting Persons’ directly or indirectly owning and controlling all of the Issuer’s business, operations and assets.

The information set forth under the Explanatory Note and Items 3, 5 and 6 of this Statement is incorporated herein by reference.

The Reporting Persons will update this Statement, as required by law, to report any developments in their intentions regarding this matter or other matters with respect to the Issuer.

Other than as described in this Item 4, or otherwise in this Statement, the Reporting Persons currently have no plan or proposal which relates to or would result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Form Schedule 13D. Each of the Reporting Persons reserves the right, in light of its, his or her ongoing evaluation of the Issuer’s financial condition, business, operations and prospects, the market price of the Common Shares, conditions in the securities markets generally, general economic and industry conditions, its, his or her business objectives and other relevant factors, to change its, his or her plans and intentions at any time, as the Reporting Person deems appropriate. In particular, and without limiting the generality of the foregoing, any one or more of the Reporting Persons (and their respective affiliates) reserves the right, in each case subject to any applicable limitations imposed on the sale of any of their Common Shares by the Securities Act of 1933, as amended, or other applicable law, to purchase additional Common Shares or other securities of the Issuer or sell or transfer Common Shares or other securities beneficially owned by them from time to time in public or private transactions.

Item 5: Interest in Securities of the Issuer

(a) and (b) As of the close of business on July 5, 2021, each the Reporting Persons may be deemed, individually, and the Reporting Persons may be deemed, as a group, to beneficially own an aggregate of 23,893,657 Common Shares, which represents approximately 28.39% of the 84,154,934 Common Shares as of December 31, 2020, as disclosed in the Issuer’s Annual Report on Form 20-F.

Each of the Reporting Persons and the Covered Persons directly hold and have the sole power to vote and to direct the vote of the following shares:



Name	Common Shares Beneficially Owned ((including the underlying shares represented by the American Depositary Shares))	Percentage of Common Shares Beneficially Owned
Chang-Hai Lin	5,302,946	6.30%
Yuhua Lin	3,408,200	4.05%
Taiping Wu	2,247,820	2.67%
Yanhui Lin	884,130	1.05%
Chinnu Lin	1,494,972	1.78%
Chinpen Lin	2,689,234	3.20%
Chenghsien Lin	1,339,958	1.59%
Tienhuo Chen	1,844,332	2.19%
George Yeh	1,353,753	1.61%
Leemei Chen	1,089,954	1.30%
Topmunnity Therapeutics Taiwan Limited	263,905	0.31%
Amy Huang	3,831	0.0045%
Champions Management Co., Ltd.	N/A	N/A
Amy Huang	3,831	0.0045%
Hongtai Investment Co., Ltd.	N/A	N/A
Charles Chen	N/A	N/A
Keelung Hong	1,974,453	2.35%

The Reporting Persons and the Covered Persons beneficially own an aggregate of 23,897,488 Common Shares. The Common Shares beneficially owned by the Reporting Persons and the Covered Persons represent, in the aggregate, approximately 28.39% of the outstanding Common Shares. The percentages of beneficial ownership in this Statement are based on an aggregate of 84,154,934 Common Shares of the Issuer issued and outstanding as of December 31, 2020.



(c) The information set forth under the Explanatory Note and Items 3, 4 and 6 of this Statement is incorporated herein by reference.

(d) No other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Common Shares reported in this Statement.

(e) Not applicable.

Item 6: Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer

The information set forth under the Explanatory Note and Items 3, 4 and 5 of this Statement is incorporated herein by reference.

The foregoing summary is qualified in its entirety by the full text of the Purchase Agreement and the Investment Agreement, which are filed as exhibits to this Statement and incorporated herein by reference.

Except as described in this Item 6, there are no contracts, arrangements, understandings or relationships among the Reporting Persons or between the Reporting Persons and any other persons with respect to any securities of the Issuer.

Item 7: Material to be Filed as Exhibits

- **Exhibit 99.1** – Joint Filing Agreement, dated July 13, 2021, by and among the Reporting Persons.
- **Exhibit 99.2** – Securities Purchase Agreement, dated July 5, 2021, by and among Teal Sea Holding Corp., an exempted company organized under the laws of Cayman Islands, TLC BioSciences Corp., an exempted company organized under the laws of Cayman Islands, Sea Crest Holding Corp., an exempted company organized under the laws of Cayman Islands, Woods Investment Company, Ltd. (**森投資股份有限公司**), a limited liability company organized under the laws of Taiwan, Chang-Hai Lin, Yuhua Lin, Chenghsien Lin, Tienhuo Chen, Chinpen Lin, Taiping Wu, Chinnu Lin, Yanhui Lin, Dr. Keelung Hong, George Yeh and PAG Growth Lynx Holding (BVI) Limited, a limited liability company organized and existing under the laws of British Virgin Islands.*
- **Exhibit 99.3** – Investment Agreement, dated July 5, 2021, by and among Woods Investment Company, Ltd. (**森投資股份有限公司**)(a limited liability company limited by shares organized under the laws of Taiwan), Yuhua Lin, Chenghsien Lin, Tienhuo Chen, Chinpen Lin, Taiping Wu, Chinnu Lin, Yanhui Lin, George Yeh, Topmunntity Therapeutics Taiwan Limited (a limited liability company limited by shares organized under the laws of Taiwan), Champions Management Co., Ltd. (a limited liability company limited by shares organized under the laws of Taiwan) and Hong Tai Investment Co., Ltd. (a limited liability company limited by shares organized under the laws of Taiwan).

* Certain schedules and exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. We agree to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 15, 2021

/s/ _____ Chang-Hai

Lin

Chang-Hai Lin

/s/ _____ Yuhua

Lin

Yuhua Lin

/s/ _____ Taiping

Wu

Taiping Wu

/s/ _____ Yanhui

Lin

Yanhui Lin

/s/ _____ Chinnu

Lin

Chinnu Lin

/s/ _____ Chinpen

Lin

Chinpen Lin

/s/ _____ Chenghsien

Lin

Chenghsien Lin

/s/ _____ Tienhuo

Chen

Tienhuo Chen

/s/ _____ George

Yeh

George Yeh

/s/ _____ Leemei

Chen

Leemei Chen

SCHEDULE A

Covered Persons

The following sets forth the name, position and principal occupation of each Covered Person. Each of the Covered Persons is a citizen of the Republic of China (Taiwan).

Name	Present Principal Occupation	Relationship to Reporting Persons	Business Address
Chang-Hai Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Yuhua Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Taiping Wu		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Yanhui Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Chinnu Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Chinpen Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Chenghsien Lin		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Tienhuo Chen		Reporting Person	14F-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
George Yeh	President of the Issuer	Reporting Person President of the Issuer	2F, No. 3, Park St., Nangang Dist., Taipei City Taiwan
Leemei Chen		Reporting Person	2F, No. 3, Park St., Nangang Dist., Taipei City Taiwan



Name	Present Principal Occupation	Relationship to Reporting Persons	Business Address
Topmunntity Therapeutics Taiwan Limited		Reporting Person	4F-2, No. 201, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Amy Huang	Director of Topmunntity Therapeutics Taiwan Limited	Director of Topmunntity Therapeutics Taiwan Limited	4F-2, No. 201, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Champions Management Co., Ltd.		Reporting Person	4F-2, No. 201, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Amy Huang	Director of Champions Management Co., Ltd.	Director of Champions Management Co., Ltd.	4F-2, No. 201, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
Hongtai Investment Co., Ltd.		Reporting Person	7F, No. 167, Lane 235, Baoqiao Rd., Xindian Dist., New Taipei City, Taiwan
Charles Chen	Director of Hongtai Investment Co., Ltd.	Director of Hongtai Investment Co., Ltd.	7F, No. 167, Lane 235, Baoqiao Rd., Xindian Dist., New Taipei City, Taiwan
Keelung Hong	Chief Executive Officer, Founder and Chairman of the Issuer	Reporting Person Chief Executive Officer, Founder and Chairman of the Issuer	2F, No. 3, Park St., Nangang Dist., Taipei City Taiwan

JOINT FILING AGREEMENT

PURSUANT TO RULE 13D-1(K)(1)

The undersigned acknowledge and agree that the Statement on Schedule 13D filed with the Securities and Exchange Commission on or about the date hereof with respect to the beneficial ownership by the undersigned of the American Depositary Shares, each representing two common shares, par value NT\$10.00 per share, of Taiwan Liposome Company, Ltd., is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D shall be filed on behalf of each of the undersigned that is named as a reporting person in such filing without the necessity of filing an additional joint filing agreement. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that it knows or has reason to believe that such information is inaccurate. This joint filing agreement may be executed in any number of counterparts and all of such counterparts taken together shall constitute one and the same instrument.

Dated: July 15, 2021

Chang-Hai Lin

/s/ Chang-Hai Lin

Yuhua Lin

/s/ Yuhua Lin

Chenghsien Lin

/s/ Chenghsien Lin

Tienhuo Chen

/s/ Tienhuo Chen

Chinpen Lin

/s/ Chinpen Lin

Taiping Wu

/s/ Taiping Wu

Chinnu Lin

/s/ Chinnu Lin

Yanhui Lin

/s/ Yanhui Lin

George Yeh

/s/ George Yeh

Keelung Hong

/s/ Keelung Hong

Leemei Chen

/s/ Leemei Chen

Topmunnity Therapeutics Taiwan Limited

By: /s/ Amy Huang
Name: Amy Huang
Title: Director

Champions Management Co., Ltd.

By: /s/ Amy Huang
Name: Amy Huang
Title: Director

Hongtai Investment Co., Ltd.

By: /s/ Charles Chen
Name: Charles Chen
Title: Director

SECURITIES PURCHASE AGREEMENT (this “Agreement”) made on July 5, 2021**AMONG:**

- (1) Teal Sea Holding Corp., an exempted company organized under the laws of Cayman Islands, whose registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the “Issuer”);
- (2) TLC BioSciences Corp., an exempted company organized under the laws of Cayman Islands, whose registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the “Company”);
- (3) Sea Crest Holding Corp., an exempted company organized under the laws of Cayman Islands, whose registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (“Cayman 2”, together with the Issuer and the Company, the “Cayman Companies”);
- (4) Woods Investment Company, Ltd. (森投資股份有限公司), a limited liability company organized under the laws of Taiwan, whose registered office is located at 11F-1, No. 3, Yuanqu Street, Nangang District, Taipei (“Bidco”);
- (5) each of the individuals listed on Part I of Schedule I attached hereto (each, a “Major Shareholder”, and collectively, the “Major Shareholders”);
- (6) each of the individuals listed on Part II of Schedule I attached hereto (each, a “Management Party”, and collectively, the “Management Parties”); and
- (7) PAG Growth Lynx Holding (BVI) Limited, a limited liability company organized and existing under the laws of British Virgin Islands with its registered office at Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands (“PAG”).

RECITALS:

- (A) Taiwan Liposome Company, Ltd (“TLC”) is a company incorporated under the laws of the Republic of China and listed on the NASDAQ Global Select Stock Market and the Taipei Exchange.
- (B) On or around the date of this Agreement, Bidco and TLC is entering into a share swap agreement (the “Share Swap Agreement”), pursuant to which Bidco will issue Series B special shares (“Bidco Series B Special Shares”) to the shareholders of TLC (including the Major Shareholders and the Management Parties) in exchange for all of the issued shares of TLC in a share swap transaction under the laws of Taiwan (the “Share Swap”) and TLC will become wholly owned by Bidco at the completion of the Share Swap. At the completion of the Share Swap, Bidco will issue one Bidco Series B Special Share in exchange for each issued and outstanding share of TLC.
- (C) In accordance with the terms of Bidco Series B Special Shares, each holder will have the right to convert Bidco Series B Special Shares into the same number of common shares, par value NT\$10 per share, issued by Bidco (“Bidco Common Shares”) within a certain period, and the remaining Bidco Series B

Special Shares will be redeemed by Bidco for cash payments after the end of such period (the “Bidco Share Redemption”) at a redemption price of NT\$100 per share (the “Bidco Redemption Price”).

- (D) As soon as possible after the execution of this Agreement and no later than the shareholder meeting of TLC convened to approve the Share Swap, each of the Major Shareholders, the Management Parties and certain other shareholders of TLC entered into an irrevocable undertaking with Bidco (each, an “Irrevocable Undertaking”), pursuant to which each such shareholder agrees to elect to convert the Bidco Series B Special Shares received in the Share Swap into Bidco Common Shares in accordance with the terms of Bidco Series B Special Shares.
- (E) In preparation for the Bidco Share Redemption, on the Planned First Completion Date, the Issuer desires to issue and sell to PAG, and PAG desires to purchase from the Issuer, an exchangeable note exchangeable into Series A-1 preferred shares, par value of US\$0.0001 each, of the Company (the “Series A-1 Preferred Shares”) in the form agreed by the Parties (the “Note”), in the principal amount of US\$36 million (the “Principal Amount”), upon the terms and subject to the conditions set forth herein. The proceeds from the sale of the Note will be used by the Issuer to extend a loan to the Company (the “Issuer Loan”), which will in turn be used by the Company to extend a loan to Bidco (the “Company Loan”), which will be used by Bidco to fund part of the consideration payable for the Bidco Share Redemption (collectively, the “Use of First Completion Proceeds”). The remaining portion of the consideration payable by Bidco for the Bidco Share Redemption will be funded by the Major Shareholders and certain Other Rollover Shareholders (as defined below) before the First Completion Date by way of subscription for Series A-1, A-2 and A-3 special shares of Bidco (the “Bidco Series A-1, A-2 or A-3 Special Shares”, as applicable, and together, “Bidco Series A Special Shares”) in a total amount equal to NT\$1,567,000,000 at a per-share subscription price equal to the Bidco Redemption Price (collectively, the “Bidco Investment”). Any amount of the Bidco Investment in excess of the total amount of cash required for the Bidco Share Redemption minus the principal amount of the Note will be returned to the Major Shareholders in redemption for Bidco Series A Special Shares (the “Excess Bidco Series A Special Shares”) based on the subscription price.
- (F) After the completion of the Share Swap and the Bidco Share Redemption, each holder of Bidco Common Shares and Bidco Series A Special Shares, including each of the Major Shareholders and the Management Parties and each other holder of Bidco Series B Special Shares who elects to convert into Bidco Common Shares (each such holder, a “Rollover Shareholder”), will participate in a series of rollover transactions such that (i) the Bidco Common Shares and Bidco Series A-1 Special Shares held by each of the Major Shareholders and the Management Parties will be rolled over into the same number of ordinary shares and Series A preferred shares, respectively, issued by the Issuer, and (ii) the Bidco Common Shares, Bidco Series A-2 Special Shares and Bidco Series A-3 Special Shares held by the Rollover Shareholders other than the Major Shareholders and the Management Parties (the “Other Rollover Shareholders”) will be rolled over into the same number of ordinary shares, Series A preferred shares and Series B preferred shares, respectively, issued by Cayman 2 (the “Rollover Transactions”).
- (G) To effect the Rollover Transactions, (i) the Issuer will borrow bridge loans and use the proceeds to subscribe for ordinary shares (in number equal to the total number of ordinary shares issued by the Issuer) and Series A-2 Preferred Shares (in number equal to the number of Series A preferred shares issued by the Issuer) issued by the Company, and (ii) Cayman 2 will borrow bridge loans and use the proceeds to subscribe for ordinary shares (in number equal to the number of ordinary shares issued by Cayman 2), Series A-3 Preferred Shares (in number equal to the number of Series A preferred shares issued by Cayman 2) and Series



B Preferred Shares (in number equal to the number of Series B preferred shares issued by Cayman 2), in each case issued by the Company at a per-share price equal to the USD Equivalent of the Bidco Redemption Price. The Company will use the proceeds from such subscriptions to acquire all of the issued shares of Bidco from the Rollover Shareholders. The Rollover Shareholders will then use the proceeds from the sale to subscribe for ordinary shares issued by the Issuer or Cayman 2, as applicable, except that (i) with respect to the Bidco Series A-1 Special Shares, the Major Shareholders will receive Series A preferred shares issued by the Issuer, and (ii) with respect to the Bidco Series A-2 Special Shares and Bidco Special A-3 Special Shares, the Other Rollover Shareholders will receive Series A preferred shares and Series B preferred shares, respectively, issued by Cayman 2. The Series A preferred shares of each of the Issuer and Cayman 2 will be exchanged for Series A-2 Preferred Shares and Series A-3 Preferred Shares, respectively, of the Company at Second Completion. The ordinary shares of each of the Issuer and Cayman 2 and the Series B preferred shares of Cayman 2 will be exchanged for ordinary shares of the Company before the completion of an initial public offering of the Company. The Issuer and Cayman 2 will use the proceeds of the subscription to repay the bridge loans and cause the bridge loan lender to release all security interest received on the bridge loan. The per-share price for the subscription of shares of the Issuer, Cayman 2 or the Company shall be equal to the USD Equivalent of the Bidco Redemption Price. Each Rollover Shareholder will enter into an agreement with Bidco and the Cayman Companies with respect to the Rollover Transactions (each, a “Rollover Agreement”) when he elects to convert his Bidco Series B Special Shares into Bidco Common Shares and prior to the Bidco Share Redemption Date.

- (H) At the completion of the Rollover Transactions, the Rollover Shareholders will own all of the issued shares of the Issuer and Cayman 2, which will own all of the issued shares of the Company, which in turn will own all of the issued shares of Bidco. At the completion of the Rollover Transactions, on an as-converted basis (assuming the exchange of the Note and conversion of the Issuer Loan into ordinary shares of the Company at the USD Equivalent of the Bidco Redemption Price and 2,983,630 shares of TLC will be issued upon exercise of existing employee options after the date hereof), the total number of issued shares of the Company shall be 87,138,564, the total number of shares of TLC immediately prior to the completion of the Share Swap (the “Total Share Number”), and shall be equal to the combined number of issued shares of the Issuer and Cayman 2.
- (I) After the completion of the Rollover Transactions, subject to the conditions set forth herein, the Company desires to allot and issue to PAG, and PAG desires to purchase from the Company, certain number of Series A-1 Preferred Shares on the terms set forth herein. At the completion of such issuance, the Note will be exchanged for Series A-1 Preferred Shares issued by the Company in accordance with its terms.

1.1 Definitions. In this Agreement, unless the context otherwise requires the following words and expressions have the following meanings:

“Affiliate” of a Person (the “Subject Person”) means any other Person that directly or indirectly Controls, is directly or indirectly Controlled by or is directly or indirectly under common Control with the Subject Person.

“Basic Documents” means this Agreement, the Share Swap Agreement, the Irrevocable Undertakings, the Rollover Agreements, the Note, any Second Note, the Securities Holders’ Agreement, the Restated Articles, the Loan Agreements and the Security Documents.

“Bidco Escrow Account” means an escrow or trust account of Bidco maintained at a commercial bank designated by PAG (the “Escrow Bank”), the operation of which is subject to the Bidco Escrow Account Agreement.

“Bidco Escrow Account Agreement” means an escrow or trust agreement among Bidco, PAG and the Escrow Bank in form and substance reasonably satisfactory to PAG, which shall provide that any amount returned by the Paying Agent to the Bidco Escrow Account shall be immediately transferred out of the Bidco Escrow Account to PAG.

“Bidco Share Redemption Closing Date” means the date on which the Bidco Share Redemption is completed and the cash consideration for the Bidco Share Redemption is paid to holders of Bidco Series B Special Shares who have not duly elected to convert into Bidco Common Shares.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks in Taiwan or Hong Kong are required or authorized by law or executive order to be closed.

“Collective Warranties” means the representations and warranties of the Warrantors set forth in Schedule 2.

“Completion” means First Completion or Second Completion, as applicable.

“Control” of a Person means (i) ownership of more than fifty percent (50%) of the shares in issue or other equity interests of such Person or (ii) the power to direct the management or policies of a Person, whether through the ownership of more than fifty percent (50%) of the voting power of such Person, through the power to appoint a majority of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise.

“FDA” means the U.S. Food and Drug Administration.

“First Completion” means the completion of the Note Purchase.

“First Completion Date” means the date and time at which First Completion takes place.

“Governmental Authority” means any government or political subdivision thereof; any department, agency or instrumentality of any government or political subdivision thereof; any court or arbitral tribunal; and the governing body of any securities exchange, in each case having competent jurisdiction.

“Group” means collectively the Company, Bidco and TLC Group, and “Group Member” means any of them.

“Guarantor” means each of Bidco and TLC.

“Incompletion Trigger Event” means either that the Share Swap Closing Date does not occur within fifteen (15) days after the First Completion Date or the Bidco Share Redemption Closing Date does not occur within forty-five (45) days after the Share Swap Closing Date.

“InspirMed” means InspirMed Inc., an exempted company organized under the laws of the Cayman Islands, a Subsidiary of TLC.

“Loan Agreements” means the agreement to be entered into by the Issuer and the Company regarding the Issuer Loan and the agreement to be entered into by the Company and Bidco regarding the Company Loan.

“Mainland Chinese Investor” means an investor subject to the regulations under the Measures Governing Investment Permit to the People of Mainland Area (大陸地區人民來台投資許可辦法).

“Major Shareholder Representative” means Yuhua Lin or such other Person which the Major Shareholders listed on Part I of Schedule 1 designate as the Major Shareholder Representative.

“Material Adverse Effect” means any change, effect, event, occurrence, state of facts or development that has had or would reasonably be expected to have, individually or in the aggregate, (i) a material adverse impact on the business, operation, assets (including intangible assets), liabilities, financial position, earnings, financial or other condition, prospects, properties, or results of operations of the Issuer, the Company, Bidco and the TLC Group, taken as a whole, or (ii) the effect of preventing or materially delaying the consummation of the transactions contemplated by this Agreement and the other Basic Documents; provided that none of the following shall constitute or be deemed to contribute to a Material Adverse Effect, and otherwise shall not be taken into account in determining whether a Material Adverse Effect has occurred or would be reasonably likely to occur (except to the extent any of them has a disproportionate adverse impact on the Group relative to other similarly situated companies in the territories or industries in which the Group operate): any adverse effect arising out of, resulting from or attributable to (A) Taiwan economy or the global economy generally, (B) political conditions generally of Taiwan or any other country or jurisdiction in which a Group Member operates, (C) any hurricane, flood, tornado, earthquake, epidemic or pandemic, (D) any hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or worsening of any such hostilities, acts of war, sabotage, terrorism or military actions, (E) changes generally affecting the industries in which a Group Company operates, (F) changes after the date hereof in any applicable Law or the IFRS or the interpretation thereof, (G) matters reasonably and fairly disclosed in the Disclosure Schedules, and (H) actions expressly required to be taken pursuant to this Agreement and the other Basic Documents.



“NT\$” means New Taiwan Dollars, the lawful currency of Taiwan.

“PAG Warranties” means the representations and warranties of PAG set forth in Schedule 3.

“Party” or “Parties” means any signatory or the signatories to this Agreement and any Person who subsequently becomes a party to this Agreement as provided herein.

“Paying Agent” means a third party paying agent for the Share Swap and the Bidco Share Redemption approved by Bidco, PAG and TLC.

“Paying Agent Agreement” means an agreement among Bidco, TLC and the Paying Agent in form and substance reasonably satisfactory to PAG, which shall provide that (i) USD funds transferred to the Paying Agent will be converted into NT\$ in accordance with the instruction of the Central Bank at such time as necessary to pay the Bidco Redemption Price promptly after the Bidco Share Redemption Closing Date and (ii) upon occurrence of an Incompletion Trigger Event, the Paying Agent shall immediately return each cash payment it has received from an account of Bidco to the same account, in the same amount and, if not converted, in the same currency.

“Person” means any natural person, firm, company, Governmental Authority, joint venture, partnership, association or other entity (whether or not having separate legal personality).

“Planned First Completion Date” means the second trading date immediately preceding the last trading day of the TLC shares on the Taipei Exchange, as announced by TLC.

“Restated Articles” means the amended and restated memorandum and articles of association of the Company to be adopted on or prior to First Completion, which reflect the terms for Preferred Shares in substantially the form agreed by the Parties.

“Second Completion” means the completion of the Share Purchase.

“Second Completion Date” means the date and time at which Second Completion takes place.

“Second Note” means any exchangeable note of the Issuer purchased by PAG under Section 5.8 (Interim Funding) of the Securities Holders Agreement.

“Securities Holders’ Agreement” means the Securities Holders’ Agreement of the Company to be entered into by the Company, the Issuer, Cayman 2, the Major Shareholders, the Management Parties, Bidco, TLC (joining as a party by signing a joinder on the Share Swap Closing Date) and PAG in substantially the form agreed by the Parties on the First Completion Date.

“Security Document” means each document (i) creating or expressing to create or (ii) effecting, implementing or expressing to effect any of the following security interest in favor of PAG with respect to the obligations of the Issuer and the Company under the Note or any Second Note, each dated as of the First Completion Date (unless noted otherwise below), which shall be terminated upon exchange or redemption of the Note or any Second Note:

- (a) an assignment of the Issuer Loan;
- (b) an assignment of the Company Loan;

- (c) a first priority charge over all of the issued shares of the Issuer from time to time;
- (d) a first priority charge over the issued shares of the Company held by the Issuer from time to time;
- (e) a first priority charge over all of the issued shares of Bidco held by the Major Shareholders and the Management Parties and all of the Bidco Series A Special Shares held by the Other Rollover Shareholders that participate in the Bidco Investment and their Affiliates from time to time and all of the equity interest in Bidco held by the Company at the completion of the Rollover Transactions (the “Bidco Share Charge”);
- (f) a first priority charge over all of the issued shares of TLC held by Bidco at the completion of the Share Swap (the “TLC Share Charge”); and
- (g) a guarantee from Bidco and related promissory note and note authorization and endorsement with TLC joining as a joint Guarantor under the guarantee by signing a joinder together with a promissory note on the Share Swap Closing Date (the “TLC Joinder”).

“Senior Managers” means the President, the Chief Executive Officer, the Chief Medical Officer, the head of finance and administration, the head of research and development and the head of chemistry, manufacturing and controls (or the individuals with other titles performing the foregoing functions) and the C-level or above employees of the Group.

“Share Swap Closing Date” means the date when the Share Swap is completed under Taiwan Law.

“Singapore” means the Republic of Singapore.

“Subsidiary” means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

“TLC Group” means collectively TLC and all Subsidiaries of TLC, and “TLC Group Member” means any of them.

“TLC Security Documents” means the TLC Joinder and the supporting and registration documents to be delivered on the Share Swap Closing Date under the TLC Share Charge.

“US\$” or “USD” means United States Dollars, the lawful currency of the United States of America.

“USD Equivalent” means the USD equivalent calculated at the applicable foreign exchange used for the Rollover Transactions.

“Warranties” means the Collective Warranties and PAG Warranties.

“Warrantors” means collectively the Issuer, the Company, Bidco, the Major Shareholders and the Management Parties.

- 1.2 Terms Defined Elsewhere in this Agreement. The following terms are defined in this Agreement as follows:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Bidco	Preamble
Bidco Common Shares.....	Recitals
Bidco Investment	Recitals
Bidco Redemption Price	Recitals
Bidco Series A-1, A-2 or A-3 Special Shares	Recitals
Bidco Series B Special Shares	Recitals
Bidco Share Redemption.....	Recitals
Bidco Share Charge.....	1.1
Cayman 2	Preamble
Cayman Companies	Preamble
Company	Preamble
Company Loan	Recitals
Confidential Information.....	6.1(a)
Disclosure Schedule	5.3
Escrow Bank	1.1
ESOP	3.3(m)
Excess Bidco Series A Special Shares	Recitals
Exchange Shares	3.3(s)
First Completion Conditions	3.1
Indemnified PAG Party.....	8.1
Indemnified Party.....	8.2
Indemnified Warrantor Party	8.2
Indemnifying Party.....	8.2
Indemnifying Warrantor Party	8.1
Indemnity Threshold	8.3(b)
Irrevocable Undertaking.....	Recitals
Issuer	Preamble
Issuer Loan	Recitals
Losses	8.1
Major Shareholder(s)	Preamble
Management Party(ies)	Preamble
Note	Recitals
Note Purchase.....	2.1(a)
Note Purchase Price	2.1(c)
Other Rollover Shareholders.....	Recitals
PAG.....	Preamble
PAG's First Completion Expenses	7.1
PAG's Second Completion Expenses	7.2
Principal Amount	Recitals
Purchased Shares.....	2.2(a)
Rollover Agreement	Recitals

<u>Term</u>	<u>Section</u>
Rollover Transactions	Recitals
Second Completion Conditions.....	3.3
Second Completion CP Satisfaction Notice.....	4.1(b)
Series A-1 Preferred Shares	Recitals
Share Purchase	2.2(a)
Share Swap.....	Recitals
Share Swap Agreement	Recitals
SIAC.....	12.2
SIAC Rules	12.2
TLC	Recitals
TLC Joinder	1.1
TLC Share Charge.....	1.1
Total Share Number	Recitals
Total Share Purchase Price.....	2.2(c)
Transaction Expenses.....	7.1
Use of First Completion Proceeds	Recitals

1.3 Interpretation.

- (a) Directly or Indirectly. The phrase “directly or indirectly” means directly, or indirectly through one or more intermediate persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning.
- (b) Gender and Number. Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.
- (c) Headings. Headings are included for convenience only and shall not affect the construction of any provision of this Agreement.
- (d) Include not Limiting. “Include,” “including,” “are inclusive of” and similar expressions are not expressions of limitation and shall be construed as if followed by the words “without limitation.”
- (e) Law. References to “law” shall include all applicable laws, regulations, rules and orders of any Governmental Authority, including any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment; and “lawful” shall be construed accordingly.
- (f) References to Documents. References to this Agreement include the Schedules, Exhibits and Appendices, which form an integral part hereof. A reference to any Section, Schedule, Exhibit or Appendix is, unless otherwise specified, to such Section of, or Schedule, Exhibit to, this Agreement. The words “hereof,” “hereunder” and “hereto,” and words of like import, unless the context requires otherwise, refer to this Agreement as a whole and not to any particular Section hereof or Schedule, Exhibit hereto. A reference to any document



(including this Agreement) is to that document as amended, consolidated, supplemented, novated or replaced from time to time.

- (g) Time. Unless the context otherwise requires, a time of day is a reference to Hong Kong time. If a period of time is specified and dates from a given day or the day of a given act or event, such period shall be calculated exclusive of that day. If the day on or by which something must be done is not a Business Day, that thing must be done on or by the Business Day immediately following such day.
- (h) Writing. References to “writing” include any mode of reproducing words in a legible and non-transitory form, including by e-mail.
- (i) Language. This Agreement is drawn up in the English language. If this Agreement is translated into any language other than English, the English language text shall prevail.

SECTION 2 PURCHASE OF NOTE AND PREFERRED SHARES

2.1 Sale and Purchase of the Note.

- (a) Note Purchase. The Issuer agrees to issue and sell to PAG, and PAG agrees to purchase from the Issuer, the Note, subject to the terms and conditions herein (the “Note Purchase”).
- (b) Use of Proceeds. The Issuer shall use all of the proceeds from the sale of the Note for the Use of First Completion Proceeds.
- (c) Consideration. The consideration payable by PAG for the Note shall be an amount equal to the Principal Amount (the “Note Purchase Price”). The Note Purchase Price shall be payable at First Completion in accordance with Section 4.2(a)(ii).

2.2 Sale and Purchase of Preferred Shares.

- (a) Share Purchase. The Company agrees to allot and issue to PAG, and PAG agrees to subscribe for and purchase from the Company, such number of Series A-1 Preferred Shares (such Series A-1 Preferred Shares, the “Purchased Shares”, and such purchase, the “Share Purchase”) equal to (x) the Total Share Purchase Price (as defined below) divided by (y) the USD Equivalent of the Bidco Redemption Price, in any case no higher than the USD Equivalent of NT\$100, assuming that the total number of issued shares of the Company is the Total Share Number on a fully-diluted basis (excluding the shares issuable under the ESOP). A “fully-diluted basis” mean that the total number of issued shares of the Company shall be calculated assuming that all outstanding options, warrants and other equity securities convertible into or exercisable or exchangeable for ordinary shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged (excluding shares issuable under the New ESOP).

- (b) Use of Proceeds. The Company shall use all of the net proceeds from the sale of the Purchased Shares for research and development, clinical trials and general corporate purposes and shall not use such proceeds to repay any loan or other debt owed by the Company, Bidco or any TLC Group Member.
- (c) Consideration. The total consideration payable by PAG for the Purchased Shares shall be US\$50,000,000 (the “Total Share Purchase Price”), provided that PAG may reduce such amount by up to any amount funded by PAG under Section 5.8 (Interim Funding) of the Securities Holders Agreement. The Total Share Purchase Price shall be payable at Second Completion in accordance with Section 4.2(b)(ii).

SECTION 3 CONDITIONS PRECEDENT TO COMPLETION

3.1 Conditions Precedent to Obligations of PAG at First Completion. The obligation of PAG to complete the Note Purchase under this Agreement is subject to the fulfillment, prior to or simultaneously at First Completion (or at the time specified below), of the following conditions (the “First Completion Conditions”), any one or more of which may be waived by PAG:

- (a) each of the Collective Warranties remaining true and correct in all material respects (or, if qualified by materiality, then true and correct in all respects) on the First Completion Date as provided in Section 5.1;
- (b) each of the Warrantors having performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement and the other Basic Documents to which it is a party which are required to be performed or complied with by it on or before First Completion, including with respect to each Rollover Shareholder, such Rollover Shareholder having elected to convert his Bidco Series B Special Shares into Bidco Common Shares in accordance with his Irrevocable Undertaking and the terms of the Bidco Series B Special Shares;
- (c) each party to this Agreement and each other Basic Document (other than PAG) having duly attended to and carried out all requisite corporate procedures (if applicable) for the execution, delivery and performance of this Agreement and such other Basic Document, which includes,
 - (i) with respect to the Issuer:
 - (1) the authorization and issuance of the Note to PAG by the Issuer; and
 - (2) the execution, delivery and performance by the Issuer of this Agreement and the other Basic Documents to which it is a party, and all the transactions contemplated by this Agreement and such other Basic Documents to which it is a party; and

- (ii) with respect to TLC, board and shareholder approvals of the execution, delivery and performance of the Share Swap Agreement and the Share Swap;
- (d) all consents and approvals of, waiver from, notices to and filings or registrations with any Governmental Authority or any other Person required to be obtained at or prior to First Completion pursuant to any applicable law of any Governmental Authority, or pursuant to any contract binding on any Warrantor or any TLC Group Member or his, her or its assets are subject or bound, to effect the execution, delivery or performance by such Person of the Basic Documents to which he, she or it is a party or the consummation of the transactions contemplated thereby, shall have been obtained or made, including without limitation:
 - (i) a confirmation letter from Cathay United Bank to TLC and its Subsidiary, TLC Biopharmaceuticals, Inc., confirming that the transactions contemplated by the Basic Documents does not constitute an event of default under the Loan and Security Agreement dated December 27, 2018 entered into by such parties (as amended); and
 - (ii) a confirmation letter from Hong Kong Sansheng Medical Limited to TLC, confirming that the transactions contemplated by the Basic Documents does not constitute an acquisition of TLC which would trigger its right to terminate the Exclusive Commercialization Agreement dated March 1, 2019 entered into by such parties;
- (e) no event or circumstance having occurred between the date of this Agreement and the First Completion Date which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (f) there being no Governmental Authority or other Person that has instituted any legal proceedings, arbitration or administrative proceedings to restrain or prohibit the Note Purchase by PAG or any of the transactions contemplated under the Basic Documents or made any official regulatory inquiry in writing that would be reasonably expected to restrain or prohibit the First Completion;
- (g) the Warrantors having delivered to PAG a certificate, dated the First Completion Date, certifying that the conditions set forth in paragraphs (a) through (f) having been duly satisfied;
- (h) PAG having received certified or other copies of such documents referred to in paragraphs (c) and (d) above as it may reasonably request;
- (i) the Securities Holders' Agreement, duly executed by each party thereto other than TLC and PAG, having been delivered to PAG;
- (j) the Restated Articles having been duly adopted;
- (k) each of the Loan Agreements and the Security Documents (other than the TLC Joinder) and the supporting and registration documents required to be delivered upon signing of the Security Documents, in the form agreed by the

Company and PAG and duly executed by each party thereto other than PAG, having been delivered to PAG;

- (l) the approvals of delisting of the shares of TLC from the Taipei Exchange and withdrawal of public registration in Taiwan having been received in compliance with applicable Law;
- (m) the delisting of American depositary shares from the NASDAQ Global Select Stock Market having been completed in compliance with applicable Law;
- (n) documents in form and substance reasonably satisfactory to PAG evidencing the completion of the Bidco Investment, in an amount that is, together with the Note Purchase Price, sufficient to pay the total amount of the Bidco Redemption Price on the Bidco Series B Special Shares that will be issued in the Share Swap and are not covered by Irrevocable Undertakings, having been delivered to PAG;
- (o) the Bidco Escrow Account and the account of the Company at the Escrow Bank having been set up, and the Bidco Escrow Account Agreement and the Paying Agent Agreement, duly executed by each party thereto other than PAG, having been delivered to PAG;
- (p) written confirmation from Bidco to PAG that all conditions to Bidco's obligation to complete the Share Swap under the Share Swap Agreement having been satisfied or waived and Bidco will complete the Share Swap on the Share Swap Closing Date announced by TLC having been delivered to PAG;
- (q) non-competition and non-solicitation agreements between each of the Senior Managers and the Company and TLC, in form and substance reasonably satisfactory to PAG, duly executed having been delivered to PAG;
- (r) a complete and un-redacted copy of minutes for End-of-Phase II meeting with the FDA which reveals no material concern from FDA with respect to the TLC Group proceeding to Phase III clinical trial for TLC590;
- (s) a certified true copy of the updated register of directors of each of the Company and Bidco, as of the First Completion Date, evidencing appointment of one (1) designee of PAG, three (3) designees of the Issuer, and one (1) designee nominated by PAG for appointment by the Board or the shareholders, as applicable, at its/their discretion as directors of each of the Company and Bidco; and
- (t) a copy of the updated register of directors of the Issuer, certified by the registered officer provider thereof as true and complete as of the First Completion Date, evidencing appointment of one (1) designee of PAG as a director of the Issuer.

3.2 Conditions Precedent to Obligations of the Issuer at First Completion. The Issuer's obligation to complete the issuance of the Note to PAG is subject to the fulfillment,

prior to or simultaneously at First Completion, of the following conditions, any one or more of which may be waived by the Issuer:

- (a) each of the PAG Warranties remaining true and correct in all material respects (or, if qualified by materiality, then true and correct in all respects) on the First Completion Date;
- (b) PAG having performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement and the other Basic Documents to which it is a party that are required to be performed or complied with by it on or before First Completion;
- (c) PAG having delivered to the Issuer a certificate, dated the First Completion Date, certifying that the conditions set forth in paragraphs (a) and (b) having been duly satisfied; and
- (d) each of the Basic Documents (other than this Agreement and the Share Swap Agreement) to which PAG is a party, duly executed by PAG, having been delivered to the Issuer.

3.3 Conditions Precedent to Obligations of PAG at Second Completion. The obligation of PAG to complete the Share Purchase under this Agreement is subject to the fulfillment, prior to or simultaneously at Second Completion (or at the time specified below), of the following conditions, any one or more of which may be waived by PAG (the “Second Completion Conditions”):

- (a) each of the First Completion, the Share Swap Closing Date and the Bidco Share Redemption Closing Date having occurred and the Rollover Transactions having been completed;
- (b) each of the Collective Warranties remaining true and correct in all material respects (or, if qualified by materiality, then true and correct in all respects) on the Second Completion Date as provided in Section 5.1;
- (c) each of the Warrantors having performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement and the other Basic Documents to which it is a party which are required to be performed or complied with by it on or before Second Completion;
- (d) each party to this Agreement and each other Basic Document (other than PAG) having duly attended to and carried out all requisite corporate procedures (if applicable) for the execution, delivery and performance of this Agreement and such other Basic Document;
- (e) all consents and approvals of, notices to and filings or registrations with any Governmental Authority or any other Person required to be obtained at or prior to Second Completion pursuant to any applicable law of any Governmental Authority, or pursuant to any contract binding on any party to the Basic Documents (other than PAG) or his, her or its assets are subject or bound, to effect the execution, delivery or performance by such Person of the Basic



Documents to which he, she or it is a party or the consummation of the transactions contemplated thereby, shall have been obtained or made;

- (f) no event or circumstance having occurred between the date of this Agreement and Second Completion which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (g) there being no Governmental Authority or other Person that has instituted any legal proceedings, arbitration or administrative proceedings to restrain or prohibit the Share Purchase by PAG or any of the transactions contemplated under the Basic Documents or made any official regulatory inquiry in writing that would be reasonably expected to restrain or prohibit the Second Completion;
- (h) the Warrantors having delivered to PAG a certificate, dated the Second Completion Date, certifying that the conditions set forth in paragraphs (a) through (g) above having been duly satisfied;
- (i) PAG having received certified or other copies of such documents referred to in Sections 3.1(c) and 3.1(d) above as it may reasonably request;
- (j) a joinder to the Securities Holders' Agreement, duly executed by TLC and each holder of Series A-3 Preferred Shares after Second Completion in the applicable form attached to the Securities Holders' Agreement, having been delivered to PAG;
- (k) the Bidco Share Charge executed by the Company and the supporting and registration documents required to be delivered upon signing thereof, in the form agreed by the Company and PAG and duly executed by each party thereto other than PAG, having been delivered to PAG;
- (l) an action plan, parameters and timetable having been agreed by the Major Shareholders, the Management Parties and PAG with respect to a restructuring of the shareholding structure of InspirMed;
- (m) the Company having adopted an employee share option plan (the "ESOP"), after consultation with PAG, pursuant to which such number of ordinary shares of the Company representing ten percent (10%) of the total issued shares of the Company after First Completion on an as-exercised basis will be reserved for issuance to employees of the Group Members upon vesting and exercise of the options granted thereunder and the exercise price shall equal to the USD Equivalent of the Bidco Redemption Price;
- (n) each condition under Section 3.1 which shall may be waived by PAG at or prior to First Completion (if any) having been satisfied to the satisfaction of PAG;
- (o) the directors of the board of each of the Company, Bidco and TLC shall be re- elected so that the number of directors constituting the entire board of each of the Company, Bidco and TLC shall be five (5), consisting of three (3) directors

appointed by the Issuer, one (1) directors appointed by PAG and one (1) director nominated by PAG for appointment by the shareholder at its discretion;

- (p) the directors of the Issuer shall be re-elected so that one (1) designee of PAG shall be appointed as a director of the Issuer;
- (q) a copy of the updated register of directors of each of the Company, Bidco, TLC and the Issuer, certified by the registered office provider of the Company and the Issuer and the chairman of the board of directors of Bidco and TLC, as applicable, as true and complete as of the Second Completion Date, evidencing satisfaction of Section 3.3(o) and Section 3.3(p), having been provided to the satisfaction of PAG;
- (r) no Event of Default (as defined in the Note) having occurred under the Note;
- (s) the Series A-1 Preferred Shares that will be issued and transferred to PAG upon exchange of the Note in accordance with the terms and conditions thereof (the “Exchange Shares”) shall have been duly authorized; and
- (t) certain other conditions agreed by the Parties.

In the event that the Company has acquired all but five percent (5%) of the issued shares of Bidco through the Rollover Transactions, the Cayman Companies, BidCo, the Major Shareholders and the Management Parties shall provide PAG with a plan and timetable for the Company to acquire the remaining shares of Bidco as soon as practicable. If such minority interest in Bidco will not have any adverse impact on a Qualified IPO (as defined in the Securities Holders’ Agreement), PAG will consider waiving the condition under paragraph (a) above in good faith to proceed with Second Completion if the other conditions set forth above have been satisfied.

3.4 Conditions Precedent to Obligations of the Company at Second Completion. The Company’s obligation to complete the issuance of the Purchased Shares to PAG is subject to the fulfillment, prior to or simultaneously at Second Completion, of the following conditions, any one or more of which may be waived by the Company:

- (a) each of the PAG Warranties remaining true and correct in all material respects (or, if qualified by materiality, then true and correct in all respects) on the Second Completion Date;
- (b) PAG having performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement and the other Basic Documents to which it is a party that are required to be performed or complied with by it on or before Second Completion; and
- (c) PAG having delivered to the Company a certificate, dated the Second Completion Date, certifying that the conditions set forth in paragraphs (a) and (b) above having been duly satisfied.

SECTION 4 COMPLETION

4.1 Time and Place.

- (a) First Completion. First Completion shall be conducted by remote exchange of documents or electronic documents on the later of (i) the Planned First Completion Date and (ii) the third (3th) Business Day after satisfaction or waiver of all of the First Completion Conditions and the conditions set forth Section 3.2 (except for those conditions which by their nature may not be satisfied until First Completion, but subject to the satisfaction or waiver thereof at First Completion), or at such other time as the Issuer and PAG may mutually agree in writing. The Issuer shall promptly notify PAG in writing after satisfaction of all of the First Completion Conditions (except for those conditions which by their nature may not be satisfied until First Completion, and for such purpose, disregarding any requirement that any First Completion Condition is subject to satisfaction of PAG).

- (b) Second Completion. Second Completion shall be conducted by remote exchange of documents or electronic documents on the tenth (10th) Business Day after satisfaction or waiver of all of all of the Second Completion Conditions and the conditions set forth in Section 3.4 (except for those conditions which by their nature may not be satisfied until Second Completion, but subject to the satisfaction or waiver thereof at Second Completion), or at such other time as the Company and PAG may mutually agree in writing. The Company shall promptly notify PAG in writing after satisfaction of all of the Second Completion Conditions (except for those conditions which by their nature may not be satisfied until Second Completion, and for such purpose, disregarding any requirement that any Second Completion Condition is subject to satisfaction of PAG) (such notice, the “Second Completion CP Satisfaction Notice”). Subject to Section 3.3 and Section 3.4, the Parties shall use all commercially reasonable efforts to consummate Second Completion within three (3) months after completion of the Rollover Transactions or, if any Acceleration Trigger occurs prior to completion of the Rollover Transactions, within one (1) month after completion of the Rollover Transactions.

4.2 Actions at Completion.

- (a) First Completion. At First Completion:
 - (i) the Issuer shall deliver to PAG:
 - (1) the duly authorized and executed Note, in a principal amount equal to the Principal Amount, payable to the order of and registered in the name of PAG; and
 - (2) copies of the updated registers of directors of each of the Company, Bidco, TLC and the Issuer contemplated by Sections 3.1(s) and 3.1(t); and

- (ii) PAG shall pay the Note Purchase Price by wire transfer of immediately available funds to a bank account of the Company maintained at the Escrow Bank, provided that details of such bank account shall be notified by the Issuer to PAG at least three (3) Business Days prior to the First Completion Date. The Company and Bidco shall cause the Escrow Bank to immediately transfer the full amount of such funds received from PAG to the Bidco Escrow Account under the Company Loan and then to the Paying Agent under the Paying Agent Agreement, and shall set up written instructions and arrangement with the Escrow Bank that are reasonably satisfactory to PAG prior to the First Completion. The payment from PAG to the bank account of the Company shall constitute full payment of the Note Purchase Price by PAG under this Agreement and full funding of the loan under the Issuer Loan. PAG and Bidco will discuss in good faith with the Paying Agent as to the reasonable payment arrangement and wiring schedule as the Paying Agent deems reasonably necessary to fulfil its obligations as a Paying Agent.

(b) Second Completion. At Second Completion:

- (i) the Company shall deliver to PAG:
 - (1) a certified true copy of the updated register of members of the Company, as of the Second Completion Date, reflecting the issuance to PAG of the Purchased Shares and the issuance and transfer to PAG of the Exchange Shares;
 - (2) a copy of the duly executed share certificate issued in the name of PAG dated as of the Second Completion Date representing PAG's ownership of the Purchased Shares and the Exchange Shares, with the originals to be delivered to PAG within five (5) Business Days following Second Completion; and
 - (3) copies of the updated registers of directors of each of the Company, Bidco, TLC and the Issuer contemplated by Section 3.3(q); and
- (ii) PAG shall pay the Total Share Purchase Price by wire transfer of immediately available funds to a bank account designated by the Company, provided that details of such bank account shall be notified by the Company to PAG at least three (3) Business Days prior to the Second Completion Date.

SECTION 5
REPRESENTATIONS; WARRANTIES; UNDERTAKING; POST-CLOSING
COVENANTS

5.1 Collective Warranties. The Warrantors hereby severally not jointly represent and warrant to PAG that each of the statements with respect to itself, himself or herself set forth in Part I of Schedule 2, and jointly and severally represent and warrant to PAG, that, except as otherwise specifically set forth on the Disclosure Schedule in accordance

with Section 5.3 below, which exceptions shall be deemed to be part of the representations and warranties made hereunder, each of the statements set forth in Part II of Schedule 2, is true and correct, as of the date hereof, and shall be true and correct as of each Completion (except for those representations and warranties that address matters only as of a particular date, which shall be true and correct as of such particular date) and acknowledge that PAG in entering into this Agreement are relying on such representations and warranties. Except for the Collective Warranties, the Warrantors do not make any other representation or warranty of any kind of nature whatsoever, oral or written, express or implied, with respect to the Warrantors, the Group, the Basic Documents or the transactions contemplated by the Basic Documents. Except for the Collective Warranties, each of the Warrantors disclaims all liability and responsibility for any representations or warranties, whether made by the Warrantor, or any of its Affiliates or representative or any other person, or any opinion, advice, statement or information made, communicated, or furnished (orally or in writing) to PAG or its Affiliates or representatives, in each case regarding any projections, estimates or other forward-looking information. The Warrantors do not make any representations or warranties to the PAG or any other person regarding the probable success or probable profitability of the Group or the business after the Completion.

5.2 PAG Warranties. PAG hereby represents and warrants to each Warrantor that each of the statements set forth in Schedule 3 is true and correct, as of the date hereof, and will be true and correct as of each Completion (except for those representations and warranties that address matters only as of a particular date, which will be true and correct as of such particular date), and acknowledges that each Warrantor in entering into this Agreement is relying on such representations and warranties.

5.3 Knowledge of Claims. The Collective Warranties are given subject to the matters fully and fairly disclosed in the disclosure schedule agreed by the Parties, which shall be deemed to be part of and qualify the representations and warranties made hereunder (the “Disclosure Schedule”), but no other information relating to the Warrantors or the TLC Group of which PAG has knowledge (actual or constructive) and no investigation by or on behalf of PAG shall prejudice any claim made by PAG under the indemnity contained in Section 8.1 or operate to reduce any amount recoverable thereunder. It shall not be a defense to any claim against PAG that PAG knew or ought to have known or had constructive knowledge of any information (other than as disclosed in the Disclosure Schedule) relating to the circumstances giving rise to such claim. If at any time prior to the applicable Completion, a Warrantor becomes aware of any inaccuracies in respect of any Collective Warranties, then such Warrantor shall reasonably promptly (but in any event before Completion) notify PAG in writing of the existence of such inaccuracies by providing to PAG an updated Disclosure Schedule. The Warrantors shall also have the right, at any time after the date of this Agreement and prior to the applicable Completion, to provide to PAG an updated Disclosure Schedule regarding any facts or circumstances arising after the date of this Agreement which a Warrantor becomes aware of. Unless an updated Disclosure Schedule is acknowledged and accepted by PAG prior to Completion, in no event shall the delivery of any updated Disclosure Schedule be deemed to have cured any inaccuracies in respect of any Collective Warranties and PAG shall have the right to terminate this Agreement pursuant to Section 9.

5.4 Interim Covenants.

- (a) From the date hereof until First Completion, except for the transactions contemplated by and required under the Basic Documents, the Cayman Companies and Bidco shall not engage in any business, conduct any operation, issue any securities or incur any debt or other liabilities (other than complying with the formalities required for maintaining their respective corporate existence in good standing).
 - (b) The Warrantors shall ensure that immediately before the Second Completion, the total number of issued and outstanding shares of the Company and TLC shall be the Total Share Number on a fully-diluted basis (excluding the shares of the Company issuable under the ESOP) on an as-converted basis (assuming the exchange of the Note and conversion of the Issuer Loan into ordinary shares of the Company at the USD Equivalent of the Bidco Redemption Price and 2,983,630 shares of TLC are issued upon exercise of existing employee options after the date hereof).
- 5.5 Completion of Share Swap. Bidco shall, and the Management Parties and the Major Shareholders shall cause Bidco to, complete the Share Swap on the planned Share Swap Closing Date announced by TLC.
- 5.6 Bidco Share Conversion and Redemption. Bidco shall, and the Management Parties and the Major Shareholders shall cause Bidco to, use commercially reasonable efforts to complete the conversion and redemption of the Bidco Series B Special Shares and redemption of the Excess Bidco Series A Special Shares, in each case in accordance with their terms within sixty (60) days after the Share Swap Closing Date. Each of the Management Parties and the Major Shareholders undertakes to elect to convert any Bidco Series B Special Shares he receives in the Share Swap into Bidco Common Shares and to complete the Rollover Transactions with respect to all of the Bidco Common Shares and Bidco Series A Special Shares he acquires.
- 5.7 Securities Holders' Agreement. On the Share Swap Closing Date, Bidco shall cause TLC to duly approve and execute a joinder to become a party to the Securities Holders' Agreement and deliver such joinder to PAG.
- 5.8 Bidco Share Charge. The Major Shareholders, the Management Parties and Bidco shall complete the perfection of the Bidco Share Charge in accordance with the terms of the Bidco Share Charge (i) within thirty (30) days after the First Completion Date and prior to the Bidco Share Redemption Closing Date if Bidco will issue share certificates, or (ii) on or prior to the First Completion Date if Bidco will not issue share certificates.
- 5.9 Paying Agent Agreement. Bidco shall not agree to any amendment to or waiver of any provision of the Payment Agent Agreement without the prior written consent of PAG. Upon occurrence of an Incompletion Trigger Event, Bidco shall, and the Major Shareholders and the Management Parties shall cause Bidco to, instruct the Paying Agent to immediately return the same amount received by the Paying Agent from the Bidco Escrow Account back to the Bidco Escrow Account pursuant to the Paying Agent Agreement.
- 5.10 Rollover Transactions. The Warrantors shall, and shall use their best efforts to cause their respective Affiliates to, comply with their obligations under the Rollover



Agreements and use commercially best efforts to complete the Rollover Transactions in compliance with applicable laws and regulations as soon as practicable.

- 5.11 Securities Law Filings. The Warrantors shall, and shall cause their Affiliates and beneficial owners to, make timely filings in compliance with applicable securities laws and regulations in connection with the transactions contemplated under this Agreement and other Basic Documents.
- 5.12 PAG's Assistance and Bank Guarantee. PAG shall assist in the Share Swap and the Rollover Transactions by providing reasonably sufficient documents showing that PAG is not a Mainland Chinese Investor as requested by applicable Governmental Authority and responses to inquiries relating to PAG and its Affiliate by the applicable Governmental Authority. On the date of signing of this Agreement, PAG shall provide a bank guarantee in favor of the Issuer in the form and substance reasonably satisfactory to the Issuer, which will secure the obligation of PAG to pay the Note Purchase Price under this Agreement and remain effective in accordance with its terms. PAG will renew, extend or replace the bank guarantee if the First Completion does not occur by December 31, 2021.
- 5.13 Receivables Charges. Within three (3) months after the First Completion Date, the Company, Bidco, TLC and PAG shall discuss and enter into an arrangement under which TLC shall provide a charge to PAG (or an alternative arrangement that provides substantially the same security or has substantially the same effect in favor of PAG that is reasonably satisfactory to PAG), over all of the receivables owed to TLC or its Affiliates under or in connection with any agreement (including any future agreement related to or derivative of such agreement) between TLC or any of its Affiliates and any Person, including Hong Kong Sansheng Medical Limited, Endo International plc, Advanz Pharma Corp Limited or any of their respective Affiliates, in relation to licensing or commercialization of TLC166 and related technology and know-how in any territory and a charge over the bank account of TLC into which such receivables will be paid, in each case that is subordinated to the security interest held by Cathay Bank.
- 5.14 Termination of Security Documents. Upon the termination of the Security Documents, PAG shall return all the Security Documents to Bidco or the applicable chargors or guarantors and take necessary actions to release all of PAG's security interest created or effected by the Security Documents, including without limitation, charges over the issued shares of the Issuer, the Company, Bidco and TLC.
- 5.15 Number of Rollover Shareholders. Following First Completion, if Bidco or the Company has three hundred (300) or more shareholders of record and cannot deregister its shares with the SEC, Bidco, the Company and PAG shall discuss and agree on reasonable action plan and steps, and Bidco and the Company shall undertake, to reduce the number of such shareholders of record to less than three hundred (300) such that Bidco or the Company can deregister its shares with the SEC as soon as practicable. At any time when Bidco (after the Bidco Share Redemption) or the Company (after completion of the Rollover Transactions) has less than three hundred (300) shareholders of record, it shall promptly deregister its shares with the SEC. In the event that Bidco, the Company or another Group Member has securities registered with the SEC after First Completion or plans to complete a new listing or initial public offering

in the United States, at the request of PAG, the Company shall, and shall cause any such Group Member to, enter into a registration rights agreement with PAG and grant customary registration rights to PAG.

SECTION 6

CONFIDENTIALITY; RESTRICTION ON ANNOUNCEMENTS

6.1 General Obligation. Subject to Section 6.2, each Party hereto:

- (a) shall treat as strictly confidential all information relating to, obtained or received by it as a result of negotiating, entering into or performing his/her/its obligations under this Agreement which relates to the existence, provisions or subject matter of this Agreement (“Confidential Information”); and
- (b) shall not, except with the prior written consent of the other Parties, directly or indirectly, disclose, reveal, divulge, publish or otherwise make known to any Person any Confidential Information.

6.2 Exceptions. Sections 6.1 and 6.3 shall not apply if and to the extent that a Party hereto disclosing Confidential Information can demonstrate that such disclosure is:

- (a) required pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceeding or otherwise advised by competent legal advisors that such disclosure is required by applicable law or regulation and so long as, where such disclosure is to a Governmental Authority, such Party shall inform the other Party promptly thereof to the extent permitted by law and use all commercially reasonable efforts to obtain confidential treatment of the Confidential Information so disclosed;
- (b) required by the applicable rules of any stock exchange;
- (c) to the directors, officers, employees, advisors, agents and other representatives of such Party on a need-to-know basis and professional advisors of such Party or its Affiliates as necessary to the performance of its obligations in connection herewith so long as such Party advises each Person to whom the Confidential Information is so disclosed as to the confidential nature thereof (such Party shall be and remain responsible for the failure by such Person to maintain the confidentiality of the Confidential Information);
- (d) with respect to PAG, to any Person that enters into bona fide negotiations to acquire PAG’s interest in the Issuer or the Company so long as such Person has agreed to maintain the confidentiality of the Confidential Information, and
- (e) with respect to PAG, to the equity or debt financing sources (including direct or indirect shareholders and limited partners) of PAG or its Affiliates for purposes of reviewing existing investments and new investments proposals and conducting investment management activities in its ordinary course of business.

6.3 Press Release. No public announcement, circular or other public communication in connection with the existence or the subject matter of this Agreement or the transaction

shall be made or issued by or on behalf of any Party or its respective Affiliates, without the prior written approval of the other Parties, which approval shall not be unreasonably or untimely withheld to the extent the communication is required pursuant to applicable Law, or the rules of any officially recognized exchange on which the securities of a Party or any of its Affiliates are listed, or a binding decision of a court or another Governmental Authority.

SECTION 7 EXPENSES

- 7.1 PAG First Completion Expenses. The Warrantors shall, jointly and severally, pay or reimburse PAG (x) due diligence, legal and other reasonable costs and expenses of PAG in connection with the preparation, negotiation, execution and performance of this Agreement and the other Basic Documents and the consummation of the transactions contemplated hereby and thereby (“Transaction Expenses”) incurred solely for the benefit of PAG up to US\$500,000 and (y) Transactions Expenses incurred by PAG for the benefit of PAG and certain other Parties and not solely for PAG (collectively under clauses (x) and (y), “PAG’s First Completion Expenses”). The Warrantors shall, jointly and severally, pay PAG’s First Completion Expenses to PAG within five (5) Business Days upon delivery of an invoice therefor by PAG with supporting documents after the First Completion or the termination of the Agreement, as the case may be.
- 7.2 PAG Second Completion Expenses. The Warrantors shall, jointly and severally, pay or reimburse (x) Transaction Expense incurred solely for the benefit of PAG up to US\$500,000 minus the amount of PAG’s First Completion Expenses paid under clause (x) of Section 7.1 above and (y) Transaction Expense incurred by PAG for the benefit of PAG and certain other Parties and not solely for PAG (collectively under clauses (x) and (y), “PAG’s Second Completion Expenses”). If Second Completion occurs, PAG’s Second Completion Expenses shall be paid to PAG at Second Completion. If Second Completion does not occur, the Warrantors shall, jointly and severally, pay PAG’s Second Completion Expenses to PAG within five (5) Business Days upon delivery of an invoice therefor by PAG after PAG’s obligation to consummate the SharePurchase is terminated pursuant to Section 9.2(b).

SECTION 8 INDEMNIFICATION

- 8.1 Indemnification by Warrantors. The Warrantors (each, a “Indemnifying Warrantor Party”) shall, jointly and severally, indemnify, defend and hold harmless PAG, each of its Affiliates and their respective officers, directors, advisors, agents and employees (each a “Indemnified PAG Party”) from and against any losses, claims, damages, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever, including any investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding, and any taxes or levies that may be payable by such Person by reason of the indemnification of any indemnifiable loss hereunder (collectively, “Losses”) resulting from or arising out of any breach by any Indemnifying Party of any Collective Warranty, covenant or agreement in this Agreement or any other Basic Document.

8.2 Indemnification by PAG. PAG (together with an Indemnifying Warrantor Party, an “Indemnifying Party”, as applicable) shall indemnify, defend and hold harmless the Warrantors, each of their Affiliates and their respective officers, directors, advisors, agents and employees (each an “Indemnified Warrantor Party” together with a Indemnified PAG Party, an “Indemnified Party”, as applicable) from and against any Losses resulting from or arising out of any breach by PAG of any PAG Warranty or any covenant or agreement of PAG in this Agreement or any other Basic Document.

8.3 Limitations.

- (a) The Indemnifying Party shall have no liability to any Indemnified Parties with respect to any breach of representations and warranties by any Indemnifying Party in respect of any claim or series of claims arising from the same or substantially similar facts or circumstances if the Losses actually suffered or incurred by such Indemnified Party in respect of such claim or series of claims is less than US\$100,000; provided, however, that the limitation set forth in this Section 8.3(a) shall not apply to Losses related to (i) fraud or willful misconduct or (ii) any intentional breach of any Collective Warranties or any PAG Warranty, as applicable.
- (b) The Indemnifying Party shall have no liability to any Indemnified Party with respect to any breach of representations and warranties by the Indemnifying Party, unless and until the aggregate amount of the Losses actually suffered or incurred by such Indemnified Party (without taking into account any Losses excluded pursuant to Section 8.3(a)) exceeds US\$1,000,000 (the “Indemnity Threshold”), in which case the Indemnifying Party shall be liable to such Indemnified Party, for all Losses, however, that the limitation set forth in this Section 8.3(b) shall not apply to Losses related to (i) fraud or willful misconduct or (ii) any intentional breach of any Collective Warranties or any PAG Warranty, as applicable.
- (c) The maximum aggregate liability of the Warrantors to the Indemnified PAG Parties with respect to any breach of representations and warranties by any Warrantor shall not exceed one hundred percent (100%) of the sum of the Note Purchase Price and Total Share Purchase Price paid by PAG.
- (d) The maximum aggregate liability of PAG to the Indemnified Warrantor Parties with respect to any breach of PAG Warranties shall not exceed one hundred percent (100%) of the sum of the Note Purchase Price and Total Share Purchase Price paid by PAG.

8.4 Survival of Collective Warranties.

- (a) The fundamental representations and warranties in Sections 1 to 7 of Part I and Sections 1, 2 and 4 of Part II of Schedule 2 of this Agreement shall survive indefinitely, those in Sections 8 and 17 of Part II of Schedule 2 shall survive until the expiration of the applicable statute of limitation periods and the other warranties shall survive until the earlier of (i) the completion of a Qualified IPO (as defined in the Securities Holders’ Agreement) and (ii) three (3) years after the applicable Completion. The representations and warranties shall in no way be affected by any investigation of the subject matter thereof made by

or on behalf of any Party hereof; provided, however, that any claim made with reasonable specificity by the party seeking to be indemnified within such survival period shall survive until such claim is finally and fully resolved. Notwithstanding anything to the contrary provided in this Agreement, the aforementioned limitation on survival period shall not apply in the event of any fraud, willful misconduct, gross negligence or willful default or willful misrepresentation on the part of any Party.

- 8.5 Expenses. Any indemnity as referred to in this Section 8 for breach of any representation or warrant shall be such as to place the relevant Indemnified Party in the same position as it would have been in had there not been any breach of the representation or warranty under which such Indemnified Party is to be indemnified. In connection with the obligation of the Indemnifying Party to indemnify for expenses as set forth above, the Indemnifying Party shall, upon presentation of appropriate invoices containing reasonable detail, reimburse each Indemnified Party for all such reasonable expenses as they are incurred by such Indemnified Party.

SECTION 9 TERMINATION

- 9.1 Effective Date; Termination. This Agreement shall become effective upon execution by the parties hereto and shall continue in force until terminated in accordance with Section 9.2.

9.2 Termination.

- (a) This Agreement may be terminated prior to the First Completion as follows:
- (i) at the election of PAG or the Issuer within three (3) months after March 31, 2022, if any one or more of the First Completion Conditions has not been fulfilled (or expressly waived) on or prior to March 31, 2022; provided, that this termination right shall not be available to PAG if the action or inaction of PAG or any of its Affiliates or representatives has contributed to failure of an applicable condition precedent for the First Completion and shall not be available to the Issuer if the action or inaction of any party hereto (other than PAG) or any of its Affiliates or representatives has contributed to failure of an applicable condition precedent for the First Completion;
 - (ii) at the election of PAG, if any Warrantor has breached any Collective Warranty or any other material covenant or agreement contained in this Agreement or any other Basic Document in any material aspect, which breach cannot be cured or is not cured within thirty (30) days after being notified in writing of the same;
 - (iii) at the election of the Issuer, if PAG has breached any PAG Warranty or any other material covenant or agreement contained in this Agreement or any other Basic Document in any material aspect, which breach cannot be cured or is not cured within thirty (30) days after being notified in writing of the same;



- (iv) by mutual written consent of the Issuer and PAG; or
 - (v) at the election of PAG, upon termination of the Share Swap Agreement or failure to complete the Share Swap in accordance with the Share Swap Agreement.
- (b) Without prejudice to Section 9.2(a), PAG's obligation to consummate the Share Purchase may be terminated prior to Second Completion, at the election of PAG, if (i) any Warrantor has breached any Collective Warranty or any other material covenant or agreement contained in this Agreement or any other Basic Document in any material aspect, which breach cannot be cured or is not cured within thirty (30) days after being notified in writing of the same, (ii) any one or more of the Second Completion Conditions has not been fulfilled (or expressly waived) on or prior to the first anniversary of the date hereof or
- (iii) any Event of Default (as defined in the Note) has occurred under the Note.
- (c) Without prejudice to Section 9.2(a), the Company's obligation to consummate the Share Purchase may be terminated prior to Second Completion, at the election of the Company, if (i) PAG has breached any of PAG Warranty or any other material covenant or agreement contained in this Agreement or any other Basic Document in any material aspect, which breach cannot be cured or is not cured within thirty (30) days after being notified in writing of the same, or (ii) any one or more of the conditions set forth in Section 3.4 has not been fulfilled (or expressly waived) on or prior to the first anniversary of the date hereof.

9.3 Survival. If this Agreement is terminated pursuant to Section 9.2, this Agreement shall become null and void and of no further force and effect, except that the Parties shall continue to be bound by the provisions of Section 6 (*Confidentiality; Restriction on Announcements*), Section 7 (*Expenses*), Section 8 (*Indemnification*), this Section 9, Section 10 (*Notices*), Section 11 (*Miscellaneous*) and Section 12 (*Governing Law and Dispute Resolution*). Nothing in this Section 9 shall be deemed to release any Party from any liability for any breach of this Agreement prior to the effective date of such termination.

SECTION 10 NOTICES

- 10.1 Notices. Each notice, demand or other communication given or made under this Agreement shall be in writing in English and delivered or sent to the relevant Party at its address or email address set out below (or such other address or email address as the addressee has by five (5) days' prior written notice specified to the other Parties). Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered, (a) if delivered in person or by messenger, when proof of delivery is obtained by the delivering party; (b) if sent by pre-paid international overnight courier, on the third Business Day following posting; and (c) if given or made by email, upon receipt of confirmation of error-free transmission.
- 10.2 Addresses and Fax Numbers. The initial address, facsimile and email for each Party for the purposes of this Agreement are:



PAG	PAG Growth Lynx Holding (BVI) Limited Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands Attention: Yulu Ying Email: yying@pag.com
Issuer and Company	Teal Sea Holding Corp. / TLC BioSciences Corp. PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands Attention: George Yeh Email: george@tlcbio.com
Cayman 2	Sea Crest Holding Corp. PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands Attention: George Yeh Email: george@tlcbio.com
Bidco	Woods Investment Company, Ltd. 11F-1, No. 3, Yuanqu Street, Nangang District, Taipei Attention: George Yeh Email: george@tlcbio.com
Major Shareholders	Yuhua Lin 14F.-4, No. 167, Fuxing N. Rd., Songshan Dist., Taipei Attention: Yuhua Lin Email:
Management Parties	TLC 11F-1, No. 3, Yuanqu Street, Nangang District, Taipei Attention: Carina Chen Email: carina@tlcbio.com

SECTION 11 MISCELLANEOUS

- 11.1 **Enforcement Action.** For the avoidance of doubt, any obligation on the part of PAG to make the investment hereunder is made solely to the Issuer or the Company (as applicable), and no Party (other than the Issuer or the Company, as applicable) shall have any right to enforce such obligation against PAG.
- 11.2 **No Partnership.** The Parties expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership law. The Parties do not intend to be partners one to another, or partners as to any third party, or create any fiduciary relationship among themselves.

- 11.3 Assignment. This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each Party. No Party may assign its rights or obligations under this Agreement without the prior written consent of each other Party, and any purported assignment without such consent shall be void and without effect, except that PAG may assign this Agreement or any of its rights or duties hereunder to any of its Affiliates and PAG shall notify the Issuer and the Company of such assignment.
- 11.4 Amendment. This Agreement may not be amended, modified or supplemented except by a written instrument executed by PAG, the Issuer, the Company and the Major Shareholder Representative.
- 11.5 Waiver. No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision except that the Major Shareholder Representative may waive any provision on behalf of any Major Shareholder. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.
- 11.6 Entire Agreement. This Agreement (together with the other Basic Documents and any other documents that are referred to herein or therein or are dated as of the date hereof and refer to this Agreement) constitutes the whole agreement among the Parties relating to the subject matter hereof and supersedes any prior agreements or understandings relating to such subject matter.
- 11.7 Severability. Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of this Agreement as remain not so deleted.
- 11.8 Counterparts. This Agreement may be executed in one or more counterparts including counterparts transmitted by e-mail, each of which shall be deemed an original, but all of which signed and taken together, shall constitute one (1) document.

SECTION 12

GOVERNING LAW; DISPUTE RESOLUTION

- 12.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.
- 12.2 Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with Section 12.1 above, such dispute, including the validity, invalidity, breach or termination of this Agreement, shall be referred to and finally settled by arbitration administered by the Singapore International Arbitration Centre (the “SIAC”) in accordance with the Arbitration Rules of the SIAC

(the “SIAC Rules”) then in effect, which rules are deemed to be incorporated by reference into this Section 12.2. The seat of the arbitration shall be Singapore. There shall be three (3) arbitrators. The Warrantors shall jointly select one (1) arbitrator and PAG shall select one (1) arbitrator. The SIAC shall select the third arbitrator. The language of the arbitration shall be English. The decision of the arbitrators (by rule of majority) shall be final and binding on the parties (including any decision on their fees) and their fees shall be borne and paid by the parties in such proportions as the arbitrators shall determine.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

Lin

/s/ _____ Chang-Hai

Chang-Hai Lin

Lin

/s/ _____ Yuhua

Yuhua Lin

Lin

/s/ _____ Chenghsien

Chenghsien Lin

Chen

/s/ _____ Tienhuo

Tienhuo Chen

Lin

/s/ _____ Chinpen

Chinpen Lin

Wu

/s/ _____ Taiping

Taiping Wu

Lin

/s/ _____ Chinnu

Chinnu Lin

Lin

/s/ _____ Yanhui

Yanhui Lin

Hong

/s/ _____ Keelung

Keelung Hong

Yeh

/s/ _____ George

George Yeh

PAG Growth Lynx Holding (BVI) Limited

By: /s/ _____ Timothy Yuen Cheng

Zee

Name: Timothy Yuen Cheng Zee

Title: Director

Signature pages to Securities Purchase Agreement

SCHEDULE 1 Part I LIST
OF MAJORITY SHAREHOLDERS

	Major Shareholders	Passport Number	Number of TLC Shares Owned
1.	Chang-Hai Lin		5,302,946
2.	Yuhua Lin		3,408,200
3.	Chenghsien Lin		1,339,958
4.	Tienhuo Chen		1,844,332
5.	Chinpen Lin		2,689,234
6.	Taiping Wu		2,247,820
7.	Chinnu Lin		1,494,972
8.	Yanhui Lin		884,130

Part II LIST OF THE MANAGEMENT PARTIES

	Management Parties	Passport Number
1.	Dr. Keelung Hong	
2.	George Yeh	

Schedule 1

**SCHEDULE 2
COLLECTIVE WARRANTIES**

[see separate attachment]

Schedule 2

**SCHEDULE 3 PAG
WARRANTIES**

1. Corporate Existence and Power. PAG is a company duly incorporated and organized (as applicable) and validly existing in good standing (as applicable) under the laws of its place of incorporation and has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.
2. Corporate Authorization. PAG has the full power and authority to enter into, execute and deliver this Agreement and the other Basic Documents to which it is a party and to perform the transactions contemplated hereby and thereby. The execution and delivery by PAG of this Agreement and the other Basic Documents to which it is a party and the performance by PAG of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or other action of PAG. Assuming the due authorization, execution and delivery hereof by the other parties, this Agreement and each of the other Basic Documents to which it is a party constitutes the legal, valid and binding obligation of PAG, enforceable against PAG in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.
3. Governmental Authorization. The execution and delivery by PAG of this Agreement and the other Basic Documents to which it is a party and the performance by PAG of the transactions contemplated hereby and thereby require no material action by or in respect of, or material filing with, any Governmental Authority.
4. Non-contravention. The execution and delivery by PAG of this Agreement and the other Basic Documents to which it is a party and the performance by PAG of the transactions contemplated hereby and thereby do not and will not
 - (a) violate the certificate of incorporation or bylaws of PAG, (b) violate any applicable law, or (c) require any consent or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of PAG or to a loss of any benefit to which PAG is entitled under any provision of any agreement or other instrument binding upon PAG.
5. Non-Mainland Chinese Investor. PAG is not a Mainland Chinese Investor, nor is PAG affiliated with or substantially controlled by a Mainland Chinese Investor.

Schedule 3

**SECURITIES PURCHASE AGREEMENT AMONG
TEAL SEA HOLDING CORP. TLC
BIOSCIENCES CORP. SEA CREST
HOLDING CORP.
WOODS INVESTMENT COMPANY, LTD. (森投資股份有限公司) MAJOR
SHAREHOLDERS NAMED HEREIN MANAGEMENT PARTIE
NAMED HEREIN
AND
PAG GROWTH LYNX HOLDING (BVI) LIMITEDENTITY**

Dated July 5, 2021

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Investment Agreement

This special shares investment agreement (**Agreement**) is made as of 5 July 2021 by and between the following parties:

Woods Investment, Ltd., a limited company limited by shares incorporated in accordance with the Applicable Laws of the R.O.C. (**Company**); and

the natural persons and/or juristic persons listed in Annex A (collectively **Investors**).

Whereas the Company contemplates a share swap with Taiwan Liposome Company, Ltd. (**Target Company**) in accordance with the Business Mergers And Acquisitions Act, Securities Exchange Act, and Applicable Laws, whereby the Company issues Series B Special Shares (as defined hereunder) as consideration to pay shareholders of the Target Company in exchange for all of the issued shares of the Target Company, and the Target Company will become a wholly owned subsidiary of the Company upon completion of the share swap (**Share Swap**).

Whereas shareholders of the Target Company having obtained the Series B Special Shares may elect to convert the Series B Special Shares into Common Shares (as defined hereunder) of the Company or the Company will repurchase ahead of the maturity date or redeem in whole upon the maturity of the Series B Special Shares at its issue price. In this regard, the Company contemplates a capital increase by issuing Series A-1 special shares, Series A-2 special shares, and Series A-3 special shares (collectively **Series A Special Shares**), to raise funds for redeeming the Series B Special Shares. The conditions for issuing each of the Series A Special Shares are set out in the articles of incorporation to be amended by the Company, in Attachment 1.

Whereas the **Investors** desire to participate in accordance with the terms and conditions of this Agreement in the issue of the Series A Special Shares for capital increase by the Company, for the purpose of funding the repurchase and redemption by the Company of the Series B Special Shares issued for the Share Swap.

In witness whereof, the parties agree to enter into this Agreement with the following terms on the basis of their respective undertakings, representations, warranties, mutual understanding, and conditions below:

Article 1 Definitions

1.1 Unless otherwise stipulated elsewhere in this Agreement, the terms used in this Agreement are defined as below:

- (a) “**Common Shares**” means the common shares issued by the Company as at the date of this Agreement in accordance with its articles of incorporation.
- (b) “**This Agreement**” means this agreement as amended or supplemented from time to time in accordance with its provisions.

- (c) **“Business Day”** means a day on which banks in Taiwan normally operate to handle general banking business.

- (d) “**Close**” or “**Closing**” means the completion by the Company of the capital increase contemplated by this Agreement.
- (e) “**Government Authority**” means an R.O.C. judicial, legislative, or administrative authority, or an individual or association appointed by an administrative authority to exercise public authority, including without limitation the R.O.C. Financial Supervisory Commission (**FSC**), Taipei Exchange (**TPEX**), and Taiwan Stock Exchange Corporation.
- (f) “**Government Permission**” means all licenses, permits, certification, and other authorizations and approvals required under the applicable laws, statutes, and regulations of any Government Authority.
- (g) “**Applicable Laws**” means any law, bill, statute, legislation, regulation, order, ruling, decision, or directive of any government or jurisdiction, or any local law, bill, statute, legislation, regulation, order, ruling, decision, or directive.
- (h) “**Obligations**” means any and all debts, obligations, and liabilities, whether or not incurred, known, express or potential, due, or confirmed.
- (i) “**Encumbrance**” means any mortgage, pledge, lien, other security interest, claim or encumbrance of a similar nature.
- (j) “**Material Adverse Impact**” means (1) a serious adverse impact on assets, the projected operation, financial condition, results of operation, or company performance or prospects etc.; or (2) a serious adverse impact on the ability or inability to complete on schedule the transaction contemplated by this Agreement.
- (k) “**Person**” means a natural person, company, joint venture, partnership, enterprise, trust, unincorporated organization, limited liability company, government or any government department or institution, or any other organization.

1.2 Other Definitions

- (a) For the purposes of this Agreement, “**this Agreement**” and terms with a similar import shall mean this Agreement in its entirety instead of any specific clause of this Agreement.
- (b) Terms used in this Agreement include both the singular and the plural.

Article 2 Share Swap and Distribution

- 2.1 The Company has proposed to the Target Company acquiring 100% of the shares of the Target Company by the Share Swap, whereby the Company issues redeemable and convertible Series B Special Shares (**Series B Special Shares**) to shareholders of the Target Company in exchange for the shares of the Target Company held by shareholders of the Target Company. The exchange ratio of the Share Swap is one common share of the Target Company for one Series B Special Share of the Company. The issue price of the Series B Special Shares of the Company is TWD 100 per share. Series B Special Shares which shareholders of the Target Company do not apply to convert into Common Shares in accordance with the conditions prescribed

by the Company before the conversion deadline of the Series B Special Shares are subject to mandatory redemption by the Company on the maturity date of the Series B Special Shares at the issue price of the Series B Special Shares (**Redemption Price**), which will be paid by the Company in a lump sum with the proceeds received by the Company from the issue of the Series A Special Shares. The Company will reorganize after completion of the Share Swap.

According to its reorganization plan, the Company will conduct one or a series of transactions to become a subsidiary of 《TLC BioSciences Corp.》 for the purposes of listing on overseas securities exchange(s) or of overseas mergers and acquisitions. The tentative structure is as below:

- (a) Shareholders of the Company will sell their shares in the Company to 《TLC BioSciences Corp.》 and, depending on the class of the Company shares held, subscribe for the shares of Teal Sea Holding Corp. (**Cayman 1**) or Sea Crest Holding Corp. (**Cayman 2**) with the proceeds received. Shareholders of the Series A-1 special shares of the Company will subscribe for the Series A special shares issued by Cayman 1. Shareholders of the Series A-2 special shares, Series A-2 special shares, and Common Shares of the Company will, corresponding to the class of stock they hold, subscribe for the same number of shares and at the same price per share as the number and price they sell the Company shares for, respectively of the Series A special shares, Series B special shares, and common shares issued by Cayman 2.
- (b) Upon completion of reorganization, the Company will become a 100% owned subsidiary of 《TLC BioSciences Corp.》, and 《TLC BioSciences Corp.》 will be owned by Cayman 1 and Cayman 2. The structure after reorganization is shown in Appendix 1.

2.2 The Company has received non-binding letters of intent from shareholders holding 70% or more of the shares of the Target Company, indicating that they will convert the Series B Special Shares of the Company they receive into Common Shares of the Company within the conversion period. In this regard, the estimated amount of funds for redemption which the Company will need to raise will be TWD 2,575,000,000 if it proceeds with a mandatory redemption at the Redemption Price as a result of shareholders with 30% of the shares of the Target Company not converting the Series B Special Shares of the Company they receive into Common Shares of the Company. As projected by the Company, sources of funds for the Redemption Price will include a loan of USD 36 million first to be procured through the issue of exchangeable notes (**Exchangeable Notes**) in the principal amount of USD 36 million by Cayman 1 to PAG Growth Lynx Holding (BVI) Limited (**PAG**), then to be disbursed by Cayman 1 to TLC BioSciences Corp. to be extended in full to the Company (**Loan Proceeds**); the rest of the funds will come from equity investments of the **Investors** in the Series A Special Shares issued by the Company.

2.3 The Company will execute a share swap agreement with the Target Company subject to the approval of the latter's board of directors. If the Share Swap is approved by the shareholders of the Target Company, the Company will, before the effective date of the Share Swap with the Target Company, raise capital by issuing the Series A Special Shares (**Shares for Capital Increase**) to the **Investors** according to the class and number of shares of the Shares for Capital Increase listed in Annex A, to fund the redemption of the Series B Special Shares by the Company at the Redemption Price. The Investors hereby agree to subscribe for the Shares for Capital Increase and pay the subscription price in Annex A to the Company. The issue price per share of the Shares for Capital Increase is TWD 100 irrespective of class. The rights and Obligations in the Series A Special Shares are set out in the articles of incorporation of the Company to be amended, as in Attachment 1. As evidence to be presented to the Target Company of the Company's sources of funds for the Redemption Price, the Investors agree to remit the subscription

price in Annex A for subscribing for the Shares for Capital Increase to the account of the Company (**Prepayment**) or provide a letter of bank guarantee to the satisfaction of the Company, in accordance with the instructions of the Company, before the Target Company holds an audit committee meeting to deliberate on the Share Swap. The Company shall remit in full the Prepayment received to the trust account (**Trust Account**) opened by the Company with KGI Bank Co., Ltd. (**Trustee**), within three days of said receipt, to be entrusted to the Trustee. The Company and the Trustee will execute a relevant trust deed governing the administration, utilization, and disposition of funds of the entrusted Prepayment. The beneficiary of the trust deed is the Company, and the Trustee is not administering the Trust Account for the Investors. The purpose of the trust is to ensure the utilization of Prepayment being accordant with the trust deed, without having the purpose of guaranteeing the return of Prepayment. The Company shall be liable for all claims by the Investors under this Agreement. The trust-ship exists solely between the Company and the Trustee. The Prepayment will become trust assets after being given by the Company into trust. The Company and the Investors shall settle such disputes arising out of the Prepayment having not deposited into the Trust Account. The Investors agree to provide his/her personal information and the information of this Agreement to the Trustee, and agree that the Trustee may, within the purpose of the trust deed, collect, process, use and disclose of such information. Other than the disclosure or publication otherwise required by Applicable Laws or trust deed, the Trustee shall bear with confidentiality for such information.

- 2.4 The subscription price received by the Company for the Series A Special Shares that it issues as Shares for Capital Increase shall only be used for the purpose of funding payment of the Redemption Price of the Series B Special Shares. If the Redemption Price actually paid is less than the sum of the subscription price of the Shares for Capital Increase issued by the Company and the Loan Proceeds, the Company will calculate proportionally the number of shares to be actually subscribed for, the amount of subscription price to be actually paid and the excessive amount of subscription price having paid by each Investor, and the Company shall obtain the original copies of the letters of consent from the Investors (indicating the account number, the amount and the account title) and instruct the Trustee to return the excessive amount of subscription price having paid by Investors from the Trustee Account to the bank account designated by the Investors.

Article 3 Closing

- 3.1 Subject to the satisfaction of the conditions precedent to capital increase set out in Article 6 of this Agreement, each party agrees to issue the Shares for Capital Increase and pay the subscription price (**Closing**), as well as perform the payment and delivery Obligations in this article, for the class, number, and amount of subscription price of the Shares for Capital Increase listed in Annex A, on the effective date of capital increase determined by the Company, which will be the earlier of the 20th day before the effective date of the Share Swap with the Target Company and the 7th Business Day before the Target Company suspends trading on the TPEx. Each party shall use its reasonable efforts to Close the transaction concerning the Shares for Capital Increase in accordance with this Agreement.
- 3.2 Investors having paid the Prepayment shall deliver a written consent to the Trustee (in the form shown in Attachment 2) 2 Business Days before the effective date of capital increase, agreeing for the Trustee to remit by the Closing date in accordance with the trust deed and the instructions of the Company the amount of the subscription price from the Trust Account to the bank account designated by the Company, for paying in full for the



Shares for Capital Increase. Investors not having paid the Prepayment, including those not having made payment and those having provided a letter of bank guarantee only, shall remit the subscription price to the bank account designated by the Company, before the effective date of capital increase. If an Investor having provided a letter of bank guarantee fails to remit before the effective date of capital increase the subscription price to the bank account designated by the Company, the Company may issue a disbursement instruction in writing, instructing and requesting the guarantor bank to remit the guarantee amount on the effective date of capital increase to the bank account designated by the Company.

- 3.3 The Company shall deliver the documents below to the Investors upon receipt of the subscription price:
- (a) a certificate of payment of subscription price of shares bearing the company and chairman stamps of the Company (as the form in Attachment 3); and
 - (b) a photocopy of a shareholder register bearing the company and chairman stamps of the Company that is valid, complete, and correct as at the Closing date.

Article 4 Company Representations and Warranties

The Company hereby represents and warrants to the Investors that the representations and warranties in this article remain true and correct from the date of this Agreement to the Closing date:

- 4.1. The Company is a company incorporated lawfully and existing validly in accordance with the laws of the R.O.C., with legal competence and standing to hold and dispose of assets and operate businesses in which it engages currently and contemplates engaging in the future. Currently the Company neither is in the course, nor has performed any acts for the purposes, of dissolution or liquidation.
- 4.2. The Company is empowered to execute this Agreement, has full legal powers and authorization to issue, sell, and deliver the Shares for Capital Increase to the Investors, and has performed all necessary legal procedures required by the Company Act or other Applicable Laws. This Agreement is binding on the Company lawfully and validly in accordance with its terms and, unless otherwise restricted by law, enforceable against the Company.
- 4.3. The execution and performance of this Agreement by the Company will not violate: (a) any agreements, Obligations, Applicable Laws, regulations, or rules by which it shall be bound; or (b) its articles of association, constitutive documents, or operation related licenses and permits. The Company has also obtained all necessary internal consents and approvals and those of competent authorities for the execution and delivery of this Agreement and the performance of the Obligations under this Agreement.
- 4.4. In regard to the transaction contemplated by this Agreement, the Company is not subject to provisional injunction, preliminary or permanent provisional remedies or injunctive relief, or other like order or disposition of any competent courts, or to any restrictive or prohibitive provisions of the Applicable Laws impacting the conduct of the transaction contemplated by this Agreement. The transaction contemplated by this Agreement is not subject to any proceedings initiated or conducted by an administrative authority, competent authority, or other Government Authority seeking any of the aforementioned enforcement or prohibition. No one has performed any legal act, nor have any Applicable Laws, rules and regulations, statutes, or orders been enacted, promulgated, enforced, or deemed applicable to the transaction contemplated by this Agreement, to the extent that

the conduct or consummation of said transaction by the Company shall be in violation of law.

- 4.5. The execution, delivery, and performance of this Agreement and related documents by the Company do not require the consent, approval, waiver of rights, or Government Permission of any Government Authority or other Persons.
- 4.6. The Shares for Capital Increase will have been issued in accordance with the Company Act and other Applicable Laws by the Closing date. Persons entitled by law to the pre-emptive rights in regard to the new shares have all waived such rights. The Shares for Capital Increase are the lawfully issued Common Shares and Series A Special Shares of the Company at the time of their issue on the Closing date, free of any Security Interest, lien, or other Encumbrance or restriction unless the Investors, the Company, and PAG otherwise agree among themselves and except where the shares of the Target Company are pledged by the Company to sure the Obligations of the Company under the guarantee and promissory note issued in respect of the Exchangeable Notes.

Article 5 Investor Representations and Warranties

The Investors hereby represent and warrant to the Company that the representations and warranties in this article remain true and correct from the date of this Agreement to the Closing date:

- 5.1 The Investors are either juristic persons incorporated lawfully and existing validly in accordance with their governing laws or natural persons with legal capacity. If juristic persons, the Investors have procured all government approvals and permissions allowing them to subscribe for the Shares for Capital Increase. If natural persons, the Investors are not subject to any court order of the commencement of guardianship or assistantship. If juristic persons, the Investors currently neither are in the course, nor have taken any actions for the purposes, of dissolution or liquidation. If natural persons, the Investors are not declared bankrupt, and have not entered into rehabilitation or liquidation procedures in accordance with the Consumer Debt Clearance Act.
- 5.2 The Investors are empowered to execute this Agreement and documents required by this Agreement, and have full legal competence to subscribe for and obtain the Shares for Capital Increase. This Agreement is binding on the Company lawfully and validly in accordance with its terms and, unless otherwise restricted by law, enforceable against the Investors.
- 5.3 The execution and performance by the Investors of this Agreement and documents required by this Agreement will not cause the Investors to violate: (a) any agreements, Obligations, Applicable Laws, regulations, or rules by which they shall be bound; or (b) their articles of association and constitutive documents. The Investors have also obtained all necessary Government Permissions and approvals for the execution of this Agreement and performance of the Obligations under this Agreement.
- 5.4 In regard to the transaction contemplated by this Agreement, the Investors are not subject to provisional injunction, preliminary or permanent provisional remedies or injunctive relief, or other like order or disposition of any competent courts, or to any restrictive or prohibitive provisions of the Applicable Laws impacting the conduct of the transaction contemplated by this Agreement. The transaction contemplated by this Agreement is not subject to any proceedings initiated or conducted by an administrative authority, competent authority, or other Government Authority seeking any of the aforementioned enforcement or prohibition. No one has performed any legal act, nor have any Applicable

Laws, rules and regulations, statutes, or orders been enacted, promulgated, enforced, or deemed applicable to the transaction contemplated by this Agreement, to the extent that the conduct or consummation of said transaction by the Investors shall be in violation of law.

Article 6 Conditions Precedent to Closing

- 6.1 The completion by any Investor of the Obligation to pay under Article 3.2 is conditional upon the satisfaction of all or, subject to waiver by the Investor, all or part of the following conditions:
- (a) the Target Company having obtained the approval of the TPEX for delisting its shares from TPEX and the approval of the FSC for ceasing its status as a public company;
 - (b) the Company and the Target Company having scheduled the effective date of the Share Swap.
- 6.2 The completion by the Company of the Obligations in Article 3.3 is conditional upon the satisfaction of all or, subject to waiver by the Company, all or part of the following conditions:
- (a) the chairman of the Company having resolved, and the shareholders meeting having adopted the necessary resolution, to amend the articles of incorporation in the form set out in Attachment 1 and issue the Series A Special Shares for Capital Increase;
 - (b) the Investors having delivered all Closing related documents and performed the Obligations under this Agreement in accordance with Article 3.2 of this Agreement;
 - (c) the Target Company having obtained the approval of the TPEX for delisting its shares from TPEX and the approval of the FSC for ceasing its status as a public company;
 - (d) the Company and the Target Company having scheduled the effective date of the Share Swap.

Article 7 Covenants and Other Consents

- 7.1. Pursuant to the terms and conditions of this Agreement, each party shall use all commercially reasonable efforts to perform and cause to be performed readily feasible acts, or immediately proceed or cause to be proceeded with all reasonable, appropriate, and feasible matters required by applicable laws and regulations for completing and effecting the transaction contemplated by this Agreement.
- 7.2. The Investors agree to execute upon Closing the share pledge agreement provided by the Company, pledging the Series A Special Shares held in favor of PAG, and further agree to complete all necessary pledge procedures, including pledge registration, for the purposes of securing the repayment of the Exchangeable Notes.
- 7.3. The Investors shall complete the filing of Schedule 13D in accordance with U.S. securities act and relevant Applicable Laws at the request of the Company as soon as possible within 7 days of the signing of this Agreement.

- 8.1 Unless it is otherwise agreed in Article 8.2, neither party may, absent the prior written consent of the other party, disclose in any manner, directly or indirectly, or use for any purposes, the terms of this Agreement, relevant transaction contents, and data provided to the other party on account of this Agreement, unless disclosure is required for purposes of legal compliance, in which event the disclosing party shall give prior written notice of the disclosure to the other party.
- 8.2 The restrictions in Article 8.1 above are not applicable if:
- (a) the information provided by the other party has become, before or after its provision, publicly known through disclosure not in violation of confidentiality Obligations;
 - (b) disclosure is required by a court or competent authority order for legal compliance; or
 - (c) the information is provided to the party's legal or financial consultants, accountants, employees, directors, and supervisors, and the Trustee, where such recipients are bound by confidentiality Obligations under general circumstances and have executed a written nondisclosure agreement.
- 8.3 Information to be released publicly by the Company shall be so released by itself instead of by each party independently, except information that shall be made public by a party in accordance with the Applicable Laws.
- 8.4 This article survives termination of this Agreement for 2 years.

Article 9 Exercise of Rights and Indemnification

- 9.1 A party that violates any representation, warranty, consent, or undertaking in this Agreement shall indemnify the other party against any damage and losses suffered therefrom, provided the liability of an Investor for damages under this article is limited to its violations of the representations and warranties under this Agreement as occasioned up to the Closing date.
- 9.2 Each Investor may exercise independently its rights which he or she is entitled to under this Agreement, including without limitation the right to terminate this Agreement under Article 10, and is responsible independently for its Obligations under this Agreement, including Obligations to pay the subscription price in Article 2 and liability for default. In any event, no Investor is jointly and severally liable for any Obligations of another Investor.

Article 10 Termination and Consequences

- 10.1 This Agreement will take effect as of its execution unless it is otherwise agreed in this Agreement, and may be terminated by the parties before the Closing date under any of the following circumstances:
- (a) all parties agree in writing to termination;
 - (b) the Company and the Target Company are unable to execute a share swap agreement in connection with the Share Swap by 31 July 2021;

- (c) the share swap agreement executed by and between the Company and the Target Company in connection with the Share Swap is terminated or rescinded for cause, or the Share Swap is permanently restricted, prevented, or prohibited by any law, Applicable Laws, provision, order, decision, or injunction promulgated, or other

measures adopted, by a competent Government Authority or court which are final and conclusive and unappealable, or in respect of which no other statutory remedies are available;

- (d) the necessary corporate approvals of the Target Company, including those of the merger and acquisition special committee, board of directors, and shareholders meeting, cannot be obtained for the Share Swap;
- (e) the necessary approvals of the Government Authority, including those of the FSC and TPEX, cannot be obtained for the Share Swap;
- (f) the Share Swap cannot be completed before 31 March 2022;
- (g) should either party violate this Agreement to the extent that the transaction contemplated by this Agreement cannot be consummated, the non-breaching party has the right to notify the breaching party in writing of the termination of this Agreement if either the breaching party fails to rectify within 20 days of its receipt of written notice of violation from the non-breaching party, or rectification is no longer possible, provided where this Agreement is terminated between some of the parties, it will continue in force and effect between the remaining parties between which this Agreement has not been terminated; or
- (h) either party may terminate this Agreement if the Closing under this Agreement is permanently restricted, prevented, or prohibited by any law, Applicable Laws, provision, order, decision, or injunction promulgated, or other measures adopted, by any court of competent jurisdiction or other competent Government Authority which are final and conclusive and unappealable, or in respect of which no other statutory remedies are available.

10.2 Upon the termination of this Agreement, the Company and each Investor who has paid the Prepayment shall jointly issue a written instruction/consent to the Trustee for the return of the Prepayment in the Trust Account to the bank account designated by each Investor who has paid the Prepayment (in the event the balance in the Trust Account is insufficient, the Trustee shall return to each Investor the amount pro rata according to the Prepayment such Investor paid opposed to the aggregate amount of Prepayment; in the event the Trust Account remains balance after returning the Prepayment to Investors, such balance shall be returned to the Company), provided the termination of this Agreement in accordance with this article neither relieves a party of any responsibility incurred up to the termination nor affects the terms expressly stated in this Agreement as surviving or designed to survive the termination of this Agreement.

Article 11 Others

11.1 Notice

Notices under this Agreement shall made in writing in Chinese and may be served by personal delivery with written confirmation of receipt provided; by facsimile followed by postal delivery of a confirmed version by registered mail; or by mail with postage prepaid and return receipt, at either of the following addresses or at other address notified by a party in writing to the other party by any of the aforementioned methods:

- (1) To the Company: Woods Investment, Ltd.

Address: 11F-1 3 Park Street, Nangang, Taipei

Facsimile:

Attention: YEH George

- (2) To an Investor: addressed to the representative at the address and facsimile number listed on the signature page.

Notices made under this Agreement will take effect (i) upon personal service on the notified party; (ii) upon confirmation by the machine of the transmitting party of successful transmission, if sent by facsimile; or (iii) five Business Days of delivery to the post office or international courier, if sent by registered mail at the address of the notified party indicated in this Agreement. In the event of two or more notification methods, the earliest time of service prevails.

Either party changing its address above shall notify the other party in writing, or the change of address will not be effective against the party not notified.

11.2 Amendment, Waiver, Severability

This Agreement supersedes all prior agreements, documents, or other supporting documentation in respect of matters contained in this Agreement. Revisions and amendments to this Agreement are subject to the written consent of all parties. No waiver of or consent to any of the rights and obligations under this Agreement is effective unless made in writing by each of the relevant parties. No delay by a party in exercising relevant rights or seeking claims, or failure of said party to exercise relevant rights or seek claims, upon a breach of this Agreement by the other party, will affect the rights of the first-mentioned party or may be deemed an indication by the first-mentioned party of waiver or release of the breach.

Each term of this Agreement shall be interpreted in a valid manner under applicable laws to the extent possible. Terms of this Agreement that are prohibited or invalid under applicable laws will not take effect only to the extent of such prohibition and invalidation, which does not affect the effects of the remaining portions of such terms or other clauses of this Agreement.

11.3 Headings

Headings in this Agreement are inserted for ease of reference only and may not be deemed an integral part, or affect the interpretation of any term, of this Agreement.

11.4 Counterparts

This Agreement may be executed in counterparts. Each counterpart executed and delivered, whether in authentic or facsimile form, has the same effect as an authentic copy.

11.5 Language

This Agreement is made in the Chinese language and may be translated into other languages as necessary. The Chinese version prevails in the event of a conflict of meaning between the versions.

11.6 Succession and Assignment

Neither party may assign the rights under this Agreement to others absent the express written consent of the other party, unless this Agreement stipulates otherwise. This Agreement is effective against the legal successors and permitted assigns of each party.

11.7 Governing Law

This Agreement is interpreted in accordance with the laws of the R.O.C. as the governing law.

11.8 Dispute Resolution

The parties to this Agreement shall seek to resolve any dispute over any agreement in or subsequent amendment to this Agreement by negotiating with each other in good faith. If the dispute cannot be resolved through negotiation within 30 days, it shall be referred to the Chinese Arbitration Association, Taipei to be resolved by arbitration in accordance with the Arbitration Act of the R.O.C. and CAA Arbitration Rules. Arbitrations are conducted in the Chinese language. Arbitral awards are final and conclusively binding upon all parties.

【The space below of this page is intentionally left blank by the parties】

This Agreement will take effect as of its execution by the duly authorized representatives of the parties on the first-mentioned date above.

Woods Investment, Ltd.

Representative: _____

Name: YEH George

Title: Chairman

Address: 11F-1 3 Park Street, Nangang, Taipei

Investment Agreement
Signature Page

This Agreement will take effect as of its execution by the duly authorized representatives of the parties on the first-mentioned date above.

Investors:

Representative: _____

Name:

Title (applicable to a juristic person):

Address:

Fax No.:

**Investment Agreement
Signature Page**

Annex A Investor List

Unit: no. of shares/TWD

Investor	Series of Special Shares	No. of Shares for Capital Increase	Subscription Price	Ca A
LIN Yuhua	A-1	3,000,000	300,000,000	
WU Taiping	A-1	600,000	60,000,000	
LIN Yanhui	A-1	400,000	40,000,000	
LIN Chinnu	A-1	500,000	50,000,000	
LIN Chinpen	A-1	2,000,000	200,000,000	
LIN Chenghsien	A-1	2,500,000	250,000,000	
CHEN Tienhuo	A-1	2,000,000	200,000,000	
YEH George	A-1	1,800,000	180,000,000	
CHEN Leemei	A-2	2,520,000	252,000,000	
Topmunnity Therapeutics Taiwan Limited	A-3	20,000	2,000,000	
Champions Management Co., Ltd.	A-3	30,000	3,000,000	
Hongtai Investment Co., Ltd.	A-3	300,000	30,000,000	
Total		15,670,000	1,567,000,000	

Attachment 1

Form of Woods Investment, Ltd. Articles of Incorporation to be Amended

Attachment 2

Letter of Consent

The undersigned (investor) hereby issues this consent pursuant to its investment agreement executed with Woods Investment, Ltd. as of dd July 2021, agreeing for KGI Bank Co., Ltd. to remit in accordance with the instructions of Woods Investment, Ltd. on the effective date of capital increase the amount of the Prepayment of the subscription price from the Trust Account to the bank account designated by Woods Investment, Ltd., for paying the subscription price to acquire rights in the Series A Special Shares.

Signed by:

(Natural person)

Name:

I.D. No.:

(Juristic person)

Company Name:

Representative:

Government Uniform Invoice No.:

(Signature and stamp of the POA issuer)

*** Must be the same as the signature and stamp used in the investment agreement. In the event of a change of the authorized representative, please affix the company and responsible person stamps appearing in the Ministry of Economic Affairs Amendment Registration Form and enclose said form.**

dd mm yy

Attachment 3

Form of Certificate of Payment of Subscription Price

It is hereby certified that the total subscription price in the amount of TWD [] made by you on [dd] [mm] 2021 for investing in us for participating in the subscription for a total of [] shares of the following shares issued by us for cash capital increase is hereby acknowledged:

- Series A-1 Special Shares
- Series A-2 Special Shares
- Series A-3 Special Shares

To

[*]/[*] Co.

By: Woods Investment, Ltd.

Chairman: YEH George

Uniform No.: 90829607

dd mm 2021

Appendix 1

Structure after Reorganization

