

TSH BIOPHARM CORPORATION LIMITED

2021 Annual General Meeting Minutes

(Translation Version)

- Time: August 20, 2021 (Friday) 9:00 AM
- Location: Room 447, Nangang Software Incubator (Building E, 4F., No. 19-11, Sanchong Rd., Nangang Dist., Taipei City, Taiwan)
- Total outstanding TSH shares: 38,398,140 shares
Total shares represented by shareholder present in person or by proxy: 23,215,060 shares
Percentage of shares held by shareholder present in person or by proxy: 60.45%
- Directors Present: Lin, Chuan; Carl Hsiao; Wang, Chih-Li(Independent Director & Chairman of the Audit Committee); Wang, Yi-Min (Independent Director);Chen,Rwei-Syun (Independent Director)
- Attendance: Lin, Cheng-Lung, Guo Lian Law Office; Chih, Shin-Chin CPA of KPMG
- Chairman: Lin, Chuan
- Recorder: Huang, Shu-Ping

Meeting procedures

1. **Calling to the Meeting Order** The aggregate shareholding of the shareholder present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
2. **Chairman's Address (Omitted)**
3. **Report Items.**
 - (1) 2020 Business Report. (See Attachment 1)
 - (2) Audit Committee's Review Report on the 2020 Financial Statements. (See Attachment 2)
 - (3) Report on 2020 Employees' and Directors' Remuneration. (See Meeting Handbook)
 - (4) Amendment to the "Code of Ethical Conduct". (See Meeting Handbook)
 - (5) Establishment of the "Procedures for Ethical Management and

Guidelines for Conduct”. (See Meeting Handbook)

4. Ratification Items.

Item 1

Proposed by the Board of Directors

2020 Business Report and Financial Statements

Description:

1. The business report and financial statements have been approved by the Board of Directors, and the financial statements were audited by independent auditors, Shin-chin Chih and CPA and Kuo-Yang Tzeng CPA of KPMG Firm, with “Unqualified Opinion”.
2. The aforementioned business report and financial statements have been reviewed by the Audit Committee.
3. Please refer to Annex 1 and Annex 3 for the business report and financial statements.

Voting Results: Shares represented at the time of voting: 23,215,060 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,159,523 shares (including votes casted electronically 21,728,616 shares)	99.76%
Votes against: 15,894 shares (including votes casted electronically 15,894 shares)	0.06%
Invalid votes: 0 shares	0.00%
Votes abstained and not voted: 39,643 shares (including votes casted electronically 4,995 shares)	0.17%

Resolution: RESOLVED, 99.76% of total represented voting rights present voted for and this proposal was approved as proposed.

Item 2

2020 Earning Distribution.

Description:

1. It is proposed to withdraw NT\$ 69,116,652 from the distributable earnings and allocate this amount as cash dividends according to the shareholders and their number of shares listed in the remaining amount shareholder register on the ex-dividend date and NT\$ 1.8 is allocated per share rounded down to the nearest dollar which will be included in other income of the Company. After the proposal is passed by the shareholders' meeting, the Chairperson is authorized to resolve an ex-dividend date, a payment date and other relevant matters.
2. If any subsequent change of the Company's share capital that affects the number of shares outstanding, the proposed profit distribution will be changed accordingly. It is proposed that the Chairperson is fully authorized by the shareholders' meeting to handle relevant matters.
3. 2020 profit distribution table is given below:

TSH Biopharm Corporation Ltd.
Profit Distribution Table
Year 2020

Unit: NT\$

Items	Amount	Note
Beginning retained earnings	9,123,674	Cash Dividend: NT\$ 1.80 per share.
Add: Dispose of investments in equity instruments measured at fair value through other comprehensive income	98,917,196	
Add: Net profit after tax	61,569,590	
Less: 10% legal reserve	16,048,679	
Distributable net profit:	153,561,781	
Distributable Items:		
Cash dividend	69,116,652	
Unappropriated retained earnings	84,445,129	

Note: The aforementioned dividends are calculated based on 38,398,140 shares issued by the Company as of March 10, 2021.

Chairperson: Chuan Lin; General Manager: Sze-Yuan Yang; Chief Accountant: Chen-JU Kan

Voting Results: Shares represented at the time of voting: 23,215,060 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,159,473 shares (including votes casted electronically 21,728,566 shares)	99.76%
Votes against: 15,944 shares (including votes casted electronically 15,944 shares)	0.06%

Invalid votes: 0 shares	0.00%
Votes abstained and not voted: 39,643 shares (including votes casted electronically 4,995 shares)	0.17%

Resolution: RESOLVED, 99.76% of total represented voting rights present voted for and this proposal was approved as proposed.

5. Discussion Items

Item 1

Proposed by the Board of Directors

Release of Non-competition Restriction on Directors

Description:

1. In line with the Company's operation strategy and actual business development requirement, it is proposed that the shareholders' meeting approves the director of the Company to engage in acts that fall within the business scope of the Company for themselves or others, without restricted by Article 209 of the Company Act.
2. The director of the Company having a new concurrent position in another company is listed below:

Position	Name	New concurrent position of another company	
Director	TTY Biopharm Company Limited	TTY Biopharm Turkey Health Products Industry and Trade Limited Company	Director

Voting Results: Shares represented at the time of voting: 23,215,060 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,144,863 shares (including votes casted electronically 21,713,956 shares)	99.69%
Votes against: 30,555 shares (including votes casted electronically 30,555 shares)	0.13%
Invalid votes: 0 shares	0.00%
Votes abstained and not voted: 39,642 shares (including votes casted electronically 4,994 shares)	0.17%

Resolution: RESOLVED, 99.69% of total represented voting rights present voted for and this proposal was approved as proposed.

6. Questions and Motions : None.

7. Adjournment: 10 : 29 AM, August 20, 2021

Annex 1

TSH Biopharm Coporation Ltd Business Report

The Company's Business Result for year 2020

(1) Business Plan Implementation Result

The Company's net operating revenue in 2020 is NT\$ 447,862,000 with a decrease of NT\$ 59,804,000 (11.78%) from NT\$ 507,666,000 of 2019. The net profit after tax in 2020 is NT\$ 61,570,000 with a decrease of NT\$ 23,757,000(27.84 %) from NT\$ 85,327,000 of 2019. The revenue mainly comes from cardiovascular diseases, gastrointestinal diseases and precision medical related testing products. The reduction is caused by the termination of the agency of some drugs and the delay of the R&D milestone due to the impact of the epidemic, so that the service revenue was not up to expectations.

(2) Budget Implementation

The Company's net operating revenue in 2020 is NT\$ 447,862,000, achieving 80% of the annual budget target.

(3) Financial Income & Expenditure and Profitability Analysis

Item	Year	2020
Financial Income & Expenditure	Interest Income (in thousand dollars)	2,238
	Interest Expense (in thousand dollars)	27
Profitability Analysis	Return on Asset (%)	4.94
	Return on Shareholder's Equity (%)	5.47
	Net Profit Margin (%)	13.75
	Diluted Earnings Per Share (in dollars)	1.60

(4) Research & Development

The achievements on the introduction and development of new products in 2020 are summarized below:

- March 2020:
Agreement was signed with international pharmaceutical manufacturer to apply for the New Drug Application (NDA) in Taiwan for the new compound drug R19.
- March 2020:

The new chemical entity (NCE), Rancad[®] Extended Release Tablet, was approved by the Ministry of Health and Welfare and granted with the marketing approval.

- April 2020:

- August 2020:
Cooperation agreement was signed with Anxo Pharmaceutical for the joint development of the new high-tech compound drug for cardiovascular disorders (ABTA19).
- September 2020:
Supplement of the new compound drug R19 for the New Drug Application (NDA) in Taiwan was completed.
- October 2020:
The drug certificate transfer for the new high-tech compound drug for cardiovascular disorders (ABTA19) was completed.
- October 2020:
The new drug AC20 developing partnership agreement was signed.
- October 2020::
The Taiwan exclusive agency agreement was signed with Korean company for cancer genetic testing.

There are still a number of new products in the evaluation stage, which are expected to be introduced or solely developed. Our developing medicines are mainly based on Taiwanese new drugs, including new ingredients and new drugs and 505B2 (such as biosimilar drugs, new compounds, and new dosage forms) and completed by self or joint development, and it is estimated that at least 3 new drugs will be launched in Taiwan in the coming five years. Meanwhile, the products developed and sold in Southeast Asia are expected to be launched in 8 countries within five years and jointly sold with strategic partners in China, the United States, Japan, and Europe.

Summary of Business Plan 2021

(1) Business Operating Strategy

In 2019, a five-year “dual transformation period” was set in the operating strategy to “actively explore Asian markets and deeply plough in Taiwan market”. In the past year, we have launched the new drug Rancad[®], and actively seek for the health insurance payment for Rancad[®] to benefit angina patients in Taiwan. In 2020, we have also invested in the evaluation and development of two new projects, and thus a total of seven drug development projects are currently in progress. Some of these new drugs have exclusive sales right in Taiwan and some have self-development right (which is the right to sell the drugs from Taiwan to countries all over the world such as China, the United States, Japan and Europe). In addition to the original existing products, the genetic testing team established in 2019 has also launched the MPap[®] Test in April 2020, and the pap method reduces the unnecessary invasive test by providing another alternative of cervical cancer screening to testees.

Continuing from 2020, it is also expected that new products will be launched in 2021 to provide more treatment options to patients in Taiwan, while providing a driving force to improve the entire operation and talent cultivation of TSH. TSH is moving towards the five-year goal, in hope of creating better welfare and environment of work for everyone.

(2) Expected Sales Volume and its Basis

The Company expects to sell 161,893,000 oral preparations and 60,000 injection preparations in 2021. The expected sales volume is based on the statistical report of IMS and set by taking the competition and the change of supply and demand of the future market.

(3) Important Production and Marketing Policies:

1. Business Planning

- The Company will accelerate the growth of performance in the export of self-made products and oversea licenses of early-stage developed products. In addition to maintaining the progress of the international certification of original existing developed products, the corporation will also introduce joint developments and add values to international early-stage new drugs and use the “Double Engine” strategy to devote on the international drug development and sales & marketing.
- New Business Model of Biotechnological Industry: The Corporation will introduce testing items accompanied with precision medicine. With the rise of precision medicine, testing has become a part of treatment or preventive medicine, and AI becomes more popular and easy-to-access, and TSH Biopharm will continue to launch related testing products to satisfy more clinical requirements.

2. Production Strategy

To continue the corporation's strategy in the past, the part of drug production is still mainly based on commissioned production. At present, all products are commissioned and produced by PIC/S GMP certified manufacturing factories, and the testing business also adopts the same strategy and international-level certified laboratories while paying close attention to the implementation priorities and impact of the “Amendment of the Implementation of Specific Medical Technology Inspection and Medical Instruments Inspection or the Amendment to the Management of Use” and its impact. In 2020, the Company will cooperate with Korean testing companies. It is also expected that 2021 will also add new major testing factories in Europe, America and Japan. International certification specifications are provided for testing products.

3. Marketing and R&D Strategy

Double Engines Moving forward in Three Rails to Provide Better Health Services

Under the influence of Covid-19 in 2020, many behavioral patterns undergo huge changes that have not been eased, and the ten-year old TSH Biopharm also starts to change with the environment. We continue to focus on “Patient-centered” as our starting point and move forward by “double engines moving forward in three rails” and use “traditional pharmaceuticals” and “innovative medical treatments” as the mainstreams to create a medical product portfolio to satisfy patients with unmet medical needs and develop new ingredients, special formulations, chronic disease

treatments, genetic testing, cancer testing, and joint development of innovative therapy, and become an international innovative biotech manufacturer and the best new drug development and marketing partner in Asia, and the Company is committed to provide better health services to all people before, during and after medical treatment.

The Company's Development Strategy

Corporate Vision: Committed to improve the quality of life of patients with unmet medical needs.

Corporate Missions:

1. "Becoming an international innovative biotech manufacturer and the best new drug development and marketing partner in Asia."
2. "Creating a medical product portfolio for patients with unmet medical needs."
3. "Developing new ingredients, special formulations, chronic disease treatments, genetic testing, cancer testing, and joint development of innovative therapy."

Impacts from the External Competitive Environment, the Legal Environment and the Overall Economic Environment

Challenge 1: The impact of COVID-19 on the pharmaceutical industry.

- In 2020, COVID-19 has a huge impact on the whole world. There were problems of the supply chain (including active pharmaceutical ingredient (API) and manufacturing capacity) observed in the pharmaceutical industry in early 2020, and the R&D also had impacts. A large proportion of clinical trials currently in progress or going to be started have delayed the schedule of patient recruitment due to the COVID-19 epidemic, directly causing a delay of the product development schedule. Most of the TSH Biopharm's currently planned clinical trials are to be conducted in Taiwan, and thus having a relatively smaller impact. However, some of our partners expect that the progress of product delivery will be affected, and TSH Biopharm has started a supporting program, and these testing products are expected to be launched in Taiwan by the end of 2021 as scheduled.

Challenge 2: The global pharmaceutical industry is transforming rapidly.

- In the continuation of increases of global medical expenses, costs, political and economic changes and other factors in recent years, the rise of big data and precision medicine will lead to a rapid change of the business model of pharmaceutical companies. Therefore, TSH Biopharm conducts the double engines to move forward in dual rails in order to maintain the existing R&D power to launch a new drug on the market every year, and actively invest in innovation in line with the international trend.

Challenge 3: The trend of international investments and merges

- More and more startup companies are willing to invest in early-stage developments, and large pharmaceutical companies can participate in these startup companies through direct investments or licensing and allow the startup companies to develop new drugs in a more precise way, lowers risks, and improves the success rate. TSH Biopharm has also started diversified investments since 2019 or the goal of entering into the field of new products with the concept of strategic alliance. Several new

evaluation cases have been added in 2020, and it is expected that progress can be made by 2021.

In the highly competitive environment, we will focus more on risk control, enhance specific regional channels, and cooperate with partners to expand our originally existing therapeutic areas.

Chairperson: Chuan Lin; General Manager: Sze-Yuan Yang; Chief Accountant: Chen-Ju Kan

Annex 2

**TSH Biopharm Corporation, Ltd.
Audit Committee's Review Report**

The Board of Directors has prepared the year 2020 business report, financial statements, and profit distribution table, Shin-Chin Chih CPA and Kuo-Yang Tzeng CPA of KPMG Taiwan were retained to audit TSH Biopharm Corporation Ltd.'s financial statements and have issued an audit report relating to the financial statements. The aforementioned reports and statements prepared by the Board of Directors has been reviewed by Audit Committee and believed that there is no incompatibility, and thus reported as above in pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Attention to

TSH Biopharm, Shareholders' Meeting 2021

Audit Committee Convener: Chih Li Wang

March 10, 2021

Annex 3

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of TSH Biopharm Corporation Ltd.

Opinion

We have audited the financial statements of TSH Biopharm Corporation Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the years ended December 31, 2020 and 2019, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of Inventories

Please refer to notes 4(7), 5 and 6(6) of the notes to the parent company only financial statement for the accounting policies on measuring inventory, assumptions used and uncertainties considered in determining net realizable value, allowances for impairment loss and obsolescence and balances of impairment loss and obsolescence, respectively.

Description of key audit matter:

Inventories are stated at of cost and net realizable value. Due to fierce competition in pharmaceutical industry and the declining prices of health insurance drugs every year, which will affect the sales prices of related products, resulting in a risk that the cost of inventories to exceed its net value. Therefore, inventory evaluation is one of the key audit matters for our

audit.

How the matter was addressed in our audit:

Our audit procedures for the above key audit matters included assessing the Company's inventory allowance amount based on the nature of the inventories; performing audit to check the correctness of the inventory age report; reviewing the company's past inventory allowances and assessing whether the estimation methods and assumptions are appropriate; observe the inventory count and check the inventory status to assess whether the inventory is expired or damaged; sampling the latest sales prices of inventory and assessing the reasonableness of net realizable value; assessing whether disclosure items for inventory allowances are appropriate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partners on the audit resulting in this independent auditor's report are Shin-Chin Chih and Kuo-Yang Tseng.

KPMG
Taipei, Taiwan (Republic of China)
March 10, 2021

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

		<u>December 31, 2020</u>		<u>December 31, 2019</u>				<u>December 31, 2020</u>		<u>December 31, 2019</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(1) and (20))	\$ 396,701	32	\$ 224,212	18	2130	Contract liabilities-current (notes 6(17) and (20))	\$ -	-	\$ 2,483	-
1120	Current financial assets at fair value through other comprehensive income (notes 6(3) 、(20) and 13)	62,216	5	149,727	12	2150	Notes payable (note 6(20))	1,469	-	495	-
1150	Notes receivable, net (notes 6(4) 、(17) 、(20) and 7)	15,577	1	19,637	2	2160	Notes payable to related parties (notes 6(20) and 7)	-	-	5	-
1170	Accounts receivable, net (notes 6(4) 、(17) and (20))	90,881	8	97,818	8	2170	Accounts payable (note 6(20))	2,835	-	7,859	1
1180	Accounts receivable from related parties (notes 6(4) 、(17) 、(20) and 7)	2,421	-	517	-	2180	Accounts payable to related parties (notes 6(20) and 7)	3,114	-	32,749	3
1200	Other receivables (notes 6(5) 、(20) and 7)	2,981	-	1,378	-	2200	Other payables (notes 6(11) 、(20) and 7)	70,118	6	81,238	6
130x	Inventories (note 6(6))	77,906	6	59,055	4	2230	Current income tax liabilities	15,651	1	8,798	1
1476	Other financial assets—current (notes 6(1) 、(10) and (20))	266,751	22	308,660	24	2280	Current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	4,365	-	4,216	-
1479	Other current assets (notes 6(10) and 7)	28,407	2	24,880	2	2300	Other current liabilities	1,066	-	949	-
		<u>943,841</u>	<u>76</u>	<u>885,884</u>	<u>70</u>			<u>98,618</u>	<u>7</u>	<u>138,792</u>	<u>11</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (notes 6(2) 、(20) and 13)	-	-	5,874	1	2580	Non-current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	4,418	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(3) 、(20) and 13)	240,804	20	327,148	26						
1600	Property, plant and equipment (note 6(7))	25,255	2	26,225	2		Total liabilities	<u>103,036</u>	<u>7</u>	<u>138,792</u>	<u>11</u>
1755	Right-of-use assets (note 6 (8))	8,783	1	4,191	-		Equity (note 6(15)) :				
1780	Intangible assets (note 6 (9))	6,180	1	8,239	1	3100	Capital stock	383,981	31	383,981	31
1840	Deferred income tax assets (note 6 (14))	1,256	-	1,773	-	3200	Capital surplus	458,977	38	458,977	36
1920	Refundable deposits paid (notes 6(10) 、(20) and 7)	2,636	-	3,375	-		Retained earnings :				
1984	Other non-current financial assets (notes 6(10) and (20))	625	-	1,046	-	3310	Legal reserve	97,016	8	88,483	7
		<u>285,539</u>	<u>24</u>	<u>377,871</u>	<u>30</u>	3350	Unappropriated retained earnings	169,610	14	86,773	7
						3400	Other equity	16,760	2	106,749	8
Total assets		\$ 1,229,380	100	\$ 1,263,755	100		Total equity	<u>1,126,344</u>	<u>93</u>	<u>1,124,963</u>	<u>89</u>
							Total liabilities and equity	\$ 1,229,380	100	\$ 1,263,755	100

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

TSH Biopharm Corporation Ltd.
Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	AMOUNT	%	AMOUNT	%
4000 Operating revenue (notes 6(17) and 7)	\$ 447,862	100	\$ 507,666	100
5000 Operating costs (notes 6(6) and 7)	162,670	36	192,936	38
Gross profit	285,192	64	314,730	62
6000 Operating expenses (notes 6(4) 、(13) 、(18) 、 7 and 12):				
6100 Selling expenses	124,836	28	142,627	28
6200 Administrative expenses	57,474	13	63,119	13
6300 Research and development expenses	28,681	6	52,781	10
6450 Expected credit loss (gain)	(103)	-	5	-
	210,888	47	258,532	51
Operating income	74,304	17	56,198	11
Non-operating income and expenses (notes 6(12) 、(19) and 7):				
7100 Interest income	2,238	-	2,843	-
7010 Other income	57	-	60	-
7020 Other gains and losses	660	-	44,336	9
7050 Finance costs	(27)	-	(82)	-
	2,928	-	47,157	9
Profit before tax	77,232	17	103,355	20
7950 Income tax expense (note 6(14))	(15,662)	(3)	(18,028)	(3)
Profit for the year	\$ 61,570	14	\$ 85,327	17
8300 Other comprehensive income				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8316 Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	8,928	2	(19,808)	(4)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	8,928	2	(19,808)	(4)
8300 Other comprehensive income	8,928	2	(19,808)	(4)
Total comprehensive income	\$ 70,498	16	\$ 65,519	13
Earnings per share (note 6(16))				
9750 Basic earnings per share	\$ 1.60		\$ 2.22	
9850 Diluted earnings per share	\$ 1.60		\$ 2.22	

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

TSH Biopharm Corporation Ltd.
Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings			Other equity interest		Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance as of January 1, 2019	\$ 383,981	\$ 458,977	\$ 82,705	\$ 68,661	\$ 126,557	\$ 1,120,881
Net income for the year	-	-	-	85,327	-	85,327
Other comprehensive income for the year	-	-	-	-	(19,808)	(19,808)
Total comprehensive income for the year	-	-	-	85,327	(19,808)	65,519
Appropriation and distribution of retained earnings:						
Appropriation for legal reserve	-	-	5,778	(5,778)	-	-
Cash dividends of ordinary share distributed	-	-	-	(61,437)	-	(61,437)
Balance as of December 31, 2019	383,981	458,977	88,483	86,773	106,749	1,124,963
Net income for the year	-	-	-	61,570	-	61,570
Other comprehensive income for the year	-	-	-	-	8,928	8,928
Total comprehensive income for the year	-	-	-	61,570	8,928	70,498
Appropriation and distribution of retained earnings:						
Appropriation for legal reserve	-	-	8,533	(8,533)	-	-
Cash dividends of ordinary share distributed	-	-	-	(69,117)	-	(69,117)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	98,917	(98,917)	-
Balance as of December 31, 2020	\$ 383,981	\$ 458,977	\$ 97,016	\$ 169,610	\$ 16,760	\$ 1,126,344

TSH Biopharm Corporation Ltd.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Profit before tax	\$ 77,232	\$ 103,355
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	7,127	7,138
Amortization	2,522	2,474
Expected credit (gain) loss	(103)	5
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	1,558	(378)
Interest expense	27	82
Interest income	(2,238)	(2,843)
Dividend income	(6,420)	(6,315)
Loss on disposal of property, plant and equipment	-	8
Impairment loss from non – financial assets	4,583	-
Gain on lease modification	-	(2)
Total adjustment to reconcile profit (loss)	<u>7,056</u>	<u>169</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable	4,060	252
Decrease (increase) in accounts receivable (including related parties)	5,136	(2,305)
Increase in other receivables	(1,603)	(113)
Increase in inventories	(18,851)	(11,680)
Increase in other current assets	(8,110)	(23,574)
(Decrease) increase in contract liabilities	(2,483)	494
Increase (decrease) in notes payable (including related parties)	969	(864)
(Decrease) increase in accounts payable (including related parties)	(34,659)	5,030
(Decrease) increase in other payables	(11,171)	24,233
Increase in other current liabilities	117	210
Total changes in operating assets and liabilities	<u>(66,595)</u>	<u>(8,317)</u>
Total adjustments	<u>(59,539)</u>	<u>(8,148)</u>
Cash flows from operations	17,693	95,207
Interest received	2,238	3,379
Interest paid	(27)	(82)
Income tax paid	(8,293)	(9,856)
Net cash flows from operating activities	<u>11,611</u>	<u>88,648</u>

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

TSH Biopharm Corporation Ltd.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(\$ 90,567)
Proceeds from disposal of financial assets at fair value through other comprehensive income	182,784	-
Proceeds from disposal of financial assets at fair value through profit or loss	4,316	(-)
Acquisition of property, plant and equipment	(1,916)	(2,997)
Decrease in guarantee deposits paid	739	1,124
Acquisition of intangible assets	(463)	(141)
Decrease in other financial assets - current	41,909	71,268
Decrease in other financial assets - non-current	421	-
Dividends received	6,420	6,315
Net cash flows from (used in) investing activities	<u>234,210</u>	<u>(14,998)</u>
Cash flows used in financing activities:		
Payments of lease liabilities	(4,215)	(4,371)
Cash dividends paid	(69,117)	(61,437)
Net cash flows used in financing activities	<u>(73,332)</u>	<u>(65,808)</u>
Net increase in cash and cash equivalents	172,489	7,842
Cash and cash equivalents at beginning of year	224,212	216,370
Cash and cash equivalents at end of year	<u>\$ 396,701</u>	<u>\$ 224,212</u>

